

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

August 22, 2008

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

PSF No.:08HD-122

HAWAII

Set Aside to Department of Land and Natural Resources,  
Division of Forestry and Wildlife for Addition to Waiakea  
Forest Reserve and Issuance of a Management Right-of-Entry,  
South Hilo, Hawaii, Tax Map Key: (3) 2-4-8:22 and portion of  
1.

APPLICANT:

Department of Land and Natural Resources, Division of Forestry  
and Wildlife

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Panaewa, Upper Waiakea and Waiakea  
Forest Reserve situated at South Hilo, Hawaii, identified by Tax  
Map Key: (3) 2-4-8:22 and portion of 1, as shown on the attached  
map labeled Exhibit A.

AREA:

1,159.880 acres, more or less.  
101.56 acres, more or less.

ZONING:

State Land Use District: Conservation  
County of Hawaii CZO:

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State  
Constitution: YES  x for Parcel 22  
NO  x for Parcel 1

CURRENT USE STATUS:

Vacant and unencumbered.

PURPOSE:

Addition to Waiakea Forest Reserve purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of management jurisdiction and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements. Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

BACKGROUND:

The subject lands were formerly encumbered by Governor's Proclamation dated January 3, 1923 (Waiakea Forest Reserve). Approximately 5 miles from downtown Hilo and is accessible through Stainback Highway.

The Land Board at its meeting of October 13, 1972 (F-3) approved the public auction sale of a 35 year lease for sugar cane cultivation purposes.

The Land Board at its meeting of April 11, 1974 (F-7), requested that lands be withdrawn for sugar cultivation purposes and subsequent public auction a 35-year lease. The Governor on October 17, 1974 signed Executive Order No. 2703 withdrawing 1,160.210 acres.

On November 1, 1974, a public auction was held at the State Building in Hilo, Hawaii. Puna Sugar Company, Limited was the successful bidder. General Lease No. S-4411 was issued. The lease was to expire on October 31, 2009.

It was later discovered, since 1965, the Hawaii County Department of Water Supply had built and operated a 0.5 MG water tank site within the leased area. The Land Board at its meeting of February 8, 1980 (F-8), requested the lands be withdrawn from General Lease No. S-4411 and set aside to the Hawaii County Department of Water Supply. The Governor on June 28, 1980 signed Executive order No. 3016.

In 1982, AmFac Sugar Company decided to close down its sugar operations on the Island of Hawaii. The Land Board at its meeting of May 14, 1982 (F-6), approved the mutual cancellation of General Lease No. S-4410. Cancellation became effective August 10, 1982.

DOFAW believed the cane harvesting activities made the subject State lands conducive to and convenient for reforestation. Although the lands were looked upon as a logical expansion for the Panaewa Agricultural Park, there was no interest or funds to continue agricultural. DOFAW would under a right-of-entry would proceed with reforestation of the area and would continue to manage the land accordingly until such time as public interest demands and public funding provides for, the utilization of same for agricultural purposes. The Land Board at its meeting of January 14, 1983 (F-4), approved and amended staff's request to granting DOFAW a right-of-entry for studying purposes only.

The Land Board at its meeting of March 9, 1984 (F-17), approved a right-of-entry to be issued to Hawaii County Economic Opportunity Council (HCEOC) to explore the feasibility of a guinea grass harvesting operation. The right of entry was for a period of 6 months.

The Land Board at its meeting of December 14, 1984 (H-5) approved HCEOC application for a grass farm, and processing plant covering only 400.9 acres. CDUP HA-10/30/84-1736

The Land Board at its meeting of September 27, 1985 (H-3), amended its previous approval to allow HCEOC to subdivide the property and market the animal feed grass products.

The Land Board at its meeting of May 9, 1997, approved the direct issuance of a 55-year lease to HCEOC to establish a agricultural farm and processing plant to train unemployed and under-skilled residents in agricultural methods and practices. Market their products to generate income to be re-invested into their training program.

Unfortunately, HCEOC has failed to follow through with the lease and essentially abandoned the property. Staff is in the process of cleaning-up the property and sending all clean-up bills to HCEOC or the Department collection agency.

ANALYSIS:

Parcel 22 has little or no remaining native forest as it was cleared and cultivated for sugar cane in the 1970s. Test commercial plantings of Eucalyptus grandis conducted by DOFAW on the parcel dating back to approximately 1983 have proven that this site is highly productive for timber growth and would be conducive to plantation forestry. Parcel 22 is a highly logical extension of the adjacent Waiakea Timber Management Area (WTMA), which currently includes portions of both Waiakea and Upper Waiakea Forest Reserves. A majority of current WTMA non-native commercial timber resources are under license to two entities, one with a veneer and bioenergy focus

and the other with a saw mill focus. Parcel 22 would provide additional acreage to support commercial timber plantations and associated development of a forest products industry in Hawaii, and represents lands with greater tree growth potential than many areas within present WTMA boundaries.

Portion of Parcel 1 is comprised of mixed alien species forest with a minor residual native component. This area comprises the only remaining public portion of the original Panaewa Forest Reserve that has potential to function under the overall intent of the Forest Reserve System. Transferring this portion of Parcel 1 to Waiakea Forest reserve essentially represents an administrative consolidation effort. This relatively small unit of land will continue to function as an urban-rural buffer, provide watershed value, and could potentially be converted to plantation timber or another use relating to the operation and intent of the WTMA.

Comments were solicited from:

DHHL	No response
County Planning Department	No objections
OHA	No objections

In order for DOFAW to start the necessary groundwork, a management right-of-entry is necessary. Staff has no objections to the request.

RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

1. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Department of Land and Natural Resources, Division of Forestry and Wildlife under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
  - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
  - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
  - C. Review and approval by the Department of the Attorney General; and
  - D. Such other terms and conditions as may be prescribed

by the Chairperson to best serve the interests of the State.

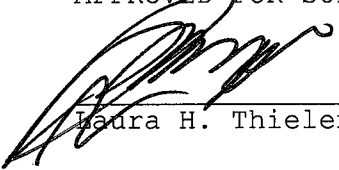
2. Authorize the issuance of a management right-of-entry permit to Division of Forestry and Wildlife covering the subject area, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time; and
  - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Authorize the Division of Forestry and Wildlife to conduct a public hearing for the addition to the Forest Reserve System.
4. Authorize the Chairperson to set the date and time for a public hearing and appoint a Hearing Master.
5. Rescind the prior Board action of May 9, 1997, under agenda item D-31.

Respectfully Submitted,



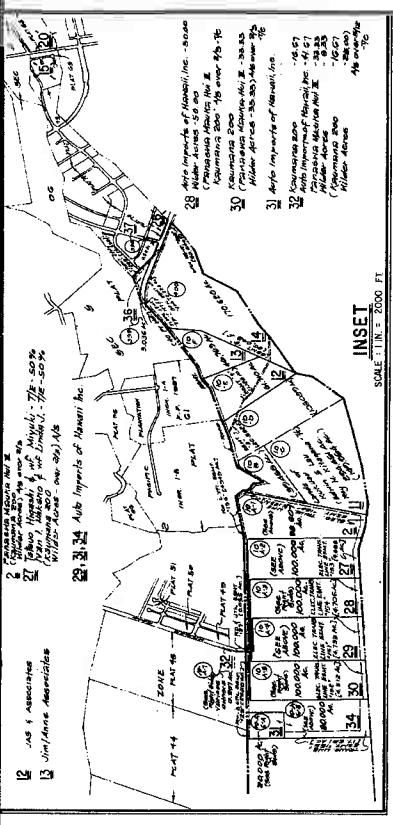
Charlene E. Unoki  
Assistant Administrator

APPROVED FOR SUBMITTAL:

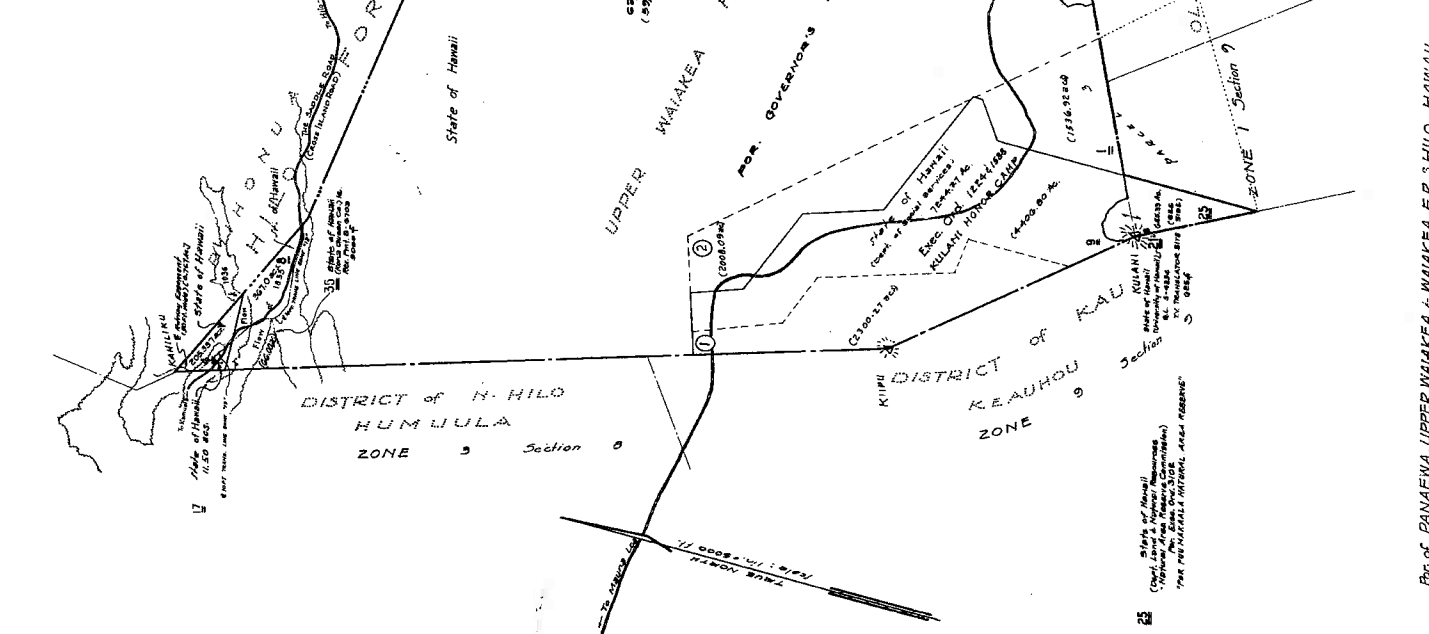


Laura H. Thielen, Chairperson





3 From 41.5 acres of land owned by the Honouliuli  
Gerrit Smith, Inc., and the Honouliuli  
Home County Economic Opportunity Council - 100% L.P.  
41.5 acres of land owned by the Honouliuli  
Home County Economic Opportunity Council - 100% L.P.  
42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



Original Records 7/18/80

THIRD ZONE	DIVISION SEC.	DIVISION PLAT
2	4	08

CONTAINING PARCELS  
SCALE: 1" = 5000' FT.

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Part of PANAHEWA, UPPER WAIKAEA, & WAIKAEA F.B.S. HILO, HAWAII.

Exhibit A

DATE: 10/10/80  
BY: J. L. ALLEN  
DRAWN: J. L. ALLEN  
CHECKED: J. L. ALLEN  
APPROVED: J. L. ALLEN  
DATE: 10/10/80