STATE OF HAWAI‘I
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawai‘i 96813

September 22, 2017

Chairperson and Members
Board of Land and Natural Resources
State of Hawai‘i
Honolulu, Hawai‘i

Land Board Members:

SUBJECT: CONTINUATION OF A REVOCABLE PERMIT TO LANA‘I RESORTS, LLC., DBA PULAMA LANA‘I, MANELE SMALL BOAT HARBOR, LANA‘I CITY, ISLAND OF LANA‘I, HAWAI‘I, TAX MAP KEY (2) 4-9-17:06,

APPLICANT:

Lana‘i Resorts, LLC., dba Pulama Lana‘i (“Permittee”), whose mailing address is 733 Bishop Street, Suite 2000, Honolulu, Hawai‘i 96813,

LEGAL REFERENCE:

Sections 171-13 and 171-55, Hawai‘i Revised Statutes (“HRS”), as amended.¹

LOCATION:

Portion of Government lands situated at Manele Small Boat Harbor (“MSBH”), Lana‘i City, Island of Lana‘i, Hawai‘i, Tax Map Key (2) 4-9-17:06, as shown on attached map labeled EXHIBIT A, hereinafter referred to as the “Premises”.

LAND AREA:

Area consisting of 28,625 square feet, more or less, of submerged lands, and 21,527 square feet, more or less, of fast lands.

¹ HRS 171-55 provides that, “Notwithstanding any other law to the contrary, the Board of Land and Natural Resources (“BOARD”) may issue permits for the temporary occupancy of state lands or an interest therein on a month-to-month basis by direct negotiation without public auction, under condition and rent which will serve the best interests of the State, subject, however, to those restrictions as may from time to time be expressly imposed by the Board. A permit on a month-to-month basis may continue for a period not to exceed one year from the date of its issuance; provided the Board may allow the permit to continue on a month-to-month basis for additional one year periods.”
ZONING:
State Land Use District: Conservation, Urban
County of Maui CZO: Open, Lana'i Project District One

TRUST LAND STATUS:
Section 5(b) lands of the Hawai'i Admission Act: YES
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: NO

CURRENT USE STATUS:
Set Aside for Public Use of Land, under Governor's Executive Order No. 2141, for construction, operation and maintenance of a Small Boat Marina and appurtenant facilities.

CHARACTER OF USE:
Occupancy and use of the Premises for the following specified purposes: Maritime related activities to support the maintenance and use of a floating dock in the Manele Harbor, Island of Lana'i, Hawai'i.

The Permittee may also occupy and use the Premises for any other uses permitted under applicable county zoning, subject to the prior approval of the Chairperson of the board and the Permittee's compliance with Chapter 343, Hawai'i Revised Statutes.

COMMENCEMENT DATE:
October 1, 2017

MONTHLY RENTAL:
Annual base rent of $28,000.00, or $2,333.33 monthly and ten percent (10%) of revenues derived from commercial activities. The Annual Base Rent and any percentage rents shall be paid quarterly.

This amount was determined by private independent appraisal report, prepared by CBRE, Inc, dated March 28, 2017.

SECURITY DEPOSIT:
Twice the monthly base rental.

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
BLNR – Continuation of a Revocable Permit

to Lana‘i Resorts, LLC. dba Pulanai Lana‘i at
MSBH, Lana‘i

REMARKS:

On November 8, 2013, item J-2, the Board authorized the termination of the general lease and easement to Castle and Cooke Resorts, LLC, and the issuance of a new lease and easement by way of direct negotiation to the Permitee for the Premises.

Since 2013, DOBOR has been constructing improvements in MSBH including tsunami damage repairs and phase I and phase II of the ferry system improvements. Improvements were completed in MSBH and the new docks were open in April 2016.

The survey and appraisal of the Premises for the new lease has been completed. However, the documentation for the long-term lease for the Premises is anticipated to be completed in one (1) or two (2) months. As such, in the interim, the Attorney General has advised DOBOR to submit to the Board, this request for the continuation of the RP for the Premises.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1) Authorize the continuance of a revocable permit to Lana‘i Resorts, LLC., dba Pulanai Lana‘i, covering the subject area for the use, maintenance and operation of a floating dock 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
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources
BLNR – Continuation of a Revocable Permit to Lana'i Resorts, LLC. dba Pulama Lana'i at MSBH, Lana'i

Attachments:

A. Map of Lana'i Resorts, LLC., dba Pulama Lana'i