HOUSE CONCURRENT RESOLUTION

AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT MAALAEA BEACH LOTS, WAIKAPU, WAILUKU, MAUI, FOR THE EXISTING SEAWALL, AND FOR USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON.

 WHEREAS, a portion of the existing seawall seaward of the property identified as Tax Map Key: (2) 3-8-014:022, Maalaea Beach Lots, Waikapu, Wailuku, Maui (subject property), was placed on state submerged lands; and

WHEREAS, the property identified as Tax Map Key: (2) 3-8-014:022 contained a sandy beach and no seawall or other shoreline protection structures when it was originally purchased by Wendell and Myrtle Crockett in the 1940s; and

WHEREAS, the Territory of Hawaii built the Maalaea Small Boat Harbor abutting the western corner of the makai boundary of the subject property in 1952 and added improvements, including break walls, to the harbor facility in 1955 and 1959; and

WHEREAS, in the early 1950s, around the same time that that Territory of Hawaii was building the Maalaea Small Boat Harbor and its associated improvements, a seawall was installed seaward of the entire makai boundary of the subject property and continuing across the makai boundaries of neighboring properties to the east, and appears to be a non-conforming structure as it was built before October 1, 1964; and

WHEREAS, around August 2015, the Department of Land and Natural Resources' Office of Conservation and Coastal Lands worked with the current property owners, the Association of Apartment Owners of Milowai—Maalaea, to resolve the existing seawall encroachment; and

WHEREAS, the age and origin of the seawall was confirmed through an environmental assessment conducted as part of the 2015 land disposition process; and

WHEREAS, the Office of Conservation and Coastal Lands indicated it had no objections to a long-term easement to resolve the encroachment; and

WHEREAS, at its meeting of October 9, 2015, under agenda item D-6, the Board of Land and Natural Resources approved a grant of a fifty-five year term, non-exclusive easement to resolve the seawall encroachment, and authorized the non-exclusive easement to run with the land and inure to the benefit of the abutting real property; and

WHEREAS, at its meeting of January 8, 2021, under agenda item D-5, the Board of Land and Natural Resources approved an amendment to the Board of Land and Natural Resources action of October 9, 2015, item D-6, to shorten the term of the non-exclusive easement from fifty-five to twenty-five years, or in the event the applicant is not successful in acquiring the fee or obtaining an extension of the ground lease of the abutting apartment property, to end on December 31, 2038, concurrent with the expiration of the ground lease for the abutting apartment property; and

WHEREAS, the total encroachment area was determined to be 1,737 square feet, as reviewed and approved by the Department of Accounting and General Services' Survey Division; and

WHEREAS, on January 25, 2021, the Association of Apartment Owners of Milowai-Maalaea executed a removal bond agreement with Great American Insurance Company in which the Association guaranteed the State of Hawaii the sum of \$432,000 to insure against the cost of removing the encroachment in the event that the Legislature and the Governor do not approve the issuance of the non-exclusive easement approved by the Board of Land and Natural Resources; and

WHEREAS, the Board of Land and Natural Resources executed Revocable Permit No. S-7932 on February 16, 2021, granting the Association of Apartment Owners of Milowai-Maalaea the right to enter and occupy the subject parcel of state submerged land,

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subject to terms including the payment of \$255 monthly rental amount; and 2 3 4 WHEREAS, the grantee has paid the State the fair market 5 value of the non-exclusive easement as consideration of the use of state submerged lands, determined to be \$63,300 by an 6 7 independent appraisal; and 8 9 WHEREAS, section 171-53, Hawaii Revised Statutes, requires the prior approval of the Governor and prior authorization of 10 the Legislature by Concurrent Resolution to lease state 11 submerged lands; now, therefore, 12 13 BE IT RESOLVED by the House of Representatives of the 14 15 Thirty-second Legislature of the State of Hawaii, Regular Session of 2024, the Senate concurring, that the Board of Land 16 17 and Natural Resources is hereby authorized to issue a term, non-18 exclusive easement covering a portion of state submerged lands 19 seaward of the property identified as Tax Map Key: (2) 3-8-014: 20 022, Maalaea Beach Lots, Waikapu, Wailuku, Maui, for the existing seawall, and for use, repair, and maintenance of the 21 existing improvements constructed thereon pursuant to section 22 23 171-53, Hawaii Revised Statutes; and 24 25 BE IT FURTHER RESOLVED that certified copies of this 26 Concurrent Resolution be transmitted to the Chairperson of the 27 Board of Land and Natural Resources and the Governor. 28 29 30 OFFERED BY:__ 31 32 33 BY REQUEST

LNR-R6 (24)

JUSTIFICATION SHEET

DEPARTMENT:

Land and Natural Resources

TITLE:

CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT MAALAEA BEACH LOTS, WAIKAPU, WAILUKU, MAUI, FOR THE EXISTING SEAWALL, AND FOR USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON.

PURPOSE:

To seek the authorization of the Legislature by concurrent resolution for the issuance of a term, non-exclusive easement by the Board of Land and Natural Resources (Board) for the existing seawall, and for use, repair, and maintenance of the existing improvements constructed thereon.

MEANS:

Concurrent resolution pursuant to section 171-53, Hawaii Revised Statutes (HRS).

JUSTIFICATION:

The existing seawall seaward of the property identified as Tax Map Key: Tax Map Key: (2) 3-8-014:022, Maalaea Beach Lots, Waikapu, Wailuku, Maui (subject property), was placed on state submerged lands.

The Department's Office of Conservation and Coastal Lands worked with the current property owners, the Association of Apartment Owners of Milowai—Maalaea, to resolve the encroachment. The Office of Conservation and Coastal Lands has no objection to granting a non-exclusive easement to resolve the seawall encroachment, which has an extensive history unrelated to the current property owners.

On October 9, 2015, under agenda item D-6, the Board approved a grant of a fifty-five year term, non-exclusive easement to resolve the seawall encroachment, and authorized the easement to run with the land and inure to the benefit of the abutting real property. This easement was never consummated, in

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part, because the surveyor working on the behalf of the grantee passed away before the approval process could be completed.

On January 8, 2021, under agenda item D-5, the Board approved an amendment to the Board action of October 9, 2015, item D-6, to shorten the term of the easement from fifty-five to twenty-five years, or in the event the current lessee of the abutting apartment property is not successful in becoming the property's owner, the shortened easement term would end on December 31, 2038, concurrent with the expiration of the ground lease for the abutting apartment property. The Board and the Association of Apartment Owners of Milowai-Maalaea executed Revocable Permit S-7932 for the subject property on February 16, 2021.

Since that time, the grantee has paid a monthly rental amount of \$225 in exchange for the right to occupy and use the premises under a right-of-entry and revocable permit.

The property owners have paid an amount of \$63,300, as determined by independent appraisal, for a 25-year easement to resolve the encroachment from the existing seawall seaward of the subject property.

Section 171-53, HRS, requires the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution to lease state submerged lands. As such, this concurrent resolution has been prepared in compliance with the requirements of section 171-53, HRS.

Impact on the public: None.

Impact on the department and other agencies:

GENERAL FUND: None.

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OTHER FUNDS:

None.

PPBS PROGRAM

DESIGNATION:

LNR 101.

OTHER AFFECTED

AGENCIES:

None.

EFFECTIVE DATE:

Upon adoption.