



COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Representative Aaron Ling Johanson, Vice Chair

Thursday, April 17, 2014, 1:30 pm, Room 309

**SCR 12 Authorizing the Issuance of a Lease and Easement of
Certain Submerged Lands at Manele Bay, Lānaʻi, to Lānaʻi Resorts, LLC**

Dear Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

This testimony is in **SUPPORT** of SCR 12 authorizing the issuance of a lease and easement of Manele Small Boat Harbor certain submerged lands to Lānaʻi Resorts, LLC, dba Pūlama Lānaʻi. I am Lynn McCrory, Senior Vice President of Government Affairs for Pūlama Lānaʻi.

Pūlama Lānaʻi, the company formed after the purchase of land on Lānaʻi by Larry Ellison, is working with the community to build a sustainable Lanai. Our mission is to develop, advance and nurture a sustainable future for the island of Lānaʻi. The community and we are actively moving forward with historical and cultural preservation, natural resource conservation, a desalination facility, housing additions, education and healthcare expansions, agriculture opportunities, transportation alternatives, hotel enhancements, tourist activities, and capacity building on the island.

One component of these plans is the Manele Small Boat Harbor. The request for a new submerged land lease by Pūlama Lānaʻi is part of this beginning, by looking to the past for guidance. The tsunami damage that is currently being repaired has brought a new perspective as to what type of dock would withstand another tsunami. The floating dock is believed to be the answer, and as part of this lease we will be paying for the cost of the dock. We will also complete an ocean bottom topographical map and an archeological/cultural interpretative study of the areas surrounding the harbor. While repairs are made to the Expeditions Ferry and Trilogy Excursions dock, they will have use of the floating dock for loading and unloading residents and guests to Lānaʻi.

We brought the proposed lease to the Manele Harbor Advisor Committee on November 6, 2013 for their consideration. You will find a letter from the committee following this testimony supporting the proposed lease. We also brought this submerged land lease to the island wide Lānaʻi community at our February 10, 2014 Community Informational Meeting, and again received concurrence from the 38 attendees that there were not issues in going forward with the submerged lease.

We humbly ask that you approve SCR 12 authorizing the issuance of a lease and easement of certain submerged lands at Manele Bay, Lanai, to Lānaʻi Resorts, LLC. Mahalo!

Sincerely,

Lynn P. McCrory
Senior Vice President of Government Affairs

MANELE HARBOR ADVISOR COMMITTEE

P.O. BOX 630646
Lanai City, Hawaii 96763

November 6, 2013

Mr. William J. Aila, Chairperson
Board of Land & Natural Resources
1151 Punchbowl
Honolulu, HI 96813
By Hand Delivered

Re: BLNR Agenda Item J.2. November 8, 2013

Authorize the Termination of General Lease No. B-00-1 and Easement to Lānaʻi Company, Inc., Castle & Cooke Resorts, LLC and the Issuance of the New Lease and Easement by way of Direct Negotiation to Lānaʻi Resorts, LLC, dba Pūlama Lānaʻi, Manele Small Boat Harbor, Manele, County of Maui, Island of Lānaʻi, Tax Map Key (2) 4-9-17:06

Dear Chair Aila:

This testimony is in SUPPORT of the DOBOR submittal on the above termination of a lease and easement and the subsequent direct negotiation for a lease and easement to Lānaʻi Resorts, LLC, dba Pūlama Lānaʻi. We are the Manele Small Boat Harbor Advisory Board, and at our Wednesday, November 6, 2013 meeting we voted to support this submittal as written.

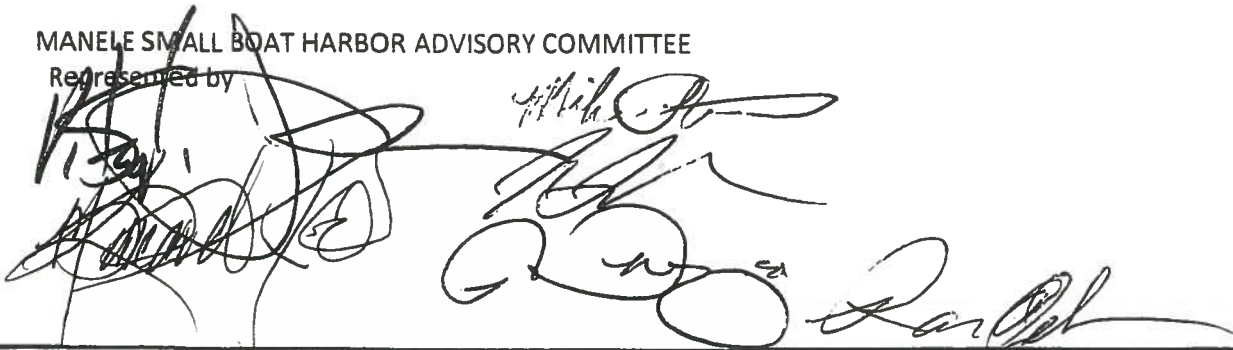
Over the next two years, repairs to the Manele Small Boat Harbor will be taking place and the use of the lease area for multiple entities usage will be very important. During that time the ocean harbor bottom survey and the cultural survey can be completed by Pūlama Lānaʻi and we will have a better understanding of any opportunities to expand or not to expand the harbor. Pūlama Lānaʻi purchasing the floating dock and having it remain in place will be a benefit to the harbor users. Pūlama Lānaʻi's maintenance of the harbor facility continues and is to continue under the lease terms. These will all contribute to our having the most beautiful and functional small boat harbors in Hawaii.

Pūlama Lānaʻi has shown that it is willing and has worked with the Lānaʻi community on a number of issues both for renovations and enhancements to the island community. They are open to community suggestions and we believe that this lease will once more offer a benefit to the Lānaʻi community. We ask that you approve BLNR agenda item J.2. Mahalo!

Sincerely,

MANELE SMALL BOAT HARBOR ADVISORY COMMITTEE

Represented by

The block contains several handwritten signatures in black ink. The signatures are overlapping and appear to be from multiple individuals. One signature on the right is more legible and appears to be 'Ralph'. The signatures are written over the printed text 'Represented by'.

Manele Harbor Advisory Committee

List of Members

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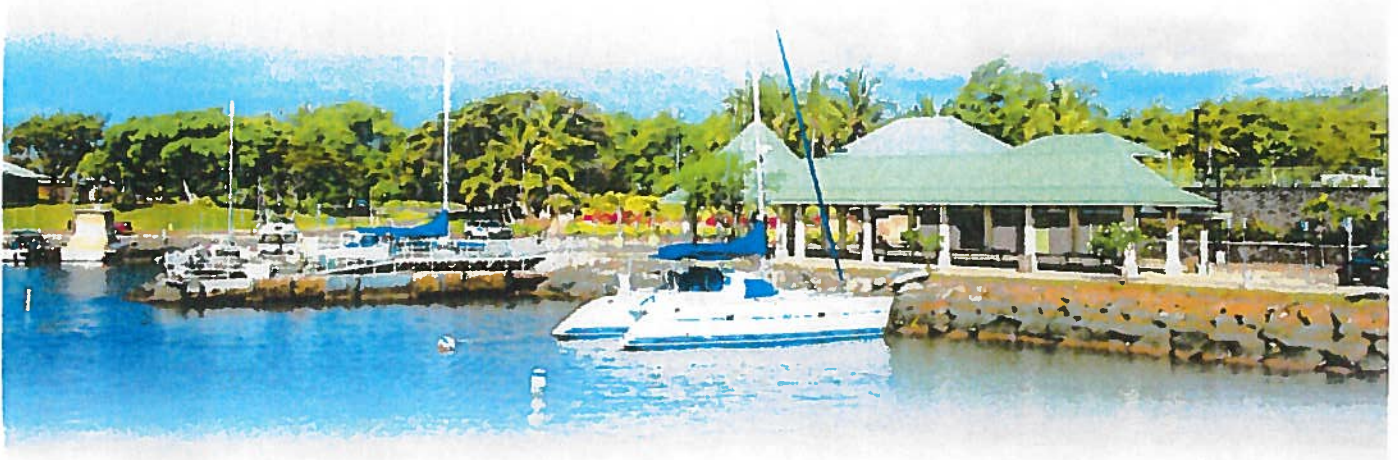
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COMMUNITY UPDATE

Informational Meeting



SUBJECT: Mooring Permits for Kaumalapau and Mānele Harbors and Mānele Floating Dock Lease

Monday, February 10, 2014
ILWU Hall • 6 p.m.

Light refreshments will be served.
For more information, call (808) 237-2213.



Pūlama Lānaʻi
Preservation. Progress. Sustainability.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
WILLIAM J. AILA, JR.
Chairperson

Before the House Committee on
FINANCE

Thursday, April 17, 2014
1:30 P.M.
State Capitol, Conference Room 309

In consideration of
SENATE CONCURRENT RESOLUTION 12 AUTHORIZING THE ISSUANCE OF A
LEASE AND EASEMENT OF CERTAIN SUBMERGED LANDS AT MANELE BAY,
LANA'I, TO LANA'I RESORTS, LLC.

Senate Concurrent Resolution 12 authorizes the issuance of a lease and easement of certain submerged lands at Manele Bay, Lana'i, to Lana'i Resorts, LLC. **The Department of Land and Natural Resources (Department) supports this measure.**

The Legislature authorized the issuance of a similar lease and easement to Castle & Cooke, Inc., who then renamed the corporation to Lana'i Resorts, LLC, which was subsequently purchased by Mr. Larry Ellison. The initial lease and easement called for a marina to be built but after the recent tsunami events it was determined that a marina would not be feasible in this area and a single floating dock would be more appropriate. The Department also appreciates the commitment of Lana'i Resorts, LLC in maintaining the Manele Small Boat Harbor landscaping and ferry passenger waiting areas.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

JESSE K. SOUKI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

LATE