

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

DATE: THURSDAY, FEBRUARY 12, 2009
TIME: 4:00 P.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HI 96813

Chairperson Laura Thielen called the meeting of the Board of Land and Natural Resources to order at 4:00 p.m. The following were in attendance:

MEMBERS

Laura Thielen
Jerry Edlao

Rob Pacheco
Ron Agor

STAFF

Curt Cottrell, DOFAW/SP
Ken Kawahara, DEPUTY OF CWRM
Ed Underwood, DOBOR
Bill Andrews, DOBOR
Laura Stevens, ADMIN
Bin Li, ADMIN

Eric Hirano, ENG
Russell Tsuji, DEPUTY OF LD
Morris Atta, LD
Paul Conry, DOFAW
Debbie Ward, ADMIN

OTHERS

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

1. Briefing regarding "Recreational Renaissance" by Department of Land and Natural Resources Staff.

DOCUMENTS TO BE DISTRIBUTED.

Chair Thielen said that Member Tim Johns won't be here, but he asked to have his own briefing.

Packets were distributed to the Board members.

Curt Cottrell representing DOFAW/SP apologized for staff's neglect in informing the Board. Staff came up with an acronym – REC REN. This is the first time five different divisions: Land, Engineering, Forestry and Wildlife, Division of Boating and Ocean Recreation and State Parks are working together for the same goal. With the State's financial climate this is the best and only time the Department can do this.

1. Aging Infrastructure - Staff will be coming before the Board on repairing infrastructure for State Parks and Boating.
2. User Fees – Staff will levy user fees to visitors only. May need to close State Parks because there is no revenue to maintain all the parks and that is why the user fees.
3. Statewide Meetings - Briefings to staff in Lihue and public outreach groups. Tomorrow there will be a public informational briefing on the radio and staff will solicit comments.
4. Posters displayed – Sand Island project and Ala Kahakai in Kona, before and after.
5. Press Conference at the State Capitol had a good turn out by the Governor, legislators, user groups and charter schools.

A Power Point presentation on Recreational Renaissance.

6. Legislature – There is support from the House and staff is coaching the Senate.
7. Special Fund – Staff is asking for \$40 million, \$20 million the first year and \$20 million the second year in geo-bonds diverting commercial real estate or revenue from Land Division into a special fund which is this push at the legislature. Creating this special fund will hold the revenue and at the same time protect it. It is a fund that will fill up as we go to pay off the debt service and is secure for the Department.

Russell Tsuji, Deputy for Land, distributed three handouts explaining that one spread sheet is for the Debt Service Schedule, one for the Biennial Budget and a third is the Sample Property List. There are four bills at the legislature where H.B. 980 is the only one moving to House Finance. Part of the bill is the funding mechanism which calls for \$240 million dollars of capitol improvement projects, \$40 million of geo-bonds, and \$200 million in geo-reimbursables which the Department will pay back over a 20 year period. The 1st spread sheet shows the full \$200 million in geo-reimbursables, the 2nd spread sheet is what staff is asking from the legislature which is a biennial budget for 2010 and 2011. \$67 million of geo-reimbursables needs to be paid back. The reason for this is because the legislature is only authorized to do it on a biennial basis. The full \$200 million is spread over a five year period and staff will have to go back to the legislature to ask for further appropriations. At that time staff anticipates the legislature will have a second opportunity to review their financial plan to be sure they are generating the revenue to pay the debt service.

Recreational Special Fund –

Staff is asking for a new Recreational Special Fund and was approved by DAGS and Budget and Finance for one time cash infusion for certain sales.

- Kamamalu Building - Will be turned back to DLNR for sale or lease and those revenues would be deposited into the special fund.
- Crock Site - The Crock site at Kapolei recently closed and the money is being held in the special land development fund. When the bill passes \$1.5 million will transfer to the new special fund.
- 2006 FEMA Reimbursements - \$1.7 million from the 2006 floods have been approved.
- Miscellaneous - There are some miscellaneous DLNR accounts staff will ask to transfer to the fund as one time cash infusions.

Long Time Income –

Long time income sources to pay debt service will evolve from Land Division noted in the Sample List. There is a variety of short, mid-term and long term properties where some are more readily to go than others. If the rental property is vacant probably need an auction to find a lessee. Some long term properties might need a development agreement with the lessee using Jacoby as an example. Land Division's Income Production Team has assisted other Divisions in their income production capacity like State Parks on RFP concessions and DOBOR with Ala Wai.

Entry Fees -

State Park's proposal is entry fees for tourists at high visitor destinations. Kokee/Waimea Canyon, Haena, Iao Valley, Akaka Falls, Kekahakai, Makena State Park, Nuuanu Pali, and Ka Iwi is subject to change.

Other Fees -

State Parks is proposing moderate increases in camping fees. Also, eco-tourism van fees. Boating's plan is geared toward development of existing fast lands. It was requested to change mooring fees in the bill to go by appraisal instead of rule making. There is statutory language authorizing Boating Division to recover all its water and electrical charges, but because of the rule those charges are set rather than matching increases by the utility companies.

Triangle Island –

A map was displayed. These are submerged lands of coral in Keehi which was a DOT plan to fill and develop as an industrial park and marina. Some background was reported. There are environmental issues with Hawaiian stilts, green sea turtles and coral. Another habitat would need to be created if one is taken away and a conservation marine district was suggested. Area D would have some development. Chair Thielen noted that the \$240 million dollars does not rely on this project. It is only a sample.

There was some discussion about the Recreational Special Fund going to various divisions.

Mr. Cottrell described Engineering Division's bundling of projects.

Eric Hirano of Engineering Division was given three questions or tasks.

1. Can engineering do these projects?
2. To come up with a plan on how they will do it.

3. After building or upgrading facilities the Divisions will come up with an Asset Management Plan to maintain them. Engineering was asked to oversee the Asset Management Plan on a global basis. Every 10 years a roof would need to be redone.

Basis for CIP Implementation –

Two handouts were distributed. POMP is Recreational Renaissance.

- Current Implementation of CIP Projects
- POMP Implementation of CIP Projects
 - Bundling projects makes more sense.
 - Pros and Cons

Engineering is asking the legislature to lump sum the projects which would give staff flexibility.

- Ocean Recreation Highlights
- Parks/Forestry/Stewardship Group Highlights

Recreational Modernization Plan – Projects Ready to Bid in FB 2009-2011

If the money is approved Engineering will be taking about \$31 million dollars in projects out to construction which would show the public that DLNR is improving the facilities.

Member Agor asked whether projects can be limited to local businesses. Chair Thielen said it can be a small business preference.

There was some discussion about pursuing agricultural land and not prime ag land.

Mr. Hirano said it was recommended the Department hire a consultant to assess all the Department's lands to see what is available and its best use.

There was discussion about listing specifically what the Recreational Special Fund is. All the current DLNR funds will stay in place. There is language generated that directs monies to the Recreational Special Fund which was created by each Division. It has to pay the debt service. People will want to develop lands to create jobs.

Also, development of a land management computer system and Land Division will coordinate with other Divisions.

Ed Underwood for Division of Boating and Ocean Recreation reported that his staff is excited about this and are ready. An admin. rule package with 80 amendments is with the AG's Office where fees will be by appraised values at public amounts and allow commercial vessels at Keehi and Ala Wai. The Board will determine where these vessels will moor. Mr. Underwood pointed out improvements on the Keehi map. There will be more shoreline/beach access.

Mr. Cottrell described improvements on the Sand Island map.

Mr. Tsuji explained the CIP and the relocation of the small boat harbor at Keehi. Currently, Ala Wai and Keehi don't allow commercial vessels.

Mr. Cottrell informed the Board on the Ala Kahakai concept designated from Hapuna Beach to Kekahakai by setting up a 30 mile hiking experience with kayak. This would be the only National Historic Trail in Hawaii. Staff is working with the National Park Service to bring in funding, signage, maintenance and work with the community. This will have an MOU with the county, State and National Parks.

Public Meetings –

Kauai – February 13, 2009

Maui – February 20, 2009

Big Island – February 27, 2009

Main thing is to show the public that the fees are not that scary mimicking the Diamond Head fees. This is not for the Department to commercialize.

Member Pacheco asked about having a camp site at Pu'u Wa'a. Mr. Cottrell said it is part of the process and is in the planning phase.

Chair Thielen said what would be the proper designation that would drive that park in the future. The reason for a five year CIP is to show what is being planned. The reason for charging tourists is because the residential counts are not that high.

Mr. Hirano said that as soon as the money is appropriated they will begin.

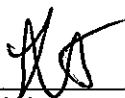
There being no further business, Chairperson Thielen adjourned the meeting at 5:35 p.m. Recordings of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Adaline Cummings
Land Board Secretary

Approved for submittal:



Laura H. Thielen
Chairperson
Department of Land and Natural Resources