

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

August 8, 2008

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

PSF: 07MD-193

MAUI

Rescind Prior Board Action of August 12, 1992, Under Agenda Item F-6, and Approval of License Agreement Between Castle and Cooke, Inc., as the Licensor, and the State of Hawaii, by its Board of Land and Natural Resources, on Behalf of the Department of Accounting and General Services, as the Licensee, for Radio Station Purposes, Puu Kilea, Lanai, Tax Map Key: (2) 4-9-02: Portion of 1

APPLICANT:

Department of Accounting and General Services, Information and Communication Services Division (DAGS), whose address is 1151 Punchbowl Street, Honolulu, Hawaii 96813.

LANDOWNER:

Castle and Cooke, Inc. (C&C), a Hawaii corporation, whose mailing address is P.O. Box 630310, Lanai City, Hawaii 96763.

LEGAL REFERENCE:

Section 171-30(a)(2), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Lot 49, Map 9, Land Court Consolidation 170, Puu Kilea, Lanai, identified by Tax Map Key: (2) 4-9-02: Portion of 1, as shown on the attached map labeled Exhibit A.

AREA:

6,157 square feet, more or less.

ZONING:

State Land Use District:	Conservation
County of Maui:	Conservation

CHARACTER OF USE:

Install, operate, and maintain a public safety and public service radio communication facility (Facility).

LEASE TERM:

25 years commencing on January 1, 2008.

ANNUAL RENT:

Initial Ten-Year Period (January 1, 2008 – December 31, 2017):	\$14,532
First Extension Period (January 1, 2018 – December 31, 2022):	\$17,304
Second Extension Period (January 1, 2023 – December 31, 2027):	\$19,476
Third Extension Period (January 1, 2028 – December 31, 2032):	\$21,912
One time payment for prior use from April 1, 1989 to December 31, 2007:	\$75,000

DCCA VERIFICATION:

Place of business registration confirmed:	Yes
Registered business name confirmed:	Yes
Applicant in good standing confirmed:	Yes

REMARKS:

The subject radio communication facility is one of several facilities that make up the Anuenue Radio System. The Anuenue project is a partnership between DAGS and the US Coast Guard. Additional government users of the system include the State Department of Defense, State Department of Health, State DLNR, US Department of the Interior and the counties of Maui and Hawaii Police Departments. These government agencies rely on telecommunications to communicate and transmit information and data between offices and facilities as well as to communicate with personnel in the field.

The State's occupancy of the subject site began on December 12, 1987 under a right-of-entry issued by the Dole Food Company to the Department of Budget and Finance to conduct due diligence, planning and other pre construction activities. The right-of-entry was at gratis and expired on March 31, 1989.

By letter dated May 18, 1992 the Department of Budget and Finance requested the assistance of the Department of Land and Natural Resources (Department) in obtaining a license agreement with the Dole Food Company, covering the subject site. According to the letter construction of the Facility was completed and it was in operation.

At its August 12, 1992 meeting, under agenda item F-6, the Board authorized a license agreement between the Dole Food Company the State of Hawaii, by it Board of Land and Natural Resources, on behalf of the Department of Budget and Finance covering the State's use of the subject site for communication purposes.

Over time, personnel transfers, retirements, and the transfer of the Information and Communication Services Division function from the Department of Budget and Finance to DAGS stalled the license agreement documentation process.

The necessity of completing the license agreement resurfaced because of the additional site expansion area needed from C&C to accommodate the Facility upgrades planned by DAGS.

DAGS plans to construct additional structures, install a 1,000-gallon above grade fuel storage tank for emergency back up power, and fence the boundaries of subject site by year's end. The addition of 888 square feet to the site is necessary to accommodate the planned up grades. DAGS consultant, Wilson Okamoto Corp., submitted the proposed site up grades to the Department's Office of Conservation and Coastal Lands for approval. The Department approved the new site plan on April 29, 2008.

The annual rental amounts shown on page two are fixed through the entire 25-year term. In establishing the annual rental amounts C&C used our staff appraiser's determination of the current fair market rent based on rent per square foot and applied it to the subject site's area. A 2.5% annual step up also applies throughout the license's term. DAGS approved the \$75,000 one-time payment for the State's prior 19 years of occupying the subject site.

Since the Board's authorization in 1992 substantive changes have occurred affecting the term of the license agreement, rent, licensor entity, licensee entity and the size of the license area. Accordingly, rescission of the Board's prior action of August 12, 1992 under agenda item F-6 would be in order.

RECOMMENDATION: That the Board

1. Rescind its prior action of August 12, 1992, under agenda item F-6.
2. Approve entering into a lease with Castle and Cooke, Inc., on behalf of the Department of Accounting and General Services, Information and Communication Services Division covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - a. Review and approval by the Department of the Attorney General.

- b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Gary Martin
Land Agent

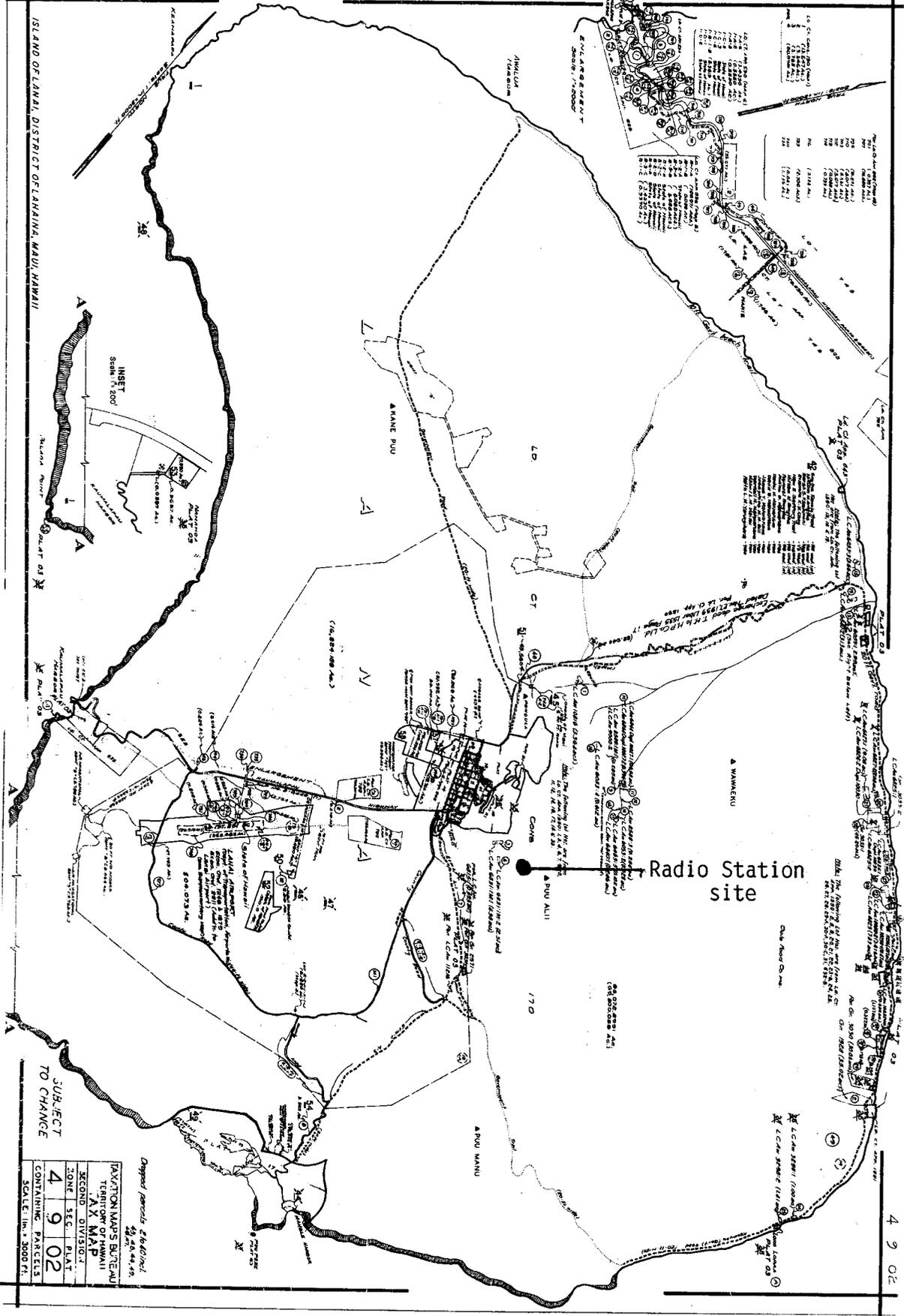
APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson



ISLAND OF LANAI, DISTRICT OF LANAI, MAUI, HAWAII



Original parcels 286/101
 29, 29, 44, 45
 DIVISION MAP
 TOWN OF LANAI
 SECOND DIVISION
 ZONE 4 SEC. 9 PLAT. 02
 CONTAINING PARCELS
 SCALE: 1 in. = 3000 ft.

SUBJECT TO CHANGE