

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of State Parks  
Honolulu, Hawaii 96813

November 10, 2016

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

O'ahu

Issuance of Revocable Permit to Go Holoholo, Inc. dba Millwood Ohana Productions, for Use of the Nutridge House and Grounds as a Pilot Project for Operating a Venue for Commercial and Community Events, Pu'u 'Ualaka'a State Wayside, Opu, Makiki, O'ahu, TMK: (1) 2-5-019:004 (Portion).

APPLICANT:

Go Holoholo, Inc. dba Millwood Ohana Productions, a domestic profit corporation.

LEGAL REFERENCE:

Sections 171-55 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Opu, Makiki, O'ahu, identified by Tax Map Key: (1) 2-5-019:004 (por.), as shown on the attached maps labeled Exhibit A.

AREA:

An approximate 2 acre portion of 22 acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District: Conservation  
County of Honolulu CZO: P-1

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO X

CURRENT USE STATUS:

Encumbered by Governor's Executive Order 4314 setting aside land for state park purposes to be under the control and management of the State of Hawai'i, Department of Land and Natural Resources, Division of State Parks.

CHARACTER OF USE:

For the purpose of operating a venue for commercial and community purposes including tours and special, small scale events.

MONTHLY RENTAL:

\$4,000 per month minimum base rent and 50% percentage of gross receipts from all events that are conducted on the site (to be determined by the Chairperson).

COLLATERAL SECURITY DEPOSIT:

\$4,000.

COMMENCEMENT DATE:

January 1, 2017 or as determined by the Chairperson.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Division of State Parks (DSP) believes that this project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment under Chapter 343, Hawaii Revised Statutes (HRS) and §11-200-8(a)(1), Hawaii Administrative Rules (HAR) and within exemption Class 1, Numbers 2, 3 and 5 of the DSP Exemption List which exempts operations involving negligible or no expansion or change of use beyond that previously existed within park boundaries [February 5, 1976].

REMARKS:

The Nutridge House was designed by architect Hart Wood for Ernest Shelton Van Tassel, and is now commonly known today as the Nutridge House (Nutridge). This house was constructed in the 1920's during the creation of a 22 acre macadamia nut plantation parcel in what is now a portion of Pu'u 'Ualaka'a State Wayside. This was one of the first locations selected for the cultivation of macadamia nuts trees in the state. In 1927, the Territory granted Mr. Van Tassel a fifty year lease and the plantation remained in operation until the 1970's when the associated processing plant suspended operations.

In the 1980's the Department issued a revocable permit to Rick Ralston to restore the structure while being a caretaker of the house and grounds. When Mr. Ralston was originally issued a revocable permit, the house was in poor condition. Mr. Ralston's rent was discounted in exchange for his skill and labor and financial support in restoring the dwelling which, in 1981, became listed on the National Register of Historic Places.

Due to DSP's determination in 2014 to reevaluate the use of the house and grounds for increased public access and a critical need to increase revenue generation to offset shortfalls in operational costs, DSP reached out to possible new managers of the property including the Hawai'i Wedding Association and others to discuss a possible public/private partnership which would benefit both the local community and the public in general while providing critically needed revenue for DSP.

At its meeting of February 13, 2015, under item E-1, the Board authorized the issuance of a revocable permit to Discovering Hidden Hawaii Tours Inc. covering the subject property for commercial and non-profit events and a commercial tour purpose as a pilot project, which would offer a balance between honoring the history and sensitivity of the park with a fair economic return for the DSP.

Unfortunately, during the tenure of their occupancy on the property which commenced on March 1, 2015, Discovering Hidden Hawaii Tours (DHHT) violated several conditions of the revocable permit and DSP then received several complaints from the community pertaining to the sound nuisance emanating from the property, which was experimenting with hosting a luau. The permit to Discovering Hidden Hawaii Tours Inc. was not renewed after June 30, 2016.

Presently, the subject property has been vacant since June 30, 2016, and DSP has been showing the property to various interests that staff was hoping would be a better fit. The new conditions and expectations for use, based on what DSP learned from the over use and activity of DHHT, is in the attached Nutridge Fact Sheet. Basically, the change is less magnitude of use and a much higher percentage of revenue - @ 50% - will be paid to DSP. The basic premise is to partner with a private entity based on these 4 primary elements:

- Security and production of the grounds and dwelling on the premises
- Maintenance and stewardship of the grounds and dwelling
- Controlled public access to experience the historic and forested park ambience
- Reasonable income for the State and the operating partner

David Millwood of Go Holoholo, Inc. dba Millwood Ohana Productions and six (6) other applicants all expressed an interest in managing the property, and there was a wide variety of creative ideas presented.

Although all the applicants have expressed a strong interest in the property, Go Holoholo, Inc. dba Millwood Ohana Production's (MOP) proposal offered a greater economic return in excess of the appraised rental value. It also achieves the balanced goal of preservation of the historic structure, continued maintenance of the grounds, and re-purposing the grounds and house for less impacting public purposes. A keen interest to staff is the offer to modify the non-historic structure for both administrative and caretaking purposes – providing the critically needed 7 day a week presence and the ability to host members of the public who are interested in having an event on the grounds. MOP has a variety of tents and chairs that would be on site - with the capacity to both set them up and then quickly remove them after the event – this will insure the quality of the lawn and grounds which had been severely damaged due to a semi-permanent tent and heavy luau use.

Staff recommends the Board approve a revocable permit to MOP to continue this pilot project, with the intent for DSP to determine if this type of management and new stricter use conditions could then be incorporated into an RFP or IFB in 2018.

The applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions and therefore, DSP recommends approval under terms described herein and further recommends the Board delegate to the Chairperson the authority to negotiate any other specific terms necessary to effectuate the revocable permit.

**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 Go Holoholo, Inc. dba Millwood Ohana Productions, covering the subject area for the purposes described herein and 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.

3. Authorize the Chairperson to negotiate any other specific terms necessary to effectuate the revocable permit.
4. Authorize guests or invitees of Go Holoholo, Inc. dba Millwood Ohana Productions, pursuant to HAR §13-146-25, to use or possess alcohol on the premises.

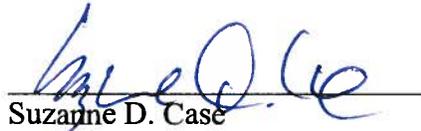
Respectfully Submitted,



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Curt A. Cottrell  
Administrator  
Division of State Parks

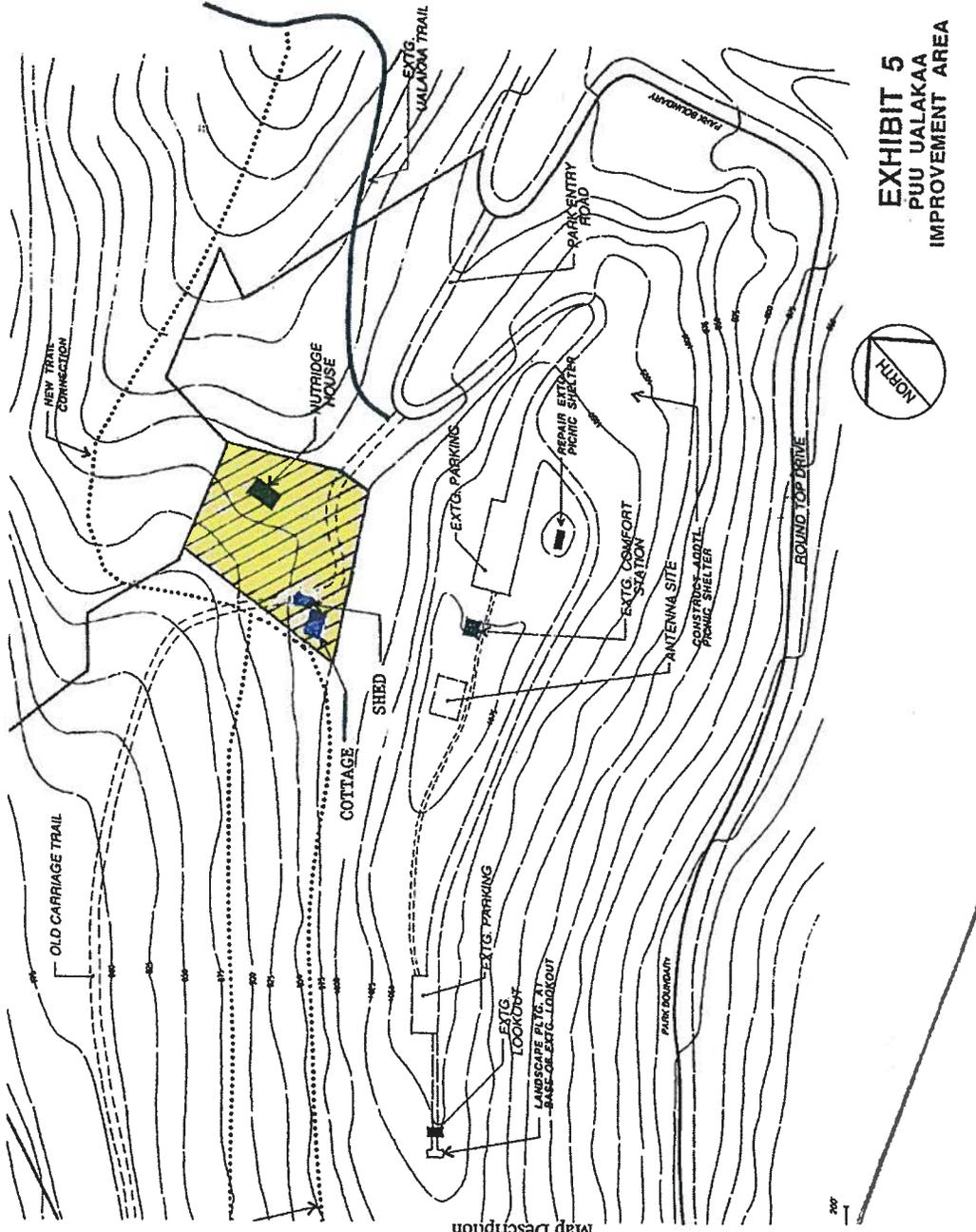
APPROVED FOR SUBMITTAL:



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Suzanne D. Case  
Chairperson  
Board of Land and Natural Resources





Attachment 3  
Map Description

**EXHIBIT 5**  
**PUU UALAKAA**  
**IMPROVEMENT AREA**

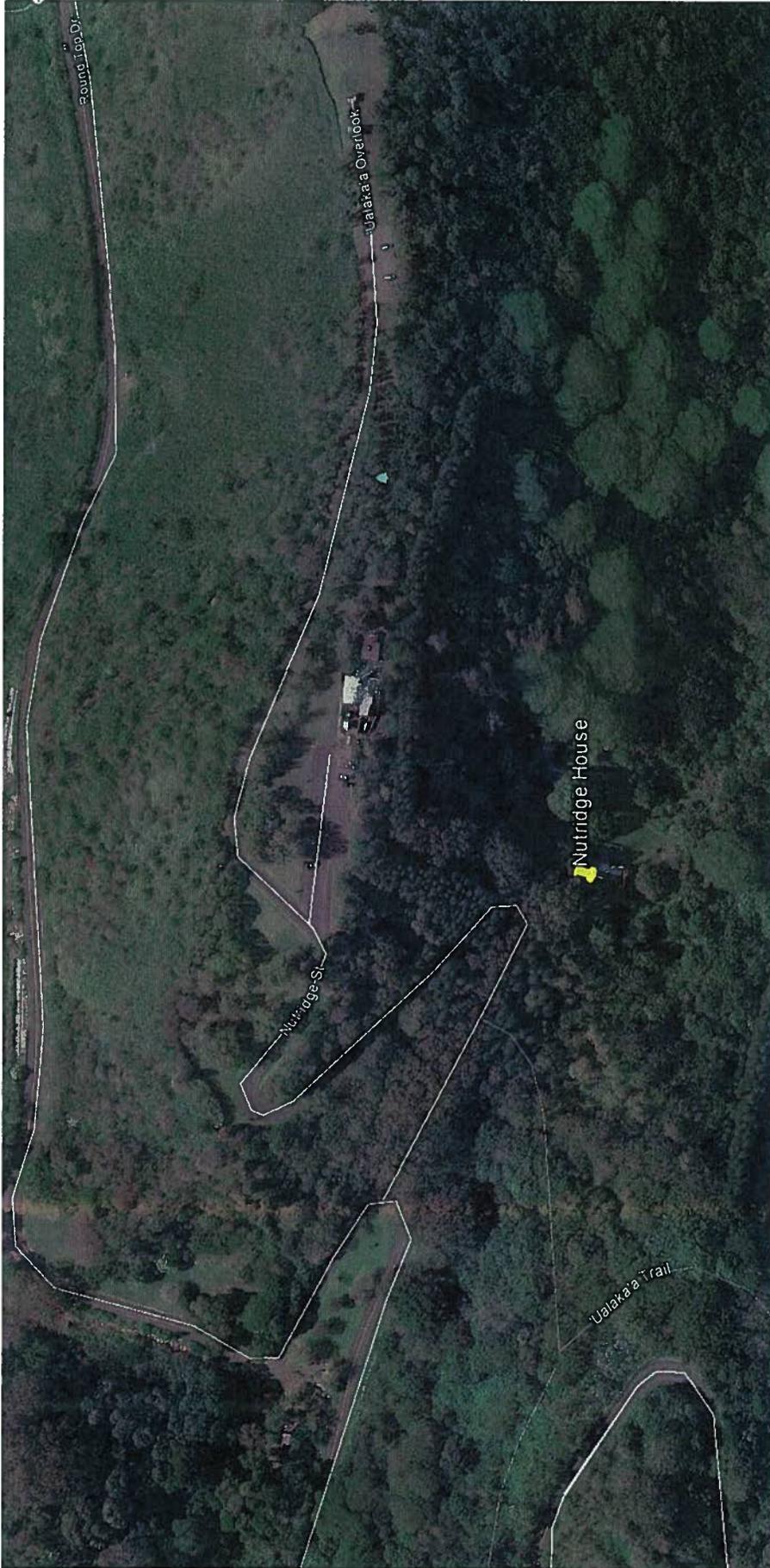
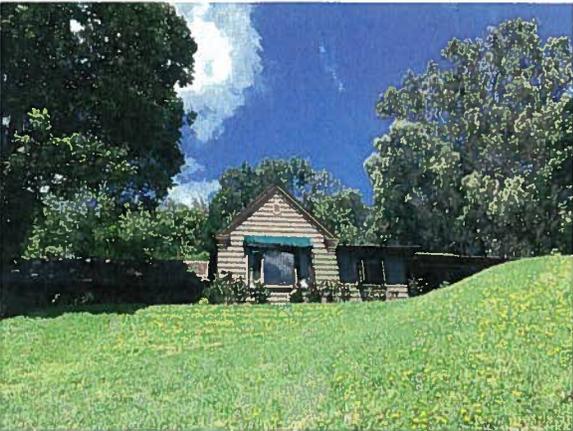
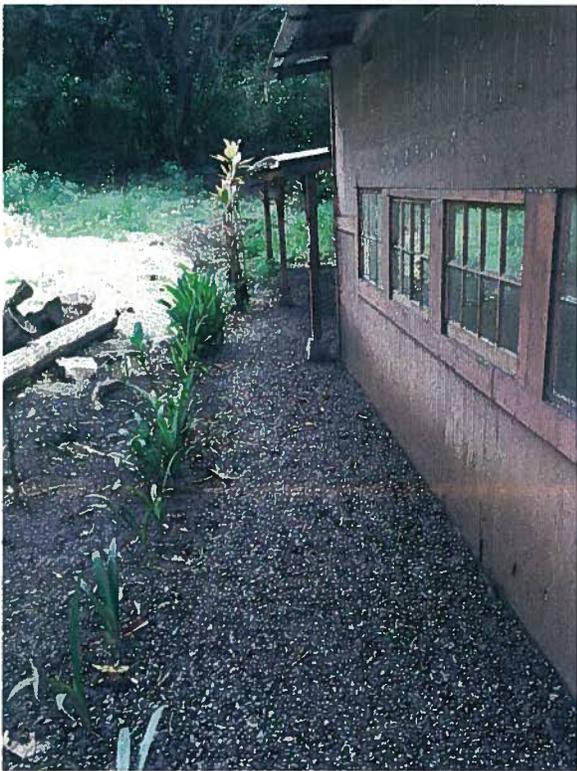
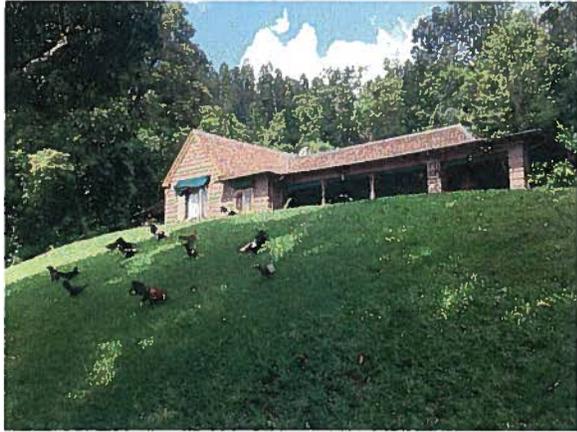


EXHIBIT B – Photos







## **Pu'u 'Ualaka'a State Wayside – Historic Nutridge Property**

The Division of State Parks (DSP) is interested in executing a one year, month-to-month Revocable Permit, to be approved by the Board of Land and Natural Resources to a qualified partner for adaptive re-use of the historic house and grounds at Nutridge.

➤ **DSP has 4 primary goals in establishing this adaptive re-use and relationship:**

- Security, protection and management of the grounds and house.
- Maintenance and stewardship of the grounds and house.
- Controlled public access to experience the historic and forested park ambience.
- Reasonable income for the State and the operating partner.

➤ **Security and Maintenance Requirements:**

- Provide a live-in caretaker/staff person for presence, security and maintenance purposes. The Caretaker will be vetted by DSP and authorized to occupy the “Toy Barn”.
- Maintain the extent of currently improved grounds, lawns, landscaping on a regular basis to a standard approved by DSP.
- Conduct light maintenance and cleaning of the four structures:
  1. Historic Hart Wood house
  2. Historic workshop/tool shed
  3. Upper non-historic garage
  4. Lower non historic Toy Barn - to be converted to the Caretaker’s residence

This activity includes keeping vegetation away from structures, gutter/drainage maintenance, etc. Cleaning structures will be based on the frequency and intensity of use. DSP shall be responsible for capital improvements.

- Supporting DSP in the opening and closing of the main park entrance gate – schedule to be determined.

➤ **Allowable Uses of Structures:**

- Adaptive reuse of structures is under consideration with DSP input and approval. Most scrutiny will be given to the historic Hart Wood residence.
- “Toy Barn” currently equipped with a bathroom, but must be retrofitted to some degree for residential use (no kitchen – may need windows).

### **Event Parameters on Grounds:**

- **1 day per week (Mondays) the property will be unused for maintenance and recovery**
  - Up to 40 persons/day split into maximum 2 events (i.e. 2 small weddings, picnics, other types of gathering to experience the grounds), with no overflow parking use in the Park. Allowable 5 days/week. (200/week, 800/month).
  - Single commercial event up to 100 persons. Allowable once per week max @ 4 times per month, 100/week @ 400/month.
  - Either contracted transportation or event parking at lower grass area or upper paved parking in Pu'u 'Ualaka'a lot - subject to DSP approval via a Special Use Permit.
  - Available to community groups/non-profit fundraisers at a minimum twice a month, 100 per event, 200/month (parking allowable on site with DSP approval).
  - Larger community-based events may be authorized with DSP approval (with consideration given to a substitution basis).
  - Sound will be non-amplified or amplified in a manner to not impact the public at Pu'u 'Ualaka'a and Tantalus residents.
- **Total maximum patronage:** 1,400 per month
- **Liquor:** The sale and distribution of alcohol is allowed via previous Board approval – but must strictly adhere to Liquor Commission regulations.
- **Rent and Insurance Requirement:**
- Minimum rent of \$4,000 per month or a % of gross income – whichever is higher. Initial payment of first and last month's rent upon approval and consummation of RP.
  - Commercial and general liability insurance of 2 million dollars.
  - Fire insurance for the structures.