

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

October 13, 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 HBM, LLC,
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, a Hawai'i limited liability company, whose mailing address is 1039 9th Avenue,
Honolulu, Hawai'i 96816.

LEGAL REFERENCE:

Sections 171-13 and 171-55, Hawai'i Revised Statutes ("HRS"), as amended.¹

LOCATION:

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

LAND AREA:

.349 acres, more or less.

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: Urban
County of Honolulu CZO: Public Precinct (Waikiki Special District)

TRUST LAND STATUS:

Section 5(b) lands of the Hawai'i Admission Act: NO

DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: NO

CURRENT USE STATUS:

Currently encumbered by Revocable Permit No. 39, to HBM, LLC, expiring December 14, 2017.

Set Aside for Public Use of Land, under Governor's Executive Order No. 1795, for Ala Wai 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. Live aboard on vessels shall not be permitted.

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, Hawai'i Revised Statutes.

COMMENCEMENT DATE:

December 15, 2017, or date determined by the Chairperson.

MONTHLY RENTAL:

Six thousand and no/100 dollars (\$6,000.00) per month, payable in advance by the first of each and every month.

COLLATERAL SECURITY DEPOSIT:

Twice the Monthly Rental.

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

JUSTIFICATION FOR REVOCABLE PERMIT:

The Premises was formerly 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 (“RFP”) for a long-term lease by way of Public Auction. Until such time that an RFP can be issued, the Division is requesting approval for the continuation of the RP 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 vessel owners were allowed to install storage lockers within the existing building as well as around the exterior of the building.

On September 23, 2016, item J-2, the Board authorized a Revocable Permit to HBM, LLC, for equipment storage and vessel moorage. Subsequently, the Division has not received any other serious written applicants for the site. HBM, LLC 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.

The Division is working on transitioning the RP into a long-term lease by Public Auction. DTL Hawaii has been hired to gather community feedback to be used to develop several alternative conceptual plans for ASBH. The conceptual plans are intended to provide the Division with information that will be used to prepare Request for Proposal by the end of 2017.

RECOMMENDATION:

That the Board of Land and Natural Resources:

- 1) Authorize the continuation 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; and
 - b. Review and approval by the Department of the Attorney General.

- 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:

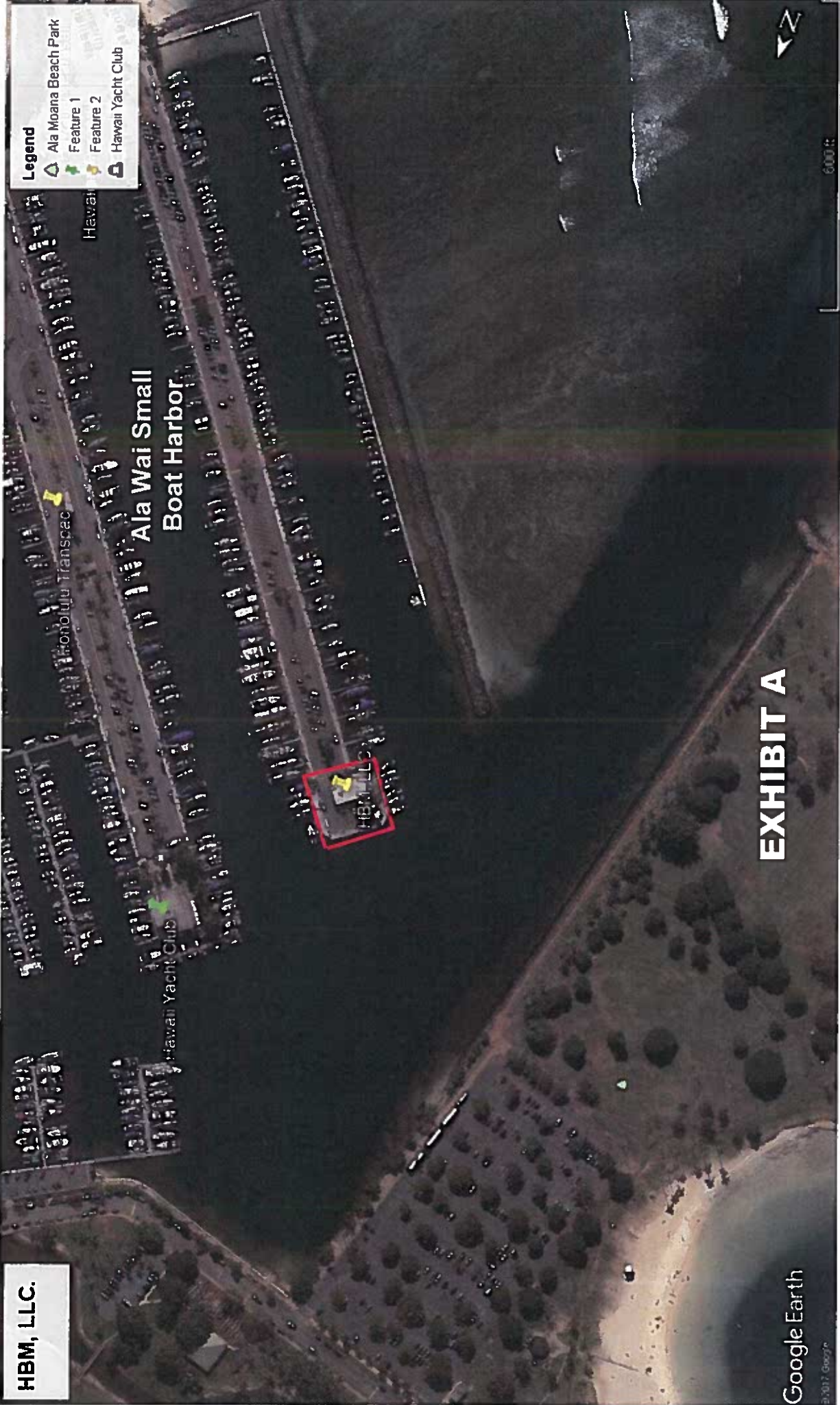


SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Attachment:

Exhibit A – Aerial Map of HBM, LLC at Ala Wai Small Boat Harbor

HBM, LLC.



Legend

- Ala Moana Beach Park
- Feature 1
- Feature 2
- Hawaii Yacht Club

Ala Wai Small Boat Harbor

HBM, LLC

EXHIBIT A

Google Earth
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600 ft