

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

June 24, 2016

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

PSF No.: 15OD-144

OAHU

Issuance of Revocable Permit to United Laundry Services, Inc. for Employee Parking and Storage Purposes; Cancellation of Revocable Permit No. 7831; Sand Island, Honolulu, Oahu, Tax Map Key: (1) 1-2-021:portion of 045.

APPLICANT:

United Laundry Services, Inc., ("ULS"), a domestic profit corporation.

LEGAL REFERENCE:

Sections 171- 55, Hawaii Revised Statutes, as amended.

SUBJECT LOCATION / AREA:

Portion of Government lands of 3.53 acres, more or less, comprising 2.50 acres unusable area (green area) and 1.03 acres parking and storage area (blue area)<sup>1</sup> as shown on the maps attached as **Exhibits A1 & A2**, situated at Sand Island, Honolulu, Oahu identified by Tax Map Key: (1) 1-2-021:portion of 045.

ZONING:

State Land Use District: Urban  
City and County of Honolulu LUO: I-2

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Encumbered by Revocable Permit No.S-7831, Hawaiian Paakai, Inc., (HPI) Permittee, for production of salt by solar evaporation purposes, at a monthly rent of \$1,275.

<sup>1</sup> Acreage used here is a rough figure computed by computer software, without any survey to verify.

CHARACTER OF USE:

Employee Parking and Storage Purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

\$4,038, see Remarks Section.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, concurred with by the Environmental Council on June 5, 2015, the subject request for issuance of a revocable permit is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, item 47, which states, "Leases of state land involving negligible or no expansion or change of use beyond that previously existing." See **Exhibit B**.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>x</u>	NO
Registered business name confirmed:	YES <u>x</u>	NO
Applicant in good standing confirmed:	YES <u>x</u>	NO

REMARKS:

Background

Hawaiian Paakai, Inc. (HPI), a domestic profit corporation, is the current holder of Revocable Permit No. 7831<sup>2</sup> over the subject parcel for production of salt by solar evaporation. Recent photos of the subject parcel are shown on **Exhibit C**.

Staff notes that the acreage of the subject location includes stream bank and other portions subject to tidal fluctuations which make such portions unusable (green area). In short, the actual usage area is less than what is shown on the map.

Other RPs issued in the vicinity

**Exhibit D** is a table showing the particulars of other revocable permits issued in the

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<sup>2</sup> HPI, either under the corporation name or its owner's individual capacity, has been the permittee over the subject location since late 1960s, for same character of use.

vicinity. The rounded monthly rent per square foot ranges from one cent (1) to 14 cents. In addition, the effective dates of the current rent payable are also shown, and the permitted uses include parking, storage, and uses permitted by the Land Use Ordinances.

During previous site visits to this neighborhood, staff noted that various permittees are utilizing their respective area. Staff did notice that the subject location was mainly used for storing of one or two containers and storage of other miscellaneous items, e.g. pallets.

#### Parking in the vicinity

As noted from Exhibit A2, there are two roads, namely Alahao Place and Hoonee Place, off Sand Island Access Road leading into the State Parcels mentioned on Exhibit D as well as other private industrial lots. Alahao Place is a private road and its owner recently stepped up the enforcement of unauthorized parking on Alahao Place. This action escalated the demand for street parking for the businesses, in particular, their employees, on Hoonee Place, which is a public road.

The businesses, including Dorvin Leis, American Carpet One, and ULS, discussed with HPI regarding the latter's future plan for the subject location. Subsequent agreement was reached among the parties that HPI will surrender RP 7831 and ULS, as the representative for the businesses mentioned above, will request a new RP for employee parking, further subject to HPI's continued use over an area of about 48 feet x 53 feet [near the entrance] for parking of container and loading area, under the requested RP. HPI has indicated its agreement to this approach.

ULS is aware of the lack of infrastructure in the area and the limitation imposed by the topography on any utilization.

#### Justification for Revocable Permit

The configuration of subject location is irregular, with majority of its acreage deemed unusable due to its vicinity to stream banks and vulnerability to tidal fluctuations. The remaining usable area is a sliver of land along its perimeter [i.e. the blue area]. The State lands in this area, including the subject location and other RP areas, are not legally subdivided lot and lack infrastructure. With all these deficiencies, it is questionable whether the rental return will justify expending more resources on creating a legally subdivided lot and constructing infrastructure to transform the subject location into a lot capable of undergoing a long term disposition.

The intended users of the requested revocable permit operate right across the street and their employees need to find street parking. The subject request is able to accommodate the demand for employees parking notwithstanding the deficiencies imposed by the subject location mentioned above.

Staff believes the current permitted use [i.e. production of salt by evaporation] is not the highest and best of the subject location. Therefore, the subject location could be better utilized for other purposes. Further, the latest demand of parking would support the proposed parking use. Therefore, staff recommends the Board authorize the issuance of a



revocable permit.

Monthly Rent

The subject location comprises 2.5 acres and 1.03 acres of non-usable and usable area respectively. Land Division is in the process of hiring an independent appraiser to evaluate the rents charged for State lands underlying revocable permits statewide, over 300 in total. However, such an undertaking will need time to complete. Therefore, staff recommends the Board approve using the same unit rent for the adjacent RP 7832 [hatched white on Exhibit A1], which was issued in 2013 for an unit rate of 9 cents per square foot per month as the base, to determine the rent for the requested revocable permit. The recommended monthly rent is represented as follows:

$$\$0.09 \times 44,867 \text{ square feet} = \$4,038 \text{ per month or } \$48,456 \text{ per year}$$

The monthly rent will be adjusted, if appropriate, during the appraisal process at a later date.

Additional revocable permit condition.

In the past, the Division has issued revocable permits for interim short-term uses, with the understanding that the permit would be terminated once the Division determines an appropriate long-term use. However, despite this understanding and the fact that a revocable permit may be terminated with 30-day notice, many permittees have, in the past, subsequently objected to such termination. As such, staff recommends the subject revocable permit include a condition under which the permittee acknowledges that the permit is for short-term use; that the permit will be terminated when the Department decides a long-term disposition is appropriate.

Comments from agencies

Department of Facility Maintenance, Office of Hawaiian Affairs, Board of Water Supply, and Department of Planning Permitting have no objection/comment to the subject request.

Department of Health, Division of Aquatic Resources, and Commission on Water Resource Management have not responded to the solicitation for comment before the deadline.

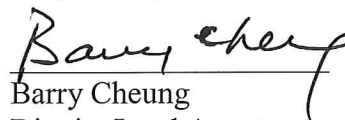
State Historic Preservation Division requests an opportunity to review any proposed plans that may have a potential to affect historic properties including any ground disturbing activities within the subject location.

There are no other pertinent issues or concerns.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to United Laundry Services, Inc. covering the subject area for employee parking purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current revocable permit document as may be amended from time to time;
  - B. The permittee acknowledges that the permit is for short-term use; that the permit will be terminated when the Department decides a long-term disposition is appropriate.
  - C. The permittee shall be allowed to enter into sub-agreement with other entities using the subject premises for employee parking or storage purposes without the prior consent of the Board;
  - D. State Historic Preservation Division's review on any proposed plans including ground disturbing activities;
  - E. Review and approval by the Department of the Attorney General; and
  - F. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Termination of Revocable Permit 7831 upon issuance of the requested revocable permit.

Respectfully Submitted,

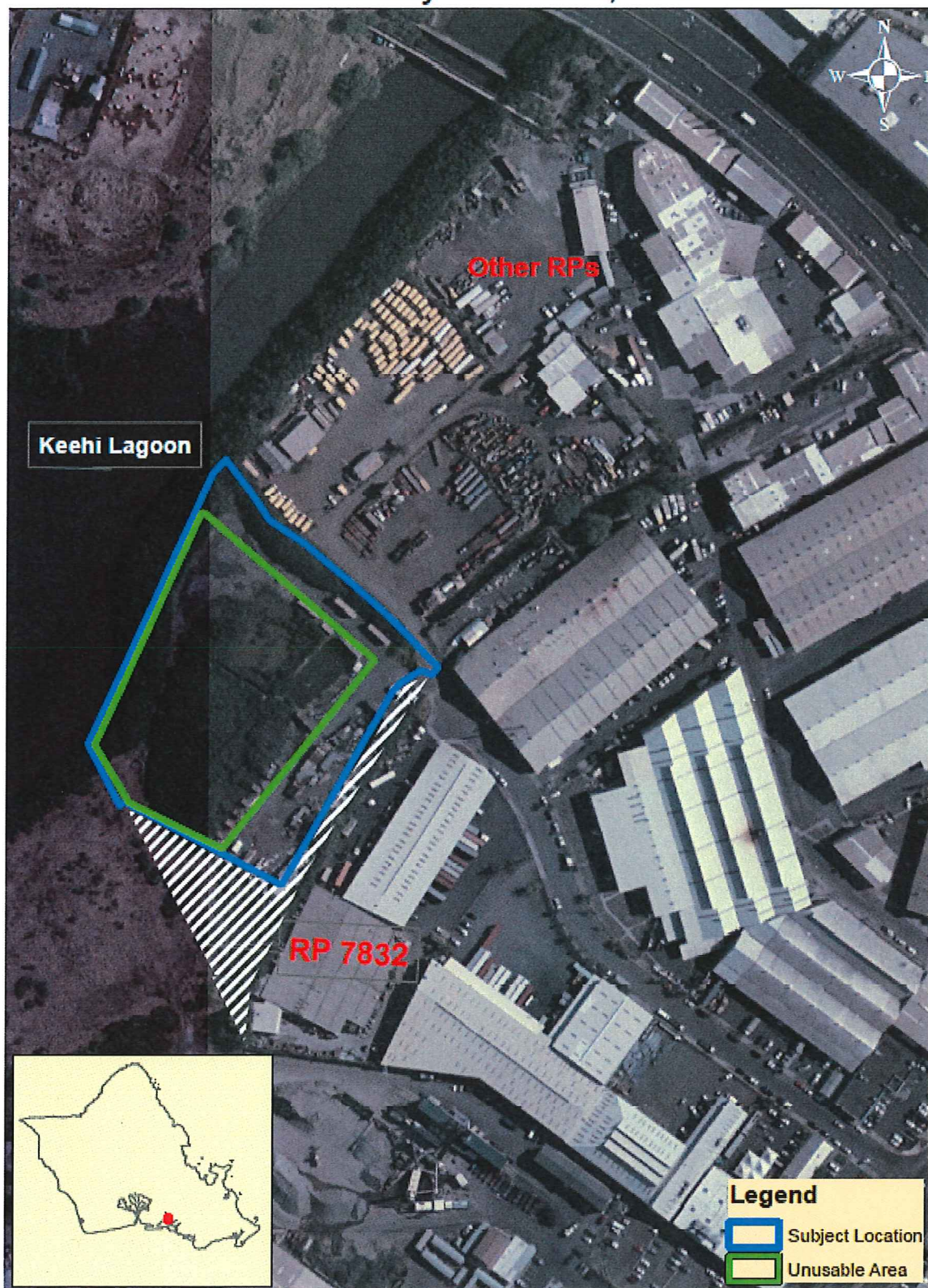
  
Barry Cheung  
District Land Agent

APPROVED FOR SUBMITTAL:

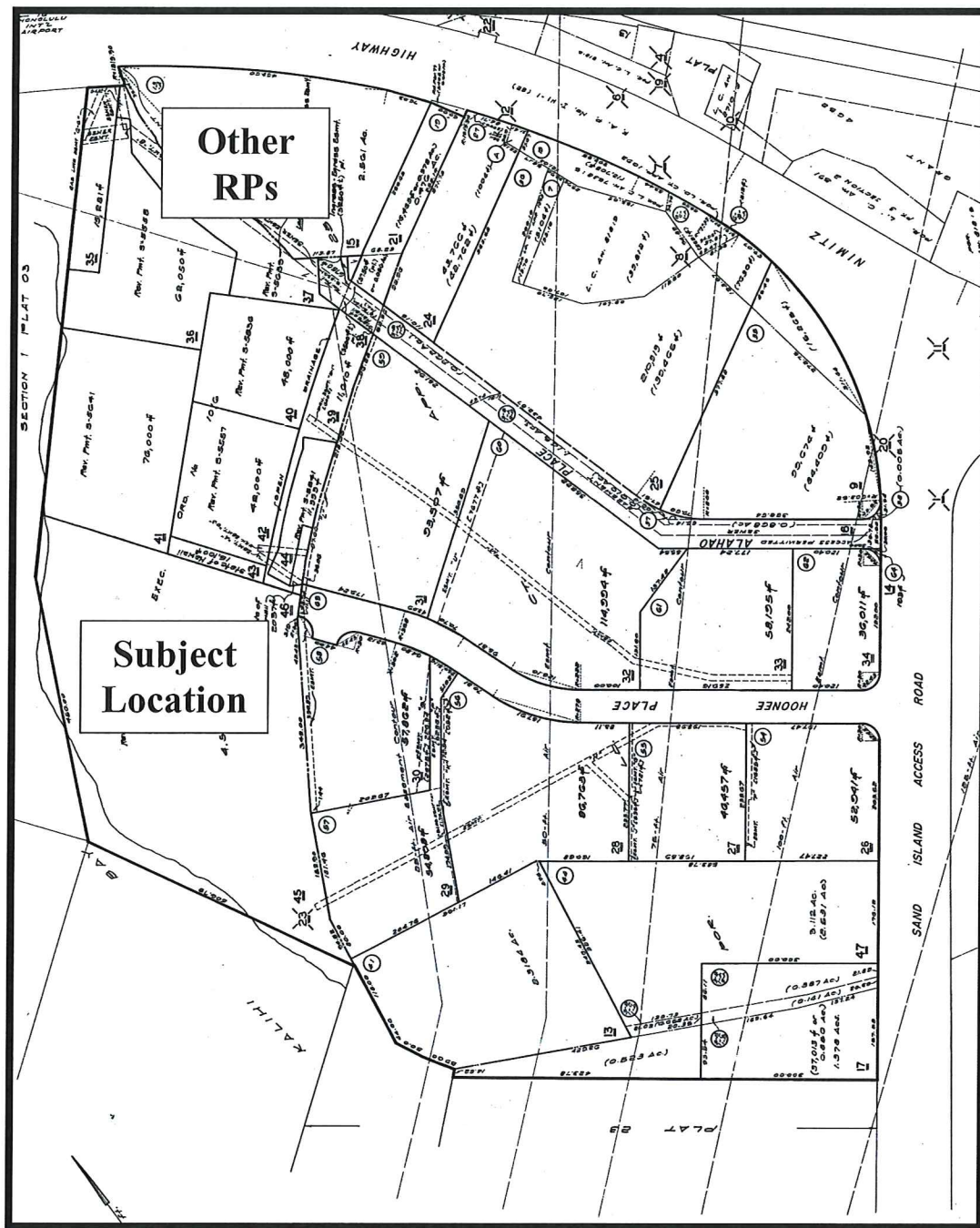
  
Suzanne D. Case, Chairperson



## United Laundry Services, Inc. - RP



**EXHIBIT A1**



TMK (1)-2-021:portion of 045

EXHIBIT A2



## EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Issuance of Revocable Permit for Employee Parking and Storage Purposes

Project / Reference No.: 15OD-144

Project Location: Honolulu, Oahu Tax Map Key: (1) 1-2-025:portion of 045.

Project Description: Applicant plans to use the State land for employee parking and storage.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with the Exemption List for the Department of Land and Natural Resources, concurred with by the Environmental Council on June 5, 2015, the subject request for issuance of a revocable permit is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing," item 47 that states, "leases of state land involving negligible or no expansion or change of use beyond that previously existing"

The request is related to termination of an existing revocable permit and replace with another permittee over the same area. Staff does not anticipate any major change to the previously existing on the premises.

Consulted Parties: Agencies as noted in the submittal

Recommendation: That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

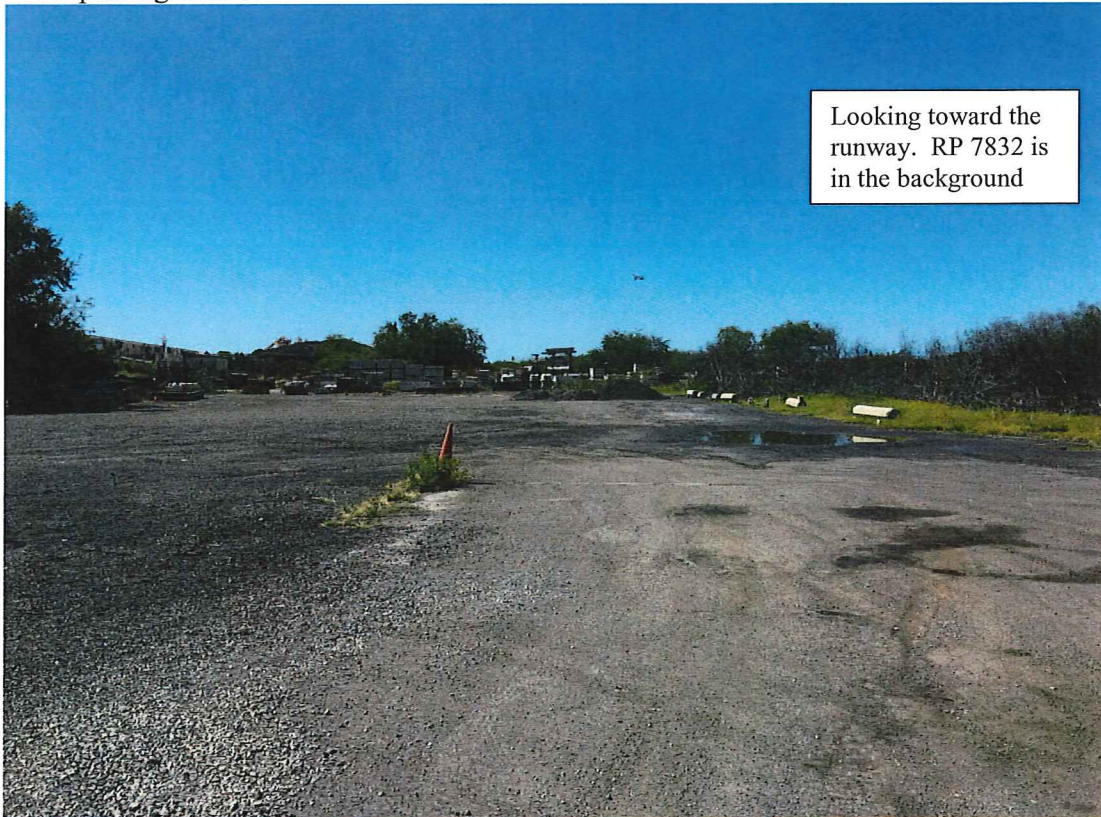


Suzanne D. Case, Chairperson

Date 6/9/16

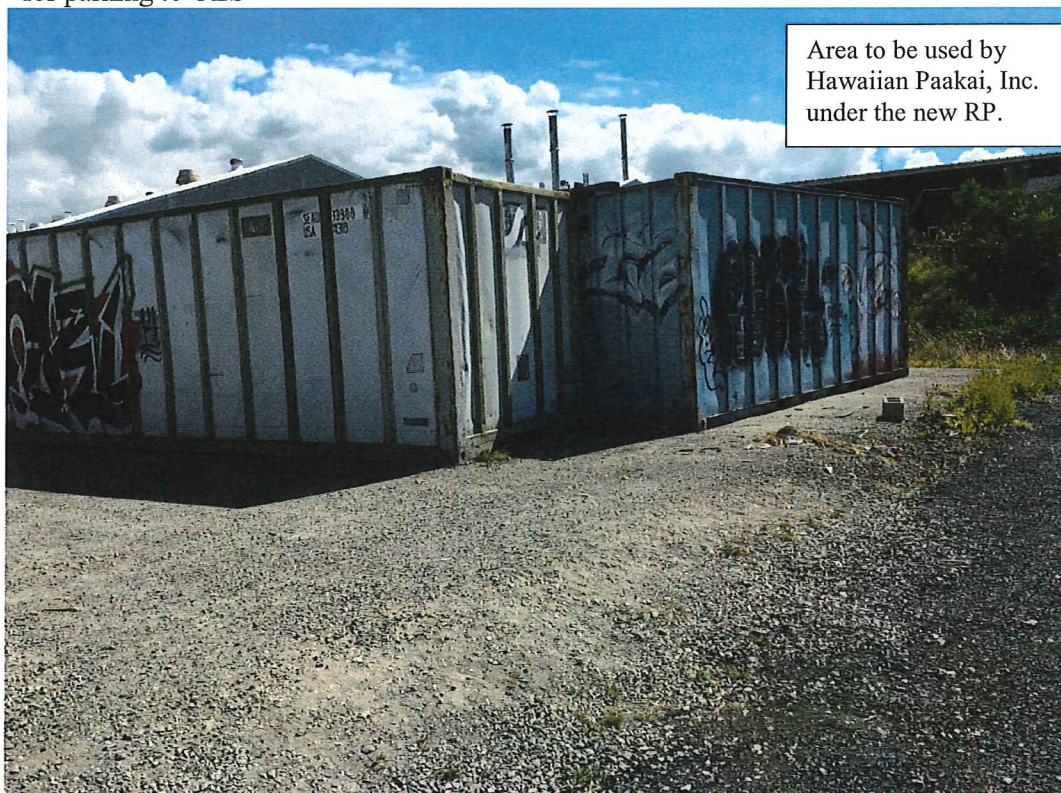
**EXHIBIT B**



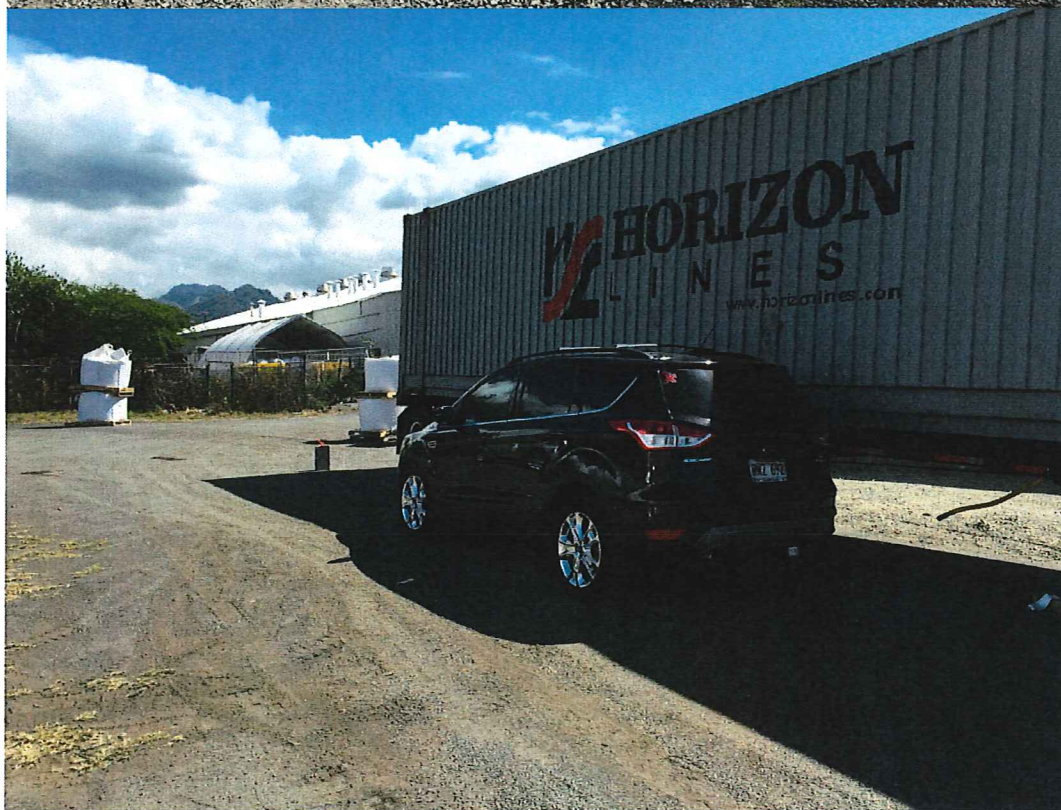


**EXHIBIT C**





Area to be used by  
Hawaiian Paakai, Inc.  
under the new RP.



Doc No.	Lessee Name	TMK	Lease From	Permitted use shown on permit	Ac	Monthly Rent	Unit monthly rent (\$/sf)	Effective date of the current rent
rp7470	JSR EQUIPMENT, INC.	(1) 1-2-021:036-0000	1/1/2010	Baseyard, office and storage purposes	1.424	2,890	0.05	1/1/2010
rp7835	THE HARRY & JEANETTE WEINBERG, FOUNDATION INC.	(1) 1-2-021:037-0000	8/1/2013	RP for storage, parking, roadway and office purposes.	0.674	2,730	0.09	8/1/2013
rp7725	PESTANA CORP. DBA BOB'S EQUIPMENT SALES & RENTAL	(1) 1-2-021:040-0000	8/1/2011	Baseyard, including sales and rental of construction equipment	1.102	6,483	0.14	1/1/2008
rp7748	ROBERT'S CENTRAL LAUPAHOEHOE INC.	(1) 1-2-021:041-0000	9/1/2011	Parking of buses purposes.	1.745	3,147	0.04	8/1/2001
rp5557	YAMASHIRO, INC., ED	(1) 1-2-021:042-0000	5/1/1978	Storage of trucks, trailers, construction equipment	0.964	2,584	0.06	1/1/2008
rp7188	DOONWOOD ENGINEERING, INC.	(1) 1-2-021:044-0000	11/1/1999	Baseyard for storage of engineering equipment	0.307	450	0.03	1/1/2008
rp7831	HAWAIIAN PAAKAI, INC.	(1) 1-2-021:045-0000	8/1/2013	Industrial, and any other uses permitted under the City and County of Honolulu Ordinances, as amended.	3.530	1,275	0.01	1/1/2008
rp7832	PRECAST, INC. AND RAYLYNN REBAR, LLC	(1) 1-2-021:045-0000	8/1/2013	Industrial, and any other uses permitted under the City and County of Honolulu Ordinances, as amended.	0.970	3,800	0.09	8/1/2013
rp7514	UNITED LAUNDRY SERVICES, INC.	(1) 1-2-021:046-0000	1/1/2010	Truck parking, unloading of laundry, storage of laundry bins	0.047	191	0.09	11/1/1999

**EXHIBIT D**