

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

April 11, 2025

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

PSF No.: 25HD-004

HAWAII

Approve the Issuance of a Governor's Executive Order Setting Aside Land and General Lease No. S-4357, Daughters of Hawaii, Lessee, to State of Hawaii, Department of Land and Natural Resources, Division of State Parks for Educational Purposes and the Preservation, Maintenance and Operation of a Historical Site for the Perpetuation of Hawaiian History, Keopu 2nd and 3rd, North Kona, Hawaii, Tax Map Key: (3) 7-5-007:020.

APPLICANT:

State of Hawaii Department of Land and Natural Resources, Division of State Parks.

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Keopu 2nd and 3rd, situated at North Kona, Hawaii identified by Tax Map Key: (3) 7-5-007:020, as shown on the attached map labeled Exhibit A.

AREA:

1.284 acres (55,931 sq. ft.), more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: Open

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act

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

CURRENT USE STATUS:

The subject parcel is encumbered by General Lease No. S-4357 to Daughters of Hawaii, an eleemosynary corporation, for educational purposes and the preservation, maintenance and operation of a historical site for the perpetuation of Hawaiian history.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-15 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 No. 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," and Part 1, Item 36 that states, "Transfer of management authority over state-owned land, such as setting aside of state lands to or property removal, and other administrative measures." This executive order set-aside is a de minimis action that would probably have minimal or no significant effect on the environment 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.

REMARKS:

On September 22, 1927, the Governor issued Executive Order No. 299 (EO299) to the Daughters of Hawaii for the management of Hulihee Palace in Kailua-Kona.

On June 10, 1971, under agenda Item F-6, the Board approved the issuance of a direct lease, General Lease No. S-4357 (GLS-4357), to Daughters of Hawaii for educational purposes and the preservation, maintenance, and operation of a historic site for the perpetuation of Hawaiian history, pursuant to Act 100, Session Laws of Hawaii (SLH) 1971¹ and such other applicable provisions of

¹ ACT 100, Session Laws of Hawaii 1971 (House Bill No. 389) is a Bill for an Act relating to lease of public lands to eleemosynary organizations, amending Section 171-43.1, Hawaii Revised Statutes (HRS), Lease to eleemosynary organizations. The Board may lease, by direct negotiation and without recourse to public auction, public lands to be used for charitable, religious or educational purposes to eleemosynary

Chapters 171 and 235, HRS, for sixty-five (65) years commencing on August 25, 1972 and expiring on August 24, 2037. At the time, Hulihee Palace required extensive repair as soon as possible, which would require a significant fundraising effort to supplement funds that were available at the time. In order to justify these expenditures, in addition to on-going expenses of maintenance/operation and in order to provide expanded public service in the areas of education and research, the Daughters of Hawaii desired a tenure other than that afforded by an executive order.

On August 24, 1972, the Governor cancelled EO299 in order for the property to be leased to the Daughters of Hawaii pursuant to Section 171-43.1 HRS.

By letter dated June 5, 2023, the State of Hawaii, Department of Land and Natural Resources, Division of State Parks (DSP), requested a set-aside, by Governor's Executive Order (EO), of GLS-4357.

DSP implements a Culture and Recreation program with the objective of enriching the lives of people of all ages by providing opportunities and preserving facilities for cultural and recreational activities encompassing both Hawaii's exceptionally rich natural history and its human cultural heritage. DSP currently manages the leases for Iolani Palace to the Friends of Iolani Palace, and Queen Emma Summer Palace to the Daughters of Hawaii. DSP has also invested staff time, processed Grants-In-Aid and managed Capital Improvement Projects for both Queen Emma Summer Palace and the Hulihee Palace for years. The transfer of Hulihee Palace would fittingly place it within DSP's Culture and Recreation Program and align it with the other important historical sites it manages.

As requested by DSP, pursuant to the staff recommendation below, the subject property and GLS-4357 to the Daughters of Hawaii would be set aside to DSP.

RECOMMENDATION:

1. That the Board declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, 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. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands and General Lease No. S-4357, Daughters of Hawaii, Lessee, to State of Hawaii, Department of Land and Natural Resources,

organization which has been certified by the Director of Taxation to be tax exempt under Section 235-9(a)(32), HRS.

Division of State Parks under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:

- A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
- B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
- C. Review and approval by the Department of the Attorney General; and
- D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Dan Gushiken

Dan K. Gushiken
Land Agent

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APPROVED FOR SUBMITTAL:



Dawn N. S. Chang, Chairperson







