

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

DATE: TUESDAY, NOVEMBER 4, 2003
TIME: 2:00 P.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 2:11 P.m. The following were in attendance:

MEMBERS

Mr. Peter Young
Mr. Timothy Johns (arrived at 2:19 p.m.)
Mr. Gerald DeMello

Ms. Lynn McCrory
Mr. Ted Yamamura

STAFF

Mr. Francis Oishi, DAR
Mr. Dan Quinn, State Parks

Mr. Wade Ishikawa, DAR

OTHERS

Ms. Roselle Bailey
Mr. Cam Cavasso
Mr. Sid Snyder
Ms. Susan Stateman

Ms. Marsha Erickson
Ms. Pua Aiu
Mr. Charles Wichman
Mr. Joel Cavasso

Item 2: Briefing by the Division of Aquatic Resources on Wailua Reservoir

Wade Ishikawa Educational Specialist with the Division of Aquatic Resources (DAR) started off with some background information on the island of Kauai. Mr. Ishikawa informed the Board currently on the Westside of the island is a place called Kokee. The Kokee area provides opportunity for the public to engaging in such recreational activities as fishing, hiking, camping, hunting, biking and four-wheel driving. The Wailua Reservoir area was looked at to provide the same type of recreational activities on the east side of the island. Currently in Wailua there are opportunities such as hiking, horseback riding, four-wheel drive roads and the arboretum. The only thing not available at Wailua is a fishing area. Although Wailua tends to be wet in comparison to Kokee it can still provide recreational activities on the eastside. Wailua Reservoir is being looked at as a possible fishing area on the eastside. DAR has worked out a Memorandum of Understanding with the East Kauai Water Users Cooperative (the lessees of the Reservoir from the State) to be able to develop the Reservoir into a public fishing area. Mr. Ishikawa went on to describe the Wailua Reservoir area (hiking trails, the Keahou Arboretum, fishing, bicycling and water bird sanctuary). Presently the area by the Arboretum is heavily used because there are picnic tables and composting toilets. Several years ago the Division of Forestry and Wildlife placed a counter to see the amount to cars coming in. The counter registered 1,300 cars on one weekend.

Currently the University of Hawaii (UH) School of Tropical Agriculture research center has use of 460 acres. UH is considering moving the School of Tropical Agriculture to Puhi. Today it actively uses approximately 5-7 acres (2-3 being used of active research and the rest for structures). The area used by UH borders the north fork of Wailua River. Some of the existing buildings on the property could possibly be used for an educational facility.

In terms of managing the Reservoir, the concept of developing a fisheries management course for high school students can be looked as a possible option.

Mr. Ishikawa spoke of the visitors desire to fish but not having the proper gear. A way to address this issue would possibly be that the State or a concessionaire would have the ability to rent fishing gear to the public. With regards to liability, Mr. Ishikawa noted all State fresh water fishing license has a liability waiver waiving the State, County, Federal and private landowners from liability.

In terms of cost it would be dependant upon the fact if the State could use the existing buildings on the lands leased by the University of Hawaii. He spoke of an outdoor educational facility in South Dakota. The State came up with a plan detailing what they envisioned on the land and went to the public to solicit donations. The facility was built in phases based on their priority list. As time went on they solicited more donations and continued building more facilities. He looked a doing something similar at Wailua Reservoir.

DAR would be requesting vendors come forward with proposals for the area, which will include an educational component. Community meetings will be held to see what the

community wants to see developed in the area. These meetings would be done by the community group selected by DAR. DAR noted the meetings could be held by the end of this year.

Roselle Bailey spoke in support of the plan but asked that the group that is chosen to “take care” of this area come from the island of Kauai. She felt without participation by the residents of Kauai this plan will not work. She believes the State should have a working partnership with the University of Hawaii Tropical Agriculture to deal with all types of alien species. She communicated she heard agent orange was both developed and practiced at this site and asked the Department to look into this matter. Lastly she noted there was more than one way to educate the community then through the Department of Education and the Nature Conservancy.

Marsha Erickson Executive Director of Hui O Laka Kokee Natural History Museum came forward and spoke in support of this project, as it will provide increased geographical access to educational and recreational opportunities for residents on the eastside of the island. She asked the Board to consider 1) visitor use would have to be created from scratch; 2) who will monitor the use of the area and enforcement; and 3) the organization running the concessions should be rooted and based on the island of Kauai.

Item 3: Briefing by the Division of State Parks regarding the Kokee/Waimea Canyon Master Plan.

Dan Quinn Administrator for State Parks briefed the Board on the four alternatives to the Kokee/Waimea Canyon Master Plan as well as the disposition of the recreation resident lots. He informed the Board over several of years staff has been working on a Master Plan for the area. Staff has also been working with the consulting firm R.M. Towill Corporation. R.M. Towill has been working on the preparation of the Master plan as well as the environmental impact statement and cultural impact statement. The overall project encompasses 6200 acres of land in Kokee and Waimea Canyon State Parks. The objectives of the Master Plan are to protect, preserve and restore the unique natural environment of Kokee and Waimea Canyon, enhance human understanding and appreciation of Hawaii native ecosystems and introduced species and insure the continued existence of Hawaii’s unique flora and fauna. Public meetings were also held to attain community input. Mr. Quinn went over the components of the four alternatives. He made it known each of the four alternatives called for improvements to the park and envisioned an entry gate which included fee collection. One of the issues State Parks is looking at addressing is the disposition of the recreation residence lots, approximately 100 lots. Next Mr. Quinn went over the Preferred Alternative-Park Enhancement Plan, which included many of the components in Alternative 2-Remedial Improvement Plan. He went through the nineteen components of this plan.

With regards to the recreational residence a master lease would be issued for all the lots with a requirement for short-term rental, enforcement of “Kokee Vernacular” design standards and maintenance of utilities and infrastructure. Most of the current lessee will

expire in 2005 (twenty-year leases). The new plan would encompass a master lease, which would look at a percentage of the cabins being made available for daily rentals. The master lease would also include the existing Kokee Lodge, restaurant, gift shop and cabins in the park. In closing, Mr. Quinn indicated within the next year he would like to explore the option of issuing an RFQ/RFP for a master lease for Kokee/Waimea Canyon State Parks.

The Board clarified the Master Lessee's responsibilities would include repairs and maintenance of the roads the cabins were on, the water system, utilities and the septic system. They also asked Mr. Quinn to address the issues of: 1)eliminating alien species; 2)look into a volunteer fire department for the Kokee/Waimea Canyon area; and 3)enforcement in Kokee/Waimea Canyon area.

Marsh Erickson Executive Director of Hui O Laka Kokee Natural History Museum commented on the notion of a single Master Lease. She cautioned the Board in creating a concession of an unprecedented scale (having the cabins and museum under the same master lease). If the Board decides on a master lessee they need to make sure they have a tight control over what goes on in the park, if not the concessionaire will end up running the park. She offered the option of subcontracting different portions of the park to different vendors. In terms of the development of the area, Ms. Erickson felt the Department first needs to know the capacity of the sewage and water before additional structures are built. Ms. Erickson made it known some years ago the County of Kauai offered to donate a fire truck for use at Kokee/Waimea Canyon areas but it was her understanding the Department did not have an area to house the fire truck nor the volunteers. With regards to the roads, she asked the Board to construct loop roads so cars can get in and out of the area.

Roselle Bailey came forward and read from her written testimony. Ms. Bailey made three points: 1) there is no mention of Hui O Laka, Kokee Natural History Museum in the Master Plan; 2) the "Recreation Residence" comprise a group of people who put money into the state's coffers as well as volunteer time without compensation; 3) the master plan does not address religious and gathering rights of the Hawaiians.

Cam Cavasso a former State lawmaker testified before the Board. When he was in the legislature he fought for the extension of leases in Waimanalo and respect for ownership and private property. He asked the Board to interpret the law differently with regards to the leases for the cabins He feels the law does not require the leases to be auctioned. He believes the State should not take the cabins, which he considers private property. Instead the State should look at the cabins in terms of a private ownership. The State should appraise the value of the cabins and pay the lessee the appraised value.

Pua Ai (Aiu) of the Office of Hawaiian Affairs (OHA) spoke in support to the testimony given by Roselle Bailey. She noted OHA is concerned with the results of the Environmental Impact Statement, access and gathering rights for native Hawaiians and preservation of the historical and culture value of the trails in Waimea/Kokee State parks.

Sid Snyder a friend of a cabin owner in Kokee came forward to speak on the cabin issue. He feels the current system of a 20-year lease encourages lessee's to postpone making improvements on the cabins as their leases come to an end. The State is sending out the message to the lessee not to improve their cabin because the State will not pay you for the improvements. He feels the current terms of the rental agreement are unfair and unwise. Mr. Snyder feels the State should offer to lease rental cabins for different terms, some for five years, some for ten and others for twenty-year rental terms. By having different lease terms it would allow more opportunities for other people to own cabins. With regards to short-term rental of the cabins Mr. Snyder feels it is not a good idea to pursue that avenue.

Charles Wichman a leaseholder testified before the Board. He asked the Board to expand on the public-private partnership that currently exists in Kokee. He noted a number of proposed activities and objectives in the proposed Master Lease are being provided at no cost to the State by Hui O Laka and the leaseholders. These budget-relieving activities ought to be recognized, encouraged and incorporated into the Master Plan. As far as charging an entrance fee to the residents of Kauai, Mr. Wichman is totally against this idea. Addressing the "Alternative Plan," Mr. Wichman felt the Department should have proceeded with public comments on the four proposed options before choosing alternative number two. In conclusion he urged that the Kokee Master Plan as adopted by the Board include some language that recognizes and encourages the continuity and continued existence of current Cabin Leases at Halemanu, Kokee and Puu ka Pele.

Susan Stayton, President of a software development company on Kauai and a cabin leaseholder testified. She began by thanking staff for taking into account the testimony received at the public meetings. As far as the task force report on recreational leases, Ms. Stayton asked to review that information. She feels it is difficult to comment on recommendation number two because there is so little in terms of its content. She feels it is a bad idea to turn all of the cabins into short-term rentals. Instead the State should build new cabins as part of the short-term rentals thereby increasing the State's revenue. She told the Board by taking away the cabins that belong to the people the state would be creating a feeling of ill will amongst the people. With regards to the volunteer fire department, Ms. Stayton believed the current leaseholders would be ideal candidates. Lastly, she spoke on the issue of conflict of interest and asked that the members of the Board and their respective companies not be afforded the opportunity to bid on the master lease for Kokee/Waimea Canyon State Park.

Joel Cavasso a real estate broker and leaseholder came forward to testify. In his dealings with vacation renters he noted their mood is different from long-term renters. He feels the short-term renters will have less appreciation and respect for the cabins and the surrounding areas.

Questions asked by the Board:

Tim Johns: Will 4 alternatives be presented in the EIS? Yes, and a recommendation as to which alternative will be the basis for the Master Plan.

Lynn McCrory: Master lessee will be responsible for all infrastructure improvements, phasing of renovations to cabins, removal of alien species (to be a condition in the lease); water from a new reservoir to be used for fire control; Are you comfortable that ideas will be implemented within the next 20 years?

Motion was made at 4:08 p.m. to go into Executive Session to discuss First Circuit Court, State of Hawaii, and Young v. Coloma-Agaran, No. 02-15202, United States Court of Appeals for the Ninth Circuit.

Unanimously approved to move into Executive Session (Johns/McCrory)

There being no further business, Chairperson Young adjourned the meeting at 5:15 p.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

Approved for submittal:

PETER T. YOUNG
Chairperson
Department of Land and Natural Resources

