

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii 96819

September 23, 2016

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

Oahu

Issuance of a Revocable Permit to HBM, LLC for Equipment Storage and Vessel Moorage
Located at the Ala Wai Small Boat Harbor, Kalia, Honolulu, Island of Oahu, Hawaii Tax
Map Key: (1) 2-3-037:020.

APPLICANT:

HBM, LLC

LEGAL REFERENCE:

Sections 171-13 and 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of the Ala Wai Small Boat Harbor, situated at Kalia,
Honolulu, Island of Oahu, Hawaii Tax Map Key: (1) 2-3-037:020, as shown on the attached
map labeled exhibit A, hereinafter referred to as the "Premises."

AREA:

.349 acres, more or less.

ZONING:

State Land Use District: Urban
County of Honolulu CZO (Draft): Public Precinct (Waikiki Special District)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act: YES X NO ___

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ___ NO X

CURRENT USE STATUS:

Vacant land located at the Ala Wai Small Boat Harbor

CHARACTER OF USE:

The Permittee shall occupy and use the Premises for the specified purposes only: Equipment storage and the moorage of vessels. The Permittee may also occupy and use the Premises for any other use permitted under applicable county zoning, subject to the prior approval of the Chairperson of the Board and the Permittee's compliance with Chapter 343, Hawaii Revised Statutes.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

\$6,000 per month. This amount was proposed by HBM, LLC and it is consistent with rent that was being paid while the subject area was under lease to Honey Bee USA, LTD.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Previously, the parcel was used as a fuel dock facility retail store and vessel moorage that included vehicle parking. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that was previously existing.

In accordance with the "Department of Land and Natural Resources Environmental Impact Statement Exemption List", concurred by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, No. 53, "Granting to a person the privilege to conduct operations involving the provision of goods, wares, merchandise, or services to the general public including, but not limited to, tours, food and beverage operations, retail operations, rental operations, or communications and telecommunications services in or on an existing building, facility, or area."

We consulted with two agencies regarding HRS Chapter 343. Lauren Yasaka, Office of Conservation and Coastal Lands (OCCL), and Barry Cheung, Land Division (LD). They concurred that this RP met our Chapter 343 exemption, and thus we are seeking the

Board to approve this submittal per the recommendations below.

DCCA VERIFICATION:

Place of business registration confirmed: YES x NO
Registered business name confirmed: YES x NO
Applicant in good standing confirmed: YES x NO

JUSTIFICATION FOR REVOCABLE PERMIT IF APPLICABLE:

The proposed area was recently under lease to Honey Bee USA, Inc. (Honey Bee) for the purpose of operating a retail store, fuel dock, and wedding services. Honey Bee experienced financial difficulties and filed for bankruptcy. On March 11, 2016, Honey Bee filed a motion to approve assumption of boating lease or in the alternative to extend time to assume the lease. On June 9, 2016, the Bankruptcy Court entered an order denying the motion. On June 23, 2016, Honey Bee filed a motion to reconsider the order. On August 1, 2016, the Bankruptcy Court ordered the motion to be denied and Honey Bee shall immediately surrender the property.

The Division of Boating and Ocean Recreation (Division) is working on issuing a new Request for Proposals for the harbor but this will take some time. Until such time that an RFP can be issued, the Division is requesting to issue a Revocable Permit to HBM, LLC for equipment storage and vessel moorage in order to ensure there is a continuous uninterrupted presence on the site that will help to deter any unwanted activity that usually occurs on vacant lands.

REMARKS:

While the proposed area was under lease to Honey Bee, thirteen vessels were allowed to moor at the facility and the vessel owners were allowed to install storage lockers within the existing building as well as around the exterior of the building. Also, some vessel owners were permitted to live aboard their vessels. The Division is proposing to allow the same type of activity except live aboards will not be permitted.

The applicant is currently moored at the site and is forming a new entity to manage the operation. The Division has had no requests from other applicants for the site and the applicant has not had a lease, easement, or other disposition of state lands terminated within the last five years due to non-compliance with such terms and conditions.

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 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 HBM, LLC covering the subject area for all 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 form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Edward R. Underwood
Administrator

Attachment: Exhibit A

APPROVED FOR SUBMITTAL:



Susanna D. Case
Chairperson



EXHIBIT A