

**MINUTES FOR THE
MEETING OF THE
BOARD OF LAND AND NATURAL RESOURCES**

DATE: FRIDAY, OCTOBER 27, 2006
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HI 96813

Chairperson Peter Young called the meeting of the Board of Land and Natural Resources to order at 9:05 a.m. The following were in attendance:

MEMBERS

Mr. Peter Young
Mr. Ron Agor
Mr. Samuel Gon III

Mr. Tim Johns
Mr. Jerry Edlao
Mr. Robert Pacheco

STAFF

Ms. Charlene Unoki, Land
Mr. Dan Quinn, State Parks

Mr. Sam Lemmo, OCCL

OTHERS

Ms. Linda Chow, Deputy Attorney General
Mr. Russ Saito, D-8
Ms. Sally Moses, D-5
Ms. Chantel Dunlap, D-6
Ms. Christina Vebelein, D-1

Ms. Christine Kinimaka, D-8
Mr. Stan Fujimoto, D-4
Ms. Annette Wong, D-1
Ms. Debbien Gowensmith, B-1

{Note: language for deletion is [bracketed], new/added is underlined}

Item A-1: Minutes of October 13, 2006

The Board:

Amend Board Action for C-1, page 9:

“The Board:

Amendment to the Purpose of Request

- “1. Revised FSP Handbook (exhibit I, page 22). The suggested changes are:**
- a. Increased hold down or cost share rates to more closely match numerous other landowner assistance program rates and inflation increases. The new**

hold down/cost share rates are consistent with provisions of HRS Sec 195F-6.”

~~["3. ... Therefore, some private landowners are choosing to utilize other programs that have shorter contract terms and often have lower cost share rates. The objectives do not include commercial timber production to enter into contracts with term lengths ranging from 10-30 years. The 30-year contract term requirement would remain in effect for landowners who will include a commercial timber production component in their scope of work."]~~

Amend the following recommendations:

1. Recommendation 1)

"1. Approve the Revised Forest Stewardship Handbook and authorize the Chairperson to approve future minor edits to the Handbook."

2. Recommendation 3)

"3. [~~Allow flexibility (<30 years) in length of some of the FSP contracts]~~ Amend the Board action of May 24, 2002 to allow contract terms ranging from 10-30 years for applicants whose proposals do not include a commercial timber production component."

Amend page 1 to clearly state that the executive session held was in regards to Item D-16.

"Item D-16 Reconsideration of Prior Board Action of July 14, 2006, Item D-6, and Reinstatement of General Lease S-5707, and Consideration and Decision Making on Allowable Uses under General Lease S-5707; All Tree Services, Inc., Waimanalo, Koolaupoko, Oahu, TMK: (1) 4-1-10:048 (ADMINISTRATION/Russell)"

Amend Board Action for Item D-16, Page 7:

"The Board:

Upon the advice of counsel, the Land Board: (i) reconsidered its prior board action of July 14, 2006 that had resulted in a lease forfeiture, and instead reinstated General Lease S-5707 to All Tree Services, Inc; (ii) authorized the Department of the Attorney General to work with counsel for All Tree Services, Inc. in drafting the appropriate settlement documents that would provide for, among other things, [~~the legal and appropriate uses under General Lease S-5707]~~, and that the lawsuit [~~shall] would be dismissed with prejudice, with each party bearing their own attorneys' fees and costs; and (iii) authorized the Chairperson to approve and execute the settlement documents on behalf of the Land Board."~~

Unanimously approved as amended (Johns, Gon)

Item B-1 Approval to enter a grant-in-aid agreement with the Community Conservation Network

Jennifer Bethel, Project Coordinator, on behalf of the Division of Conservation and Resource Enforcement (DOCARE) reported that the Community Conservation Network (CCN) is appropriated \$50,000 of general funds under Act 178 and Act 150 of the State. The Legislature in 2006 granted this money to help support the operating expenses of the organization.

Written testimony of support provided by Kem Lowry, Board Chair of CCN

Unanimously approved as submitted (Johns, Edlao)

Item D-5 Forfeiture of General Lease No. S-4890, Millicent U. Crawford, Lessee, Maunalaha Homesites, Opu, Makiki, Oahu, TMK: (1) 2-5-24:07. (ODLO/AI)

Charlene Unoki, Assistant Administrator for the Land Division, reported that Ms. Crawford's liability insurance has expired and her rent is \$60 in arrears. Staff report originally asked for forfeiture but due to Ms. Crawford's age and lack of understanding the implications of losing this lease, Staff is now requesting to delay this item for 60 days to allow Staff to work with Ms. Crawford's family members.

Testimony was provided by Sally Moses on behalf of Ms. Crawford. Ms. Moses stated that communication between the various State and City agencies have been very confusing for Ms. Crawford. Upon attempting to record her assignment in March 2004 at the Bureau of Conveyances, she was told she owed \$100 rather than \$50 due to her brother's previous documents not being recorded. She was not given a satisfactory explanation as to why she owed more so she left without paying anything. Ms. Crawford was also confused about her land taxes because a neighbor informed her that the land she was on was not registered at the City and County tax office and nobody occupied the land. Based on this misinformation, Ms. Crawford stopped her insurance policy and did not pay the lease. Ms Moses believes this is all misunderstandings and Ms. Crawford does not want her lease to be forfeited.

The Board:

Deferred for 60 days

Unanimously approved as deferred (Johns, Gon)

Item D-6: Consent to Assign General Lease No. S-5713, Hui Ku Maoli Ola LLP, Assignor, to Burke Dunlap, Assignee, Waimanalo, Koolaupoko, Oahu, TMK: 4-1-10:026. (ODLO/Cecil)

Ms. Unoki reported that Mr. Dunlop is a qualified farmer and has another state lease under a different name, Progressive landscaping. He is requesting the Waimanalo property because he is in need of additional land. He does have to pay a sub-premium, but the lease assignment premium is to be paid by Hui Ku Maoli Ola LLP. Hui Ku Maoli Ola, LLP, was the second highest bidder behind All Trees, for a different property in Waimanalo, therefore, Member Gon asked if the premium could be waived. The attorney general, Linda Chow reported this was not possible because it is set in statute. Ms. Unoki reported that the applicants are doing very well right now and would like to get out of this lease as quickly as possible so they can focus on their other projects.

Unanimously approved as submitted (Johns, Edlao)

Item D-4 Amend Prior Board Action of October 12, 2001 (Item D-7), Set Aside to Housing and Community Development Corporation of Hawaii for Affordable Rental Housing Project; Authorize Hawaii Housing Finance and Development Corporation to Cancel, Create, or Relocate Any Easements Incidental To and Necessary for the Senior Residence at Iwilei Project; and Authorize Hawaii Housing Finance and Development Corporation Condominium Property Regime for the senior Residence at Iwilei Project, Honolulu, Oahu, TMK:(1) 1-5-7:portion 1 and 2. (ADMINISTRATION/Charlene)

Ms. Unoki reported that land was set aside to the Housing and Community Development Corporation of Hawaii at a site in Iwilei. The developer for this project ran into some problems. There were easements that need to be extinguished and other easements that needed to be relocated. Prior Board action only gave approval to only some of the easements. Staff is requesting for an expansion so the applicant can do everything and anything necessary to move this project forward. The applicant is also requesting a condominium property regime because of financing and the different uses that is going to be occurring on the property. Ms. Unoki emphasized that this is a very worthy project.

Unanimously approved as submitted (Johns, Edlao)

Item D-8 Request to Amend Prior Board Action of February 26, 1999 (Item D-14) Concerning Acquisition of Private Lands and Set Aside to the Hawaii State Judiciary for Development of the Kapolei Judiciary Complex in the City of Kapolei, Island of Oahu. TMK: 9-1-16: Por. 1 (PROJECT DEVELOPMENT/Barbara)

Ms. Unoki gave some background information and stated that this started back in 1988 when Campbell Estates was reclassifying their agricultural zoned lands to urban. Part of the land use commission order was they provide 40 acres to the State. There was an

agreement letter brought before the Board and over the years, the State has received about 7 acres for the DAGS office building in Kapolei, 3 acres for the DOE library, and recently 15 acres for the judiciary site. The letter of agreement has been revised and Staff is asking the Board for approval of this new letter so the judiciary can go forward. The Attorney General's office has reviewed the agreement.

Unanimously approved as submitted (Johns, Gon)

Item D-1 Annual Renewal of Revocable Permits on the Islands of Hawaii, Maui, Molokai, Kauai, and Oahu (APPRAISER/Cyrus)

Member Johns recused himself

Ms. Unoki reported that there are 416 month-to-month revocable permits up for renewal. Staff's appraiser reviewed the commercial and industrial tenants and recommended a 3% increase in rent. The City is asking Staff to remove one tenant because of unpaid property tax. Therefore, Staff is asking for approval of everything, except revocable permit number 7108, issued to New Kapahulu Business Association, who owes over \$9,000 in real property tax.

The Board:

P No. S-7108 issued to New Kapahulu Business Association was removed from the list due to City and County of Honolulu concern this tenant owed delinquent real property taxes.

Unanimously approved as amended (Agor, Gon).

Item D-2: Consent to Sale of Leasehold by Agreement of Sale for General Lease NO. S-3875, Kanoelehua Industrial Lots, Waiakea, South Hilo, Hawaii, TMK: (3) 2-2-50:93. (HDLO/Gordon)

Ms. Unoki reported that the applicant's/party's name is Alternative Energy Marketing Inc. A representative was present and agreed with Staff's recommendations.

Approved as submitted (Pacheco, Johns).

Item M-1: Amendment No. 3 to Retail Concession Lease No. DOT-A—1-0003 DFS Group L.P., Honolulu International Airport.

Unanimously approved as submitted (Johns, Agor)

Item D-7: Sale of Reclaimed Land to Eddie D. Holmes and Lorraine M. Holmes, Kahului, Oahu, TMK: 4-7-10:13, seaward. (ODLO/AI)

Staff is asking for deferral until the November 17th meeting because Mr. Holmes would like to fly in from California to be present before the Board.

The Board:

Deferred to the November 17, 2006 Land Board meeting

Unanimously approved as deferred (Johns)

Item D-3: Amend Prior Board Action of June 23, 2006, Item D-1, Amend General Lease No. S-5619, Natural Energy Laboratory of Hawaii Authority, Covering Portions of Government Lands at Hamanamana, Kalaoa 1st-4th and Ooma 1st-2nd, North Kona, Hawaii, TMK: (3) 7-3-09: and 7-3-43 (HDLO/Wesley)

Item D-9: After-the-Fact Grant of Term Easement to the United States of America, Department of the Navy for Chain Link Fence Purposes at Waikele, Ewa, Oahu, TMK: (1) 9-4-12:portions of 3 & 11. (ODLO/Steve)

Unanimously approved as submitted (Johns, Edlao)

Item E-1: Request Approval to Enter into a Memorandum of Agreement between State of Hawaii, Department of Land and Natural Resources, and Hawai'i Maoli to Undertake Repair and Renovation Projects at the Royal Mausoleum at Mauna'ala, Nu'uuanu, O'ahu (TMK: .2-2-021: 012).

Unanimously approved as submitted (Johns, Gon)

Item L-1: Request to Hire a Consultant for the National Flood Insurance Program (NFIP) Internet Map GIS Server Application Project – Job No. J33NS50A.

Unanimously approved as submitted (Johns, Edlao)

Item K-1: Request to Extend the Processing Period for an Additional 90-days for Conservation District Use Application HA-3250 for the Commercial Use of Hand Quarried Volcanic Ash on State Land Located at Pu'u Nene, Humu'ula, North Hilo, island of Hawai'i TMK: (3) 3-8-001:001

Unanimously approved as submitted (Johns, Gon)

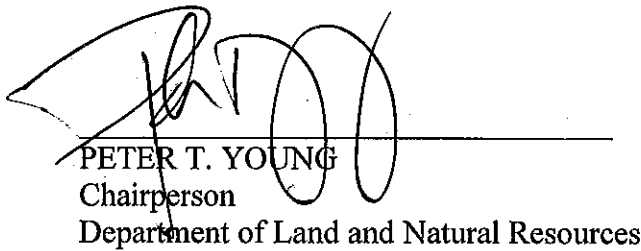
There being no further business, Chairperson Young adjourned the meeting at 9:30 a.m. Tapes of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lauren E. Yasaka", written over a horizontal line.

Lauren Yasaka

Approved for submittal:

A handwritten signature in cursive script, appearing to read "Peter T. Young", written over a horizontal line.

PETER T. YOUNG
Chairperson
Department of Land and Natural Resources