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

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

Chairperson Peter Young called the meeting of the Board of Land and Natural Resources to order at 9:08 a.m. The following were in attendance:

MEMBERS

Mr. Peter Young
Mr. Gerald DeMello
Mr. Ron Agor
Mr. Tim Johns
Mr. Toby Martyn
Ms. Taryn Schuman

STAFF

Mr. Sam Lemmo, OCCL
Mr. Francis Oishi, DAR
Mr. Charlene Unoki, Land
Mr. Richard Rice, DOBOR

OTHER

Mr. Colin Lau, Deputy Attorney General
Mr. Sidney Fuke, D-3
Mr. Keola Nakanishi, K-2
Ms. Alyssa Miller, F-2
Mr. Peter Maiopo, F-2
Ms. Kim Hun, F-2
Mr. Fred Madlener, F-2, J-2
Ms. Carol Wilcox, F-2
Mrs. Linda Shay Flanders, F-2
Mr. Peter Schall, J-2, 3, 4
Mr. Art Stonehill, J-2
Ms. Randy Allen, J-2
Ms. Charlian Wright, J-2
Ms. Muriel Anderson, J-2
Mr. Alan Cambra, J-2
Mr. Bob Hampton, J-2
Mr. Michael Yamasaki, D-7
Mr. Gerald Park, K-3
Mr. Tony Costa, F-2
Dr. Jim Anthony, F-2
Mr. Jason Philibotte, F-2
Mr. Terry George, F-2
Mr. Kurt Flanders, F-2
Mr. Bruce Anderson, F-2
Ms. Lavonne West, J-2
Mr. Robert Globetrotter, J-2
Mr. Rick Egged, J-2
Mr. Jim Mazur, J-2
Mr. Robert Finley, J-2
Mr. Clayton Tsuchiyama, J-2
Mr. Paul Wilson, J-2

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

Item A-1: Minutes of December 9, 2005

Member Schuman recused herself.

Unanimously approved as submitted by the remaining Board members (Johns/Yamamura).

Item A-2: Minutes of January 13, 2006 briefing

Motion to defer.
Unanimously approved to defer (Agor/Johns).

Item A-3: Minutes of January 13, 2006

Member Yamamura recused himself.

Unanimously approved as submitted by the remaining Board members (Johns/Schuman).

Item D-3: Approval in Principle of Direct Lease to Hospice of Hilo, Waiakea, South Hilo, Hawaii, TMK: (3) 2-4-01:24.

The Board amended Recommendation 1.a and 1.b. as follows

1. "a. At its own cost, Hospice of Hilo shall pursue satisfactory compliance with Chapter 343, HRS and obtain a FONSI within [8] 12 months of the Board's approval;"

2. "b. Should Hospice of Hilo fail to obtain satisfactory compliance with chapter 343, HRS, within [8] 12 months, the Board's approval shall be considered rescinded;"

Unanimously approved as amended (Johns/Yamamura).

Item D-7: Issuance of Right-of-Entry Permit to URS Corporation on Lands Encumbered by General Leases, Maunalaha, Honolulu, Oahu, Tax Map Key: (1) 2-5-24:various.

Unanimously approved as submitted (Johns/Schuman).

Item K-1: **Conservation District Use Application (CDUA) HA-3247 for the Replacement of Pi'ihonua Reservoir No. 2 for the County of Hawaii, Department of Water Supply Located at Pi'ihonua, South Hilo, Island of Hawaii, TMK: (3) 2-3-030:005.**

Unanimously approved as submitted (Johns/Schuman).

Item K-2: **After the Fact Conservation District Use Application (CDUA) OA-3268 for the Halau Ku Mana New Century Public Charter School located at 3737 Manoa Road, Manoa, Island of Oahu, TMK:(1) 2-9-054:018.**

Unanimously approved as submitted (Johns/Schuman).

Item K-3: **Conservation District Use Application (CDUA) MA-3245, Berliner Single Family Residence (SFR), Hana, Maui, TMK: (2) 1-3-009:002.**

Sam Lemmo, Administrator of the Office of Conservation and Coastal Lands (OCCL) let it be known the landowner was previously found to be in violation of our rules by failing to obtain the appropriate approvals for landscaping of the subject area. Upon paying a fine the Board required the landowner to apply for an After the Fact Conservation District Use Application (CDUA) for the landscaping. Mr. Lemmo recommended the Board approve CDUA MA-3245 for the Berliner's request to construct a single family residence in the Hana District, Island of Maui subject to the terms and conditions listed in staff's submittal.

Gerald Park, attorney representing the landowner informed the Board the subject property is located within the County's Special Management area and would like the information in staff's report to be corrected to reflect that change. He also pointed out the County of Maui, Department of Planning has determined the proposed activities is not a development and is therefore exempt from the requirements of Chapter 205A, Hawaii Revised Statutes.

The Board amended "13-5-30 Criteria" as follows:

"3) The proposed land use complies with the provisions and guidelines contained in Chapter 205A, HRS entitled "Coastal Zone Management", where applicable.

The project is [~~not~~] located within the County's Special Management Area. It does comply with the provisions identified in Chapter 205A, HRS in the following areas: Managing Development, and Scenic and Open space Resources."

Unanimously approved as amended (Yamamura/Johns).

Item F-2: Request Approval to Hold Public Hearings to Amend Hawaii Administrative Rules, Chapter 13-75, Rules Regulating the Possession and Use of Certain Fishing Gear, To Further Restrict the Use of Lay Gill Nets and for Prohibiting their Use in Certain Waters of the State.

Francis Oishi, Program Manager for the Division of Aquatic Resources (DAR) announced the proposed amendments would add requirements for the use of lay gill nets. Specifically, the proposed amendments would require the registration and identification of all gill nets, limit the maximum dimensions of lay gill nets, restrict their fishing or soak times, require attendance and inspection of nets when fished, not allow more than four hours of soak time in a 24 hour period of one net per person per day and prohibit the use of lay gill nets in streams and stream mouths. Mr. Oishi went on to say the proposed amendments would also ban the use of lay gill nets in certain waters around the State. Specifically, the proposed amendments would prohibit lay gill net use around the entire island of Maui, and on Oahu between Portlock Point to the Pearl Harbor channel, from Makapu Peninsula to the northern boundary of Bellows Air Force Base, and in Kaneohe Bay between the two ship channels to include Ahu O Laka. Mr. Oishi recommended the Board approve the holding of public hearings for the proposed amendments to the HAR, Chapter 13-75, Rules Regulating the Possession and Use of Certain Fishing Gear, to further restrict the use of lay gill nets and for prohibiting their use in certain waters of the State.

Those present were made aware of the fact that the proposed rules before the Board is the result of an input over a period of time. Mr. Oishi communicated that DAR held two statewide rounds of public meetings in 2002 and 2003.

Alyssa Miller, Coordinator for Malama Maunalua which is a community based coalition of representatives from various groups testified in support of staff's recommendation. It is the hope of Malama Maunalua that through education, outreach and collaboration we can all work toward a culturally and environmentally sustainable Maunalua Bay region that will result in increased fish populations in the area.

Tony Costa, Spokesperson for Hawaii Near Shore Fisherman spoke in opposition of a gill net ban. Mr. Costa made it known he participated in the Gill Net Task Force which met to address various gill net issues and practices that were deemed inappropriate. The Task Force was made up of fifty percent of gill net supporters and fifty percent of that opposed gill net use. Mr. Costa conveyed The Task Force Group has worked long and hard to come up with a thirteen point rule change and agreed to go through the Chapter 91 process to change the rules. This was the last the Task Force heard about those rules as the Department did not move ahead with their proposed rule changes. Mr. Costa pointed out he heard that the Department did not move ahead with the rule changes because of a small but vocal group of supporters who preferred an outright ban on gill nets which were not part of the Task Force groups recommendation. He stated about three years ago the Department decided to go out to public hearings on the proposed rules which are before the Board today. Mr. Costa announced at the public hearings held by DAR in 2002 and 2003 at no time did the public request an outright ban on Mr. Costa believes the rules

before the Board today is a result of a survey conducted by DAR in which 1095 respondents were polled. The results of the survey were broken down island by island. With respect to a one hundred percent ban of gill nets the islands of Maui and Oahu were in favor while Hawaii, Molokai, Lanai, Kauai and Niihau were against the ban. Mr. Costa strongly asked the Board to defer action on this item. With regards to the restriction, he feels they have been tweaked quite excessively. In closing Mr. Costa let it be known he would be happy to participate in hearings to fine tune the rules.

Peter Maiopo, a resident of the North Shore spoke in opposition to the proposed rules and feels the Department should leave things as they are. Mr. Maiopo pointed out the people depend on the fish for food and to make ends meet. He indicated moimoi nets are part of their culture and tradition. He feels all of these restrictions placed on the Hawaiians are too much. They should be allowed to fish the way they want. Mr. Maiopo feels slowly by slowly the Hawaiians are being cut out of their cultural practices. He asked the Board what good are gathering rights when Hawaiians can not practice these rights because of our rules. He asked the Board to respect the Hawaiian culture and think of the Hawaiian people when making rules.

Dr. Jim Anthony, Executive Director of Hawaii Laiekawai Association, Inc voiced his opinion in opposition of staff's recommendation as be believes the Department is premature in holding public hearings on the proposed rule changes. Dr. Anthony expressed concern over what kinds of questions were asked on the questionnaire and whether it a random sampling of the public. He also questioned why DAR did not make available the results of the survey to the public. Dr. Anthony pointed out that there is nothing in the Department's rules that precludes members from the community coming before the Board and offering a counter submittal. Therefore, Dr. Anthony asked the Board to not go forward with public hearings to change the rules until the Department has reliable scientific information to support their proposed changes. With respect to gill nets Dr. Anthony pointed out there is no recognition of the cultural sensitiveness of this issue.

Kim Hun, Director of the Marine Program at The Nature Conservancy of Hawaii testified in support of staff's recommendation. She noted her organization's support of the Department's initiative to assess the impacts of lay gill nets by placing a moratorium on their use in specific geographic areas throughout the state. They also support the proposed statewide regulations as a first step toward increasing Hawaii's fishery resources for use and enjoyment by all. Ms. Hun indicated there is an abundance of evidence regarding the negative impacts lay gill nets have on the coral reef habitat and near shore fisheries, which is why they have been banned in all states except Hawaii. The negative impact of lay nets, however is not strictly a fisheries issue, it is also a cultural one. Ms. Hun pointed out the proposed changes would not apply to traditional or subsistence techniques of netting fish, including throw nets, opelu or akule nets. Ms. Hun stated The Nature Conservancy is prepared to work with the State, fishermen, and other stakeholders to assess the impacts of these new regulations on the fishery and the ecosystem to ensure they are having the desired effect.

Jason Philibotte, speaking on behalf of the Community Conservation Network (CCN), which is a small Hawaiian non-profit organization that helps local communities achieve resource management, cultural preservation and conservation goals testified in support of staff' recommendation. Mr. Philibotte communicated that CCN recognizes that our marine resources are being depleted and efforts need to be taken to preserve our fish to allow sustainable harvesting in the future. They feel the proposed rules will help in protecting Hawaii's valuable marine resources. In speaking with members of various communities, Mr. Philibotte announced that some support an outright ban on lay nets but other communities would only support regulations if it allowed lay nets for subsistence fishing.

Fred Madlener, a member of the Makai Society testified in opposition to staff's recommendation. Mr. Madlener announced he was present at the public hearing at Ben Parker School in Kaneohe and felt the group was divided in their opinion as to the proposed rules. He noted people felt the fisheries in Kaneohe were crushed and things are getting worse. Mr. Madlener spoke of his agreement with Dr. Anthony testimony that we need to have scientific testimony to back up staff's recommendation. He conveyed that his heart is torn as he would like to respect Hawaiian culture and tradition while at the same time being able to determine if the fisheries can handle the current level of fishing.

Terry George, Vice President and Executive Director of the Harold K.L. Castle Foundation (Castle Foundation) appeared before the Board. Mr. George spoke in strong support for the proposed amendments to further restrict the use of lay gill nets and to prohibit their use in certain waters of the state. He feels it is long past time that we take this step to help bring the fish population back. Mr. George conveyed that Hawaii contains most of the nation's coral reef environments, which host thousands of species found nowhere else yet our legislature allocates paltry sums of money to near shore conservation and enforcement efforts. Mr. George announced if after a period of public hearings, the board approves the proposed amendments the Castle Foundation stands ready to work with the Department to ensure adequate monitoring of the impact of the amendments on the health of our near shore fisheries.

Carol Wilcox, a resident of Maunalua Bay appeared before the Board. Ms. Wilcox shared her goals for a healthy fish population. She spoke of a dramatic decline of resources in the bay and feels gill nets pose a risk to both the marine life as well as humans. Ms. Wilcox encouraged the Board to use this meeting as an educational opportunity. She feels if there is scientific data to support the proposed rule changes the DAR should make that information available to the public as we all share the same goal which is to make the fisheries a better resource. She hoped through the public hearing DAR would talk to the public about the program to assess the impact of gill nets. In closing, Ms. Wilcox stated that the fisheries in Hawaii are terrible and DAR needs to provide data to back up that claim.

Kurt Flanders, a resident of the Big Island spoke in support of staff's recommendation. He feels the proposed rules are the next logical step for DAR to take. He asked the Board

to add twenty acres adjacent to the Waiopae Marine Life Conservation District (MLCD) to the gill net areas banned. He spoke of an incident at Waiopae which he observed individuals of Hawaiian ancestry using throw nets to gather enough food for their consumption. Mr. Flanders made it a point to say that individual only took what he needed and no more. Later he noticed a group of ten individuals surrounding a large area in the tide pool with nets using a technique called paepae which usually catches all the fish in the tide pool, and is not "fair chase."

Linda Shay Flanders, who has been managing fishery resources for over thirty years spoke in support of staff's recommendation. Ms. Shay Flanders requested two recommendations be added to the proposed rules:1) a site specific banned area which would include 20 acres north of the current Waiopae Tide pools; and 2) she would like the statewide regulations to prohibit nets in areas which the depth of the water over the coral heads is 8 feet or less. With regards to the Waiopae MLCD, Ms. Flanders pointed out for the past two years since the MLCD has been in place the fish population has declined. She believes the primary reason for this decline is due to lay nets as the nets harvest over ninety percent of the fish at Waiopae.

Bruce Anderson, representing a group called SHORE whose mission is to look at what can be done to better our near shore fisheries testified. His group came up with three ways to better our fisheries which included dealing with fish traps, night spearing and gill nets. Mr. Anderson feels the use of gill nets is the single most important factor in impacting our near shore fisheries. Mr. Anderson announced that most states do not allow the use of recreational gill nets. He pointed to a report he has completed which deals with the impacts of lay nets and would make that report, which is in draft form available to the Board should they desire to view it. Finally, with regards to the ban in Kaneohe Bay the rules do not specify an exact area and asked the Department to make a change to indicate the specific area the ban would cover.

The Board asked Mr. Anderson if he has knowledge of areas that have banned gill nets and have seen an increase in the fish population. Mr. Anderson said the best evidence would be in Florida in which they have seen a dramatic increase in the fish population. Also fishermen in Florida have communicated the fishing there is the best they've seen in the last fifty years.

Written testimony was received from the Office of Hawaiian Affairs, the Harold K.L. Castle Foundation, Hawaii Laieikawai Association Inc., The Nature Conservancy, Darrell Tanaka, Alyssa Miller and James G. Dittmar.

The Board asked staff to follow up on Dr. Anthony's comments and when returning before the Board brings more scientific information on how effective this type of ban is (supply data from similar coral reef areas elsewhere) and to talk to the Board about the cultural, social and economic impact the ban would have. The Board also asked staff to make a special outreach to Native Hawaiians and consider community based monitoring as part of this process.

Unanimously approved as submitted (Johns/Martyn).

Item I-1: Awarding of Historic Preservation Federal Grant-In-Aid.

Motion to withdraw.

Unanimously approved to withdraw (Johns/Yamamura).

Item F-1: Request for Approval to Amend a DLNR/RCUH Agreement (Contract No. 52850) by Providing $90,000 for an Increased Scope of Services for the Division of Aquatic Resources' Alien Invasive Species Project.

Unanimously approved as submitted (Johns/Schuman).

Item J-2: Entry into Joint Use Agreement with Hilton Hawaiian Village LLC, Waikiki, Oahu, Tax Map Key Numbers: (1) 2-6-009:002 and 010, (1) 2-6-010-007 (por), Public Right of Way as shown on Map 4 of Land Court Consolidation 64.

Richard Rice, Administrator of the Division of Boating and Ocean Recreation (DOBOR) disclosed Hilton is in the process or redeveloping its property, including the construction of the Grand Waikikan. In connection with the redevelopment, Hilton has obtained a Special Management Area (SMA) use permit which requires Hilton to widen and make improvements to the public roadway known as Dewey Lane. Mr. Rice noted that Hilton has completed the design of the proposed improvements to Dewey Lane and is ready to proceed with the construction of the improvements. Hilton is requesting that the State and Hilton enter into a joint use agreement to reflect their mutual understandings, agreements and obligations relative to the integration and joint use of the combined lands for the construction and maintenance of the Dewey Lane improvements. In the joint use agreement, Hilton has agreed to indemnify the State from any claim or demand arising from any accident or incident occurring or relating to construction. Mr. Rice recommended the Board authorize the State to enter into a Joint Use Agreement for the purposes stated in staff's submittal subject to the terms and conditions listed.

Item J-3 Issuance of Right-of-Entry Permit to Hilton Hawaiian Village LLC, Waikiki, Oahu, Tax Map Key: (1) 2-3-037: 012, 021.

Mr. Rice communicated that Hilton intends to comply with requirements set forth in the 1955 Deed and SMA by replacing the existing pipes within the lagoon with a new circulation system, construct a new pump house and install a new pipeline to carry outflow from the lagoon into the makai-Diamond Head corner of the inner harbor basin. Additionally Hilton intends to construct, install, maintain and repair seven saltwater exploratory wells located around the perimeter of the lagoon. Mr. Rice recommended the Board authorize the issuance of a right of entry to Hilton Hawaiian Village LLC and its contractors covering the subject area.

Item J-4. **Issuance of Right-of-Entry Permit to Hilton Hawaiian Village LLC, Waikiki Oahu, Public Right of Way as shown on Map 4 of Land Court Consolidation 64 and Tax Map Key: (1) 2-3-037: 012, 021; Grant of Easement to the Hawaiian Telcom, Public Right of Way as shown on Map 4 of Land Court Consolidation 64 and Tax Map Key: (1) 2-3-037: 012, 021; Grant of Easement to Oceanic Time Warner Cable, Waikiki Oahu, Public Right of Way as shown on Map 4 of Land Court Consolidation 64 and Tax Map Key: (1) 2-3-037: 012, 021.**

Mr. Rice pointed out these submittals deal with utility easement. In the first easement, Hilton is requesting that the State issue Hawaiian Telcom a non-exclusive, perpetual easement to maintain, replace and repair the telephone line improvements. For the second easement, Hilton is requesting that the State grant Oceanic Time Warner Cable a non-exclusive perpetual easement to operate, maintain, replace and repair cable improvements. Mr. Rice recommended the Board authorize the issuance of a right of entry to Hilton Hawaiian Village, LLC and its contractors covering the subject area and following the completion of the telephone line improvement, authorize the issuance of a non-exclusive perpetual easement to Hawaiian Telecom covering the subject area and upon the completion of the cable improvements, authorize the issuance of a non-exclusive, perpetual easement to Oceanic covering the subject area.

Board Member Yamamura informed Mr. Rice when the Department grants an applicant access easements over an existing easement the State would normally charge the applicant a fee unless the easement was to the benefit of the public. As far as Hawaiian Telcom, Member Yamamura can see how the phone lines serve a public benefit but with regards to Oceanic's easement he questions if it is in the public benefit or should we follow precedent and charge Oceanic for the easement.

Member Johns asked staff who owned the parcels mentioned in submittal J-2 which is lots 3, 4 and 5. He also asked for clarification on what the intend use of lots 3, 4 and 5 are.

Peter Schall, pointed out lots 2, 3, 4 and 5 are encumbered by the condominium declaration of the Ilikai Apartment Building. Mr. Schall noted Hilton's intention is not to do any work on that area that is under the declaration but if permission is given the Hilton will only landscape the area which they will pay for and take care of in perpetuity. Peter Starn pointed out 2, 3 4 and 5 would be part of the submittal for roadway purposes. The only difference between alternative one and two is whether a planter would go on the property. Mr. Starn confirmed the Ilikai parcels would be affected in both alternatives.

Peter Schall, a consultant to Hilton Hawaiian Village, LLC and the Grand Waikikian development project appeared before the Board to provide testimony in support of staff's recommendations. Mr. Schall made it known they have three items before the Board today. Two of the items (J-3 and J-4) have received no opposition and the Hilton asks that these items be approved today. The third submittal (J-2) asks the State to enter into a

Joint Use Agreement for Dewey Lane which includes among other things the widening of Dewey Lane. Mr. Schall communicated the proposed improvements to Dewey Lane as noted in the Joint Use Agreement has nothing to do with the proposed signalized intersection at Ala Moana Boulevard and he asked the Board to limit today's testimony to the substance of the submittal and not allow testimony on unrelated development topics. Mr. Schall disclosed the Ilikai Owners Association has gone on record as saying that it does not object to the project or to the "widening of Dewey Land per se" it only objects to the traffic-related issues. He pointed out the improvements to Dewey Lane will reduce the safety hazards to drivers and pedestrians. Mr. Schall stated that should the Board allow testimony on traffic related issues, he would like to be able to respond to that testimony. Furthermore, Mr. Schall has brought an enlarged drawing showing the proposed surface improvements to and widening of Dewey Lane which shows that they do not involve the proposed signalized intersection at Ala Moana Boulevard. He pointed out there is a clear line of demarcation separating the proposed work on Dewey Land and the proposed work on Ala Moana Boulevard. In closing Mr. Schall asked the Board to approval the three items that are before the Board today.

Charlene Unoki, Assistant Administrator of the Land Division informed the Board on cable easements they are charged market rent.

Mr. Schall indicated the cable easement will be used for cable lines which in turn would be used to signal hotel maintenance staff should there be a failure of the pumps for the salt water lagoon.

Dean Alcon of Alcon & Associates the civil engineer on the proposed project pointed out the duct work is primarily for Hawaiian Electric Company's electrical lines but his company is providing conduits for the cable and telephone lines. The majority of the cost would be for the electrical lines and he is unaware of what the cost would be.

Fred Madlener, testifying on behalf of the Makai Society questioned what would happen should there be an emergency evacuation of the area. He noted most people would use Dewey Lane to get inland and away from the ocean. Mr. Madlener pointed out during Hurricane Iniki the heliport was filled with boulders the size of himself. The subject area is low and if there is a tsunami alert everyone would need to be evacuated and that would take some time. Mr. Madlener questioned if Dewey Lane should have lateral access (to/from) the Hilton.

Lavonne West, a resident of the Ilikai testified. She expressed her concern with Mr. Schall's speech as he did not address the issue of increased traffic caused by the development of the Grand Waikikian. Ms. West believes guest leaving the property will be exiting on Dewey Lane.

Art Stonehill, a resident of the Ilikai let it be known his unit is located at the corner which looks down upon the intersection. In his opinion what is presently there is okay. Mr. Stonehill told the Board he is fine with the widening of Dewey Land but opposes the construction of a third traffic light.

Mr. Schall made it known he obtained a Special Management Area (SMA) permit for the subject construction from the City. Mr. Schall noted prior to receiving the SMA public hearings were held by the City Planning and Permitting and also in front of the full City Council.

Robert Globetrotter, a long time resident of the Ilikai testified. Mr. Globetrotter spoke of his concern of the increased traffic caused by the Hilton's new development. Mr. Globetrotter has spoken to the principal's from the Hilton and the Ilikai and has also read the traffic study conducted and he feels due to the increase in traffic they must obtain an assurance from the Hilton management that except for emergencies all traffic exiting onto Dewey Lane will be from the new timeshare building and not from the Hilton Hotel itself. With this assurance he would feel more comfortable agreeing to the Hilton development plans.

Randy Allen, Director of Consumer Advocacy for the Chamber of Commerce of Hawaii appeared to provide testimony in support of the widening Dewey Land and granting a right of entry for the Lagoon construction. Ms. Allen announced this initiative allows the conversion of an uninviting road to a striking, well landscaped area. The Hilton is proposing to expand Dewey Lane into a 21 foot wide, two lane roads which it will maintain. Also the Hilton intends to make major renovations to the Lagoon which will include adding a clean water supply, new sand and an expanded beach area. Furthermore, Ms. Allen believes this project will create a tremendous opportunity for the Hilton to enhance the surrounding environment of Waikiki and our quality of life which will definitely be an asset to Waikiki.

Rick Egged, President of the Waikiki Improvement Association testified in support of the Joint Use Agreement and the necessary easement to complete the work on the lagoon. At present Dewey Lane serves as an unsightly service road between two great properties and this agreement allows the transformation of the road into a beautiful and inviting opening to both the Hilton Hawaiian Village and the ocean as well. Mr. Egged conveyed the improvement of walkways in Waikiki is part of the central themes of the new Waikiki and is consistent with the plans outlined in the City and County's Waikiki Livable Community Project.

Charlian Wright, testified in support of staff's recommendation. Ms. Wright indicated the Hilton has for many years been a strong supporter of the enhancements of Waikiki not only physically but culturally as well. Her support of the Hilton's endeavor to widen Dewey Lane will provide safety for both pedestrians and vehicles. Ms. Wright disclosed Hilton's proposed enhancement of the area will make it a viable, safe and attractive passage for two lanes of traffic and needed sidewalk area between the Ala Wai Boat Harbor are and Ala Moana Boulevard.

Jim Mazur, a resident of the Ilikai announced that the Hilton is not as concerned with widening and beautifying the area as much as they are with being able to use the area due to increase traffic from their proposed development. Mr. Mazur believes the increase in

noise and traffic is not in the interest of the residents of the Ilikai. Mr. Mazur asked the Board to deny Hilton egress and ingress onto Dewey Lane unless it is restricted by hours or use.

When questioned by the Board as to where the primary egress and ingress points for the Lagoon Tower and Waikikian are, Mr. Alcon responded that the entrance would be onto Dewey Lane. He went on to say once the guest have checked in they would be directed to the existing parking garage. Upon existing the garage on the mauka side (which is the primary exit) they would proceed onto Kalia Road.

Muriel Anderson, Director of Tourism Programs for the Hawaii Tourism Authority summarized the written testimony from Rex Johnson in support of the joint use agreement and installation of improvements to Dewey Lane. Ms. Anderson stated the proposed project is consistent with the Hawaii Tourism Strategic Plan which calls for a quality tourism product and is also important for the revitalization and enhancement of Waikiki.

Robert Finley, Chairman of the Waikiki Neighborhood Board spoke in support of staff submittals J-2, J-3 and J-4. He went on to say that the Hilton Management has worked with the Waikiki Neighborhood Board and residents to provide detailed plans of the widening of Dewey Lane. On November 13, 2000 the Waikiki Neighborhood Board voted in favor of the concept of the proposed project. Mr. Finley conveyed they received testimony from individuals using the marina and the ocean side in support of Hilton's widening of Dewey Lane.

Alan Cambra, President of the Association of Owners of the Ilikai Building (Ilikai) testified in opposition to the joint use agreement and related grants of easement and permits to allow for certain improvements to be made to Dewey Lane. Mr. Cambra communicated if the Board approves Hilton's request, it will allow Hilton to proceed to expand Dewey Lane from a service road to a two lane street. He disclosed the Ilikai Board of Directors is opposed to the expansion of Dewy Lane because it is premature at this time for the following reasons: 1) The use of Dewey Lane as proposed by Hilton violates the Dewey Lane easement which was granted to the State by the Ilikai to be used only as a public right of way and public roadway purposes to the beach. The Dewey Lane easement was not granted to the State to be converted into a two lane street to primarily service the Hilton complex which is clearly the intent of the proposed joint use agreement; 2) Staff's report stated that "Hilton has attempted without success to obtain the joinder and consent of the Ilikai for the Dewey Lane Improvements" but Mr. Cambra indicated nothing can be further from the truth. He pointed out Hilton has never approached the Ilikai for joinder or consent to what is referred to as Alternative 1 and question what is Alternative 1 entails. With regards to Mr. Alcon's statement saying that traffic would not be exiting from Kalia Road, Mr. Cambra asked if they could get in writing a guarantee from the Hilton that traffic from their development will not exit through Dewey Lane he would feel much better.

Clayton Tsuchiyama, Senior Vice President and Chief Financial Officer of MC&A, Inc., offered testimony in support of Hilton's plans to improve Dewy Lane and its adjacent property. Mr. Tsuchiyama has worked with the Hilton and has found them to be responsible managers and good corporate citizens. He believes the construction of their timeshare tower and the renovations to their lagoon will be beneficial for our community.

Bob Hampton, President of Waikiki Beach Activities, Ltd., stood by his written testimony in support of the joint use agreement between the State and Hilton. As a current user of Dewey Lane, Mr. Hampton hears from their guest everyday of their experience on Dewey Lane. He believes the Hilton's proposal to widen and landscape Dewey Lane will server a community purpose. Mr. Hampton feels the Hilton's effort to maintain the area in perpetuity is fantastic. Mr. Hampton requested the name "Dewey Lane" be changed to "Duke Kahanamoku Lane" as Duke Kahanamoku was the official greeter and ambassador of Aloha for the State of Hawaii.

Paul Wilson, asked the Board to visualize what it would be like if vehicles coming over the Ala Wai Canal tuned right, traveling behind the Hawaii Prince Hotel and the Ilikai thereby bypassing one street light at Hobron Road and bypassing the traffic on the Ala Wai. Mr. Wilson believes this scenario will cause the traffic to back up on Dewey Lane.

Peter Starn, Attorney representing Hilton clarified that the traffic issues were subject to the SMA issued by the City after full hearings. Secondly the only difference between alternative one and two is that alternative one would allow for a planter to be placed on the Ewa side of Dewey Lane. Lastly, Mr. Starn pointed out a court case "City and County of Honolulu vs. Boulevard Properties Inc" in which the case stated that "private property which is subject to a public road way has only nominal value of one dollar."

Lee Sickter, Principle Planner with Belt Collins spoke in support of staff's submittal. He confirmed all permits for the proposed project were obtained.

Mr. Schall stepped forward to clarify that currently the main entrance into the Hilton is off Kalia Road onto Rainbow Drive. The Hilton also has an access lane directly onto Dewey Lane. Mr. Schall pointed out with the construction of the Grand Waikikian Tower and the Lagoon Tower, vehicles would primarily travel through Dewey Lane. Their traffic studies submitted to the County listed their traffic management plans which concluded that Dewey Lane would not be unduly burden by the extra traffic.

Written testimony was received from Hilton Hawaiian Village Beach Resort and Spa, Waikiki Beach Activities, Ltd., Ilikai Apartment Building Association of Apartment Owners, Waikiki Neighborhood Board, No. 9, The Makai Society, Charlian Wright, Waikiki Improvement Association, the Chamber of Commerce of Hawaii, The Nature Conservancy, Hawaii Tourism Authority, the Queen's Health Systems, First Hawaiian Bank, Alzheimer's Association, DFS Hawaii, Diamond Head Theatre and Malama Maunalua

Unanimously approved Item J-3 and J-4 as submitted (Johns/Yamamura).

Unanimously approved Item J-2 as submitted (Johns/Matry).

Chairperson Young announced to those present that owners with a property interest have a right to ask for a contested case hearing. Should they desire a contested case they must notify the Board prior to the end of today's meeting and follow up with the necessary paperwork within ten days of the meeting at which time standing will be determined.

Item J-1: **Approval of Lease of Private Property with on behalf of the Department of Land and Natural Resources, Division of Boating and Ocean Recreation for storage purposes, Wailuku, Maui, Tax Map Key: 2-3-4-020-070.**

Unanimously approved as submitted (Johns/Yamamura).

Item M-1: **Issuance of a Retail Concession, Kahului Airport.**

Item M-2: **Consent to Sublease – Lease No. DOT-A-62-0019 United Air Lines, Inc. to Pleasant Holidays LLC Honolulu International Airport, Oahu, TMK: (1) 1-1-3-42 (Portion).**

Unanimously approved as submitted (Johns/Martyn).

Item D-4: **Grant of Term, Non-Exclusive Easement Covering Offshore Waters and Submerged Lands to Kona BB Property, LLC for Moorings, Swim Platform and Ingress/Egress Corridor, Kahuwai Bay, Kaupulehu, North Kona, Hawaii, Seaward of TMK: (3) 7-2-10:10.**

Unanimously approved as submitted (Johns/Martyn).

Item D-1: **Permission to Engage a Real Estate Consulting Firm to Act as a Consultant for Land Division.**

Item D-2: **Approval in Principle – Sale of Land License at Public Auction for Removal of Rock Aggregate Purposes, Waiakea, South Hilo, Hawaii, TMK: (3) 2-1-13:por. of 02.**

Item D-5: **Acceptance of Perpetual Conservation Easement Over Private Lands Owned By Hilo One, Incorporated, Paukaa, South Hilo, Hawaii, TMK: (3) 2-7-03:27.**

Written testimony was received form Nakamoto, Okamoto & Yamamoto.

Item D-6: **Set Aside to Department of Land and Natural Resources, Administrative Services Office, for Storage Purposes, Honolulu, Oahu, TMK (1) 2-2-006:025.**

Item D-8: **Consent to Assign General Lease No. S-4007, Alofa Corp., Assignor, to God's Love Mission, Inc., Assigneee, Waimanalo, Koolaupoko, Oahu, TMK: (1) 4-1-27:23 & 24.**

Item D-9: **Amend Prior Board Action of March 11, 2005 under Agenda Item D-5, for Sale of Reclaimed (Filled) Land to Daniel and Paulette Stone, at Kaneohe, Koolaupoko, Oahu, TMK: (1) 4-5-102:24 seaward.**

Unanimously approved as submitted (Johns/Schuman).

There being no further business, Chairperson Young adjourned the meeting at 11:50 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,

Terry Crowell

Terry Crowell

Approved for submittal:

PETER T. YOUNG

Chairperson

Department of Land and Natural Resources