

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

November 8, 2024

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Ref No. GL6056 & GL6081

Oahu

Amend (i) General Lease No. S-6056 Issued to Waimanalo Health Center for Community Services Purposes, Waimanalo, Koolaupoko, Oahu, Tax Map Keys: (1) 4-1-009:279 and 282, and (1) 4-1-015:023; and (ii) General Lease No. S-6081 Issued to The Episcopal Church in Hawaii for Landscaping Area of the Church and School Grounds Purposes, Honolulu, Oahu, Tax Map Key: (1) 2-1-018:051

The purpose of amending the documents is to change the lease language for future rental reopenings so that such reopenings will be based on the Board's then prevailing minimum rent policy.

APPLICANT:

- 1) General Lease No. S-6056: Waimanalo Health Center, a Hawaii nonprofit corporation and an Internal Revenue Code Section 501(c)(3) tax-exempt organization.
- 2) General Lease No. S-6081: The Episcopal Church in Hawaii, a Hawaii nonprofit corporation and an Internal Revenue Code Section 501(c)(3) tax-exempt organization.

LEGAL REFERENCE:

Sections 171-6 and -43.1, Hawaii Revised Statutes ("HRS"), as amended.

LOCATION:

- 1) Portion of a Government (Crown) Land of Waimanalo, Waimanalo, Koolaupoko, Oahu, identified by Tax Map Keys: (1) 4-1-009:279 and 282; and (1) 4-1-015:023, as shown on the attached map labeled **Exhibit A**.
- 2) Portion of lands situated in Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-018:051, as shown on the attached map labeled **Exhibit B**.

AREA:

- 1) 3.76 acres, more or less.
- 2) 25,193 square feet, more or less.

ZONING:

- 1) State Land Use District: Urban
City and County of Honolulu CZO: R-5 (Residential)
- 2) State Land Use District: Urban
City and County of Honolulu CZO: P-2 (Preservation)

TRUST LAND STATUS:

1. TMK: (1) 4-1-009:279 – Section 5(b) lands of the Hawaii Admission Act.
TMK: (1) 4-1-009:282 – Section 5(e) lands of the Hawaii Admission Act.
TMK: (1) 4-1-015:023 – Acquired after Statehood.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:
No.

2. Section 5(b) lands of the Hawaii Admission Act.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:
No.

CHARACTER OF USE:

1. Community Services purposes.
2. Landscaping Area of the Church and School Grounds purposes.

TERM OF LEASE:

1. Sixty-five years, commencing January 1, 2015 to December 31, 2079.
2. Sixty-five years, commencing September 1, 2015 to August 31, 2080.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules ("HAR") § 11-200.1-15 and -16 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 1, that states, "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features , involving negligible or no expansion or change of use beyond that previously existing". Part 1, Item 40, that states, "Leases of state land involving negligible or no expansion or change of use beyond that previously existing." The subject request is a de minimis action that will probably have minimal or no significant effect on the environmental and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR, as a de minimis action.

DCCA VERIFICATION:

Both applicants:

Place of business registration confirmed:	Yes
Registered business name confirmed:	Yes
Applicant in good standing confirmed:	Yes

BACKGROUND:

GENERAL LEASE NO. S-6056 - WAIMANALO HEALTH CENTER:

At its meeting on April 25, 2014 under agenda item D-13, the Board of Land and Natural Resources ("BLNR") authorized the issuance of a sixty-five (65) year direct lease to the Waimanalo Health Center for Community Services purposes.¹ General Lease No. S-6056 was issued January 1, 2015 and was amended in July 13, 2020 to expand the lease area to include lands previously conveyed by quitclaim deed executed by the General services Administration on behalf of the Federal Government.

GENERAL LEASE NO. S-6081 - THE EPISCOPAL CHURCH IN HAWAII:

At its meeting on October 10, 2014 under agenda item D-2, BLNR authorized the issuance of a sixty-five (65) year lease to The Episcopal Church in Hawaii for Church and School purposes.²

1 Board submittal can be downloaded from <https://files.hawaii.gov/dlnr/meeting/submittals/140425/D-13.pdf>
2 Board submittal can be downloaded from <https://files.hawaii.gov/dlnr/meeting/submittals/141010/D-2.pdf>

DISCUSSION:

Rent for the above leases was set at \$480.00 per year, further subject to rental openings every 10 years during the lease term. The specific language in the lease regarding reopening states, “the Board may determine the rental for an ensuing period to be discounted rent value attributable to the Lessee’s non-profit corporate status. If the Board has not made such a determination by eight (8) months prior to the reopening date, then the rent shall be the fair market rental at the time of reopening.”

The current language in the Department of the Attorney General’s template for non-profit leasing provides, “The annual rent reserved shall be reopened and redetermined on every tenth (10th) year during the term of the lease, subject to the Board policy on minimum rent applicable at the time of reopening.” It does not require the eight (8) months advance determination by the Board as provided in the subject leases.

Staff believes the current template language is preferred and easier to administer, further noting that the Waimanalo Health Center continues to provide health care services to the community at large, regardless of the ability to pay. The Episcopal Church in Hawaii through their many churches provides meals to families in need, collect and donate school supplies to the Kalihi-Waena Elementary and Central Middle School where over 80% of the children are below the Federal poverty level, and assists families transitioning from homelessness to sustainable living arrangement, etc.

At the time of writing this submittal, all tenants are compliant with the terms and conditions of their leases and have not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions. There are no other pertinent issues or concerns, and staff recommends the Board authorize the requested amendment approve the request.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1-15 and -16, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment as a de minimis action.
2. Authorize the amendment of General Leases No. S-6056 and S-6081 by deleting the paragraph relating to the determination of rent upon reopening in both leases in its entirety and replacing it with the following: “The annual rent reserved shall be reopened and redetermined on every tenth (10th) year

during the term of the lease, subject to the Board policy on minimum rent applicable at the time of reopening," subject to the terms and conditions cited above, and further subject to the following:

- a. The most current amendment of lease form, as may be amended from time to time;
- b. Review and approval by the Department of the Attorney General; and
- c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



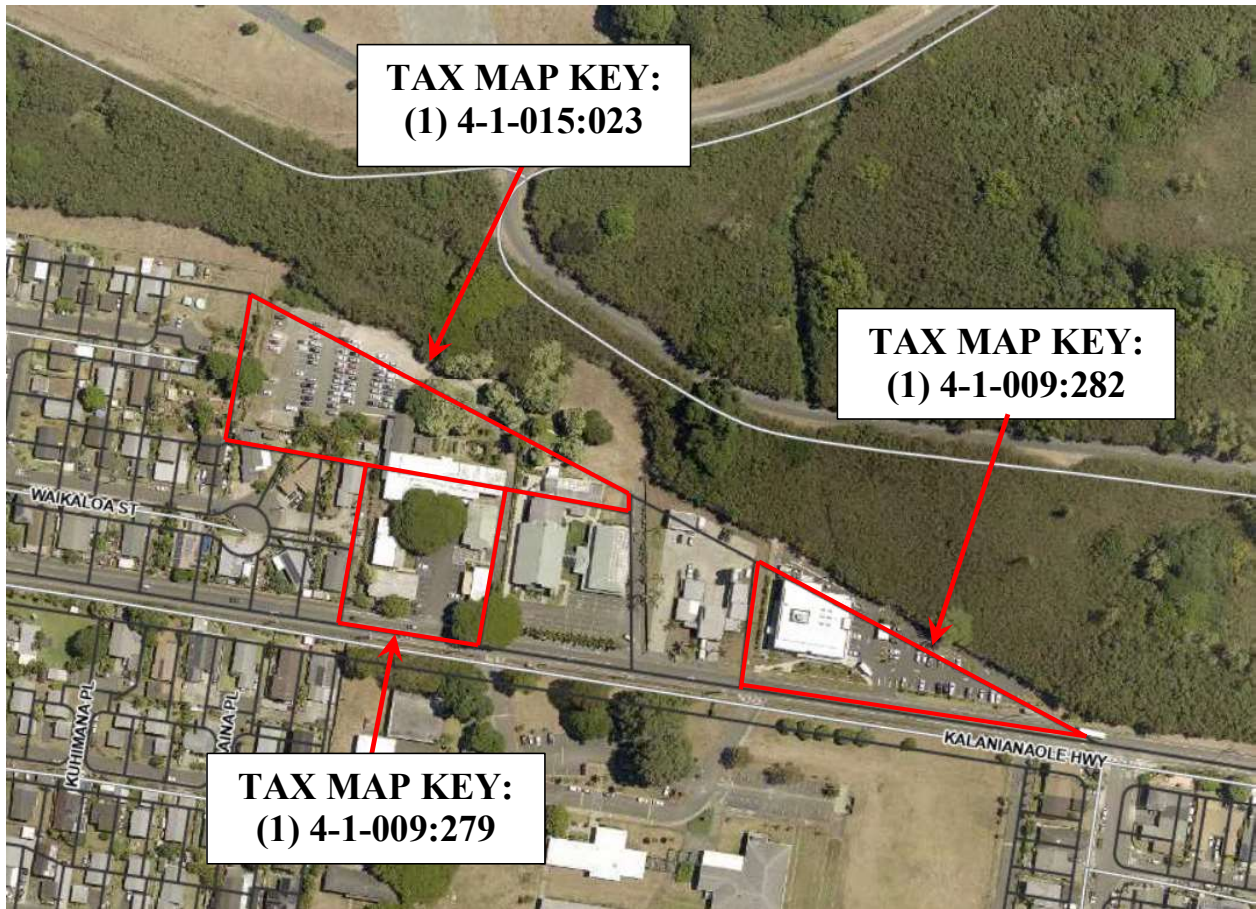
Patti E. Miyashiro
Land Agent

APPROVED FOR SUBMITTAL:



Dawn N. S. Chang, Chairperson *RT*





TAX MAP KEYS: (1) 4-1-009:279 & 282; 4-1-015:023

EXHIBIT A



TAX MAP KEY: (1) 2-1-018:015

EXHIBIT B