

State of Hawai'i
Department of Land and Natural Resources
Division of State Parks
Honolulu, Hawai'i

December 8, 2017

Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Statewide

Approval to Continue Twenty (20) Revocable Permits for Use of State Parks Lands on the Islands of Kaua'i, O'ahu, Maui, and Hawai'i for the following: Kaua'i: Na Pali Kayak Inc., Kayak Kaua'i, a Hawai'i Limited Partnership, Rick Haviland, dba Outfitters Kauai (Napali Coast State Wilderness Park for Commercial Kayak Landings), Clancy Greff dba Na Pali Eco Adventures, Inc, Na Pali Sea Tours, Inc., Lady Ann Cruises Inc., (Napali Coast State Wilderness Park for Inflatable Boat Landings), Ka Imi Naauao o Hawai'i Nei, Kaua'i Christian Fellowship, (Waimea Canyon State Park Non-profit Recreation-Residences/Camps), Hawai'i Conference Foundation (Koke'e State Park non-profit camp), O'ahu: Diamond Parking Services, LLC (Nu'uaniu-Pali State Wayside, Parking Concession), Bottling Group, LLC, (Diamond Head State Monument beverage vending), Erlinda Molina Villanueva (Ahupua'a O Kahana State Park, Agricultural use), Young Men's Christian Association of Honolulu, Hawai'i Climbing Coalition, (Ka'ena Point State Park, Outdoor Recreational Activities), Maui: Republic Parking Northwest, Inc. ('Iao Valley SM, Parking Concession), Hawai'i: Republic Parking Northwest, Inc. (Hāpuna Beach SRA, Parking Concession), Diamond Parking Services, LLC (Akaka Falls State Park, Parking Concession), Adventures in Paradise, Inc., Kona Boys, Inc., Iwa Kalua (Kealakekua Bay State Historical Park, Commercial Kayak Tours). See attached Exhibit A for a list of Revocable Permits.

HRS CHAPTER 343 – ENVIRONMENTAL ASESMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject action is exempt from the preparation of an environmental assessment pursuant to Exemption Class 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."

LEGAL REFERENCE:

Sections 171-13 and -55, HRS, as amended.

BACKGROUND:

Prior to the inception of the Revocable Permit Task Force and the findings presented and approved by the Board on June 24, 2016, in December of each year the Division of State Parks (DSP) would request the Board of Land and Natural Resources' (Board's) approval to continue the pertinent existing month-to-month revocable permits (RPs) throughout the state. In general,

ITEM E-1

all of the permittees that are eligible included in the renewal request are both in good standing and in compliance with the terms of the RP. In certain cases, however, continuation of the RP is not necessarily pursued. Examples of this would include RP's where the purpose has ended (such as transitional RP's) or in cases of non-compliance with the RP terms and it has been allowed to lapse.

Pursuant to §171-55, HRS, the Board may allow revocable permits to continue on a month-to-month basis for additional one-year periods. The prior purpose of seeking the Board's approval collectively has been to synchronize the terms of all revocable permits to a single calendar year period. Now, after the findings and recommendations of the RP Task Force, this annual Board submittal has been amended to include a more detailed explanation on the nature and necessity to either continue the RP or prepare a different disposition as authorized by the Board. Additionally, the recommendations of the RP Task Force included a request to note any non-compliance issues or pending litigation in the renewal template.

DISCUSSION:

DSP currently administers 5 general categories of RP's:

1. Commercial tours and recreational activities (9)
2. Commercial partnerships that provide a service (5)
3. Non-Commercial recreational activity (1)
4. Eleemosynary – non-profit camp activity (4)
5. Agricultural (1)

Some RP's have been established to test the commercial viability of a service and income generating opportunity, such as the parking and entry fee collection RP's. There are others are not easily subject to a competitive process – or provide a value added but fiscally intangible public recreational service.

There are currently 20 RP's DSP is asking to be renewed. Of the attached RP list, there are five that DSP intends to place out for either an Invitation to Bid or a Request for Proposals. These RP's are intended to be transitional - the intent is that they will be replaced by concession agreements or long-term, general leases. Three of the non-profit camps are in long-term lease negotiations pursuant to previous Board authorization and leases should be finalized in 2018. No changes are proposed for the agricultural and non-commercial recreational RP's.

DSP believes that continuing the nine long-standing commercial tour RPs, with fees previously established by the Board and transitory use not involving a disposition of land, are appropriate in the short-term as we consider the appropriate future disposition. For example, under HAR 13-146, commercial tours may be authorized via Special Use Permit, with fees set by the Board. This will be the subject of a more comprehensive BLNR briefing in 2018.

Kaua'i

Napali Coast State Wilderness Park and Polihale State Park. These RPs include three inflatable boat and three kayak landing permits for commercial guided tours at Nu'alolo Kai and Miloli'i in Napali Coast State Wilderness Park and Polihale State Park. These RP's were approved in 2005 but have a much more complex and long-standing use related to permits that were initiated in the 1980's. DSP is considering a process to determine how to establish a competitive process for commercial tours without having to determine the arbitrary criteria associated with capacity for the transitory use of the ocean and park land areas.

Koke'e and Waimea Canyon State Parks. There are three permits for nonprofit use of recreational residence and group camp facilities. The Board previously approved the issuance of long term leases for five non-profit organizations. One of those organizations has relinquished its use of the property, and a lease for Camp Hale Koa has been completed. Letters of Intent (LOI's) have been signed by the remaining three non-profit organizations-Ka Imi Na'auao Hawai'i Nei, United Church of Christ, and Kaua'i Christian Fellowship who operate their respective recreation-residence lots now.

O'ahu

Ahupua'a 'O Kahana State Park: A relatively small agricultural RP is issued to Erlinda Villanueva as a continuation of traditional practices and is related to the cultivation and sale of ti leaf.

Ka'ena Point State Park: The YMCA operates an archery range and other outdoor recreational activities under its RP which covers land adjacent to Camp Erdman. This is a portion of the State Park and other than the use of the land for the YMCA programs, there is no other recreational use considered for this portion of the park in the near future.

The Hawaii Climbing Coalition manages a series of vertical climbing routes on unencumbered State land with access through DSP land at Ka'ena Point State Park. This RP was crafted as an agreement between the Attorney General and a coalition of rock climbers in the previous Administration. The Coalition manages the climbing routes and carries liability insurance – one of the conditions of the RP. This is a unique and adaptive method to allow for recreational rock climbing on State land.

Bottling Group, LLC operates beverage vending machines near the main comfort station. Subject to future competitive bid process.

Nu'uauu Pali State Wayside (Pali Lookout).

Diamond Parking Service staffs attendants, collect fees, monitor vehicles and provides management services for the parking lot area. Subject to future competitive bid process.

Maui

‘Iao Valley State Monument: Republic Parking Northwest, Inc. furnishes attendants and management services for the parking lot area. However, due to the extensive flooding and erosion damage which occurred on the island of Maui in September 2016, Iao was closed to the Public for several months in 2016 and 2017 to assess the damages, conduct repair work within the park, and to stabilize the eroded stream slope. Reconfiguration of the parking lot and traffic patterns affect the parking vendor, and this disposition may best remain as an RP to allow for adaptation to ongoing changes at the park.

Hawai‘i

Hapuna Beach State Recreation Area: Republic Parking Northwest, Inc. operates a parking concession. Subject to future competitive bid process.

‘Akaka Falls State Park. Diamond Parking Service provides parking attendants and fee collection management services. Subject to future competitive bid process.

Kealahou Bay State Historical Park: Three commercial kayak tour companies are authorized to launch from Napo'opo'o Landing and to transit Kealahou Bay and then land at Awili Landing at Ka'awaloa with patrons and time and gear conditions. DSP continues to be engaged in Master Planning and an EIS that includes a provision to have the Napo'opo'o landing and the rental of kayaks and managing launching and landing at Ka'awaloa be outsourced for management via a competitive process. DSP anticipated this may be complete by the end of 2018.

DSP critically relies on Special Fund revenue to offset inadequate allocations of general funds and is more than 50% funded by income. RP's are one of the elements DSP uses to both ascertain monetary value of assets and to collect revenues and use data – and to allow for value added recreational use. DSP will continue to apply adaptable methods to determine long term revenue streams and while generating revenue to offset rising operating costs.

Staff is recommending that the Board approve the continuation of the revocable permits as described in this submittal.

RECOMMENDATION: That the Board:

1. Authorize the continuation of the Sixteen (16) revocable permits listed in a portion of Exhibit 1 and the titles, pursuant to the terms above which, by this reference, are incorporated herein, on a month-to-month basis and for a one-year period ending December 31, 2018, except for permits that are in arrears of rental payment for more than 60 days;
2. Approve such other terms and conditions as may be prescribed by the

Chairperson to best serve the interest of the State.

Respectfully submitted,



Curt A. Cottrell
Administrator

APPROVED FOR SUBMITTAL:



Suzanne D. Case
Chairperson

**DIVISION OF STATE PARKS
Revocable Permit Master List 2018**

RP#	PERMITTEE NAME	PARK	TMK	CHARACTER OF USE	PERMIT AREA (ACRES)	CURRENT RENT (BASE OR PERCENTAGE)	COMMENCEMENT DATE and EXPIRATION DATE	COMMENTS
SP0044	Na Pali Kayak, Inc	Napali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	n/a	\$5 per person, 5% of gross, whichever higher	6/20/2005 (commence) 12/31/2017 (expires)	
SP0045	Kayak Kauai	Napali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	n/a	\$5 per person, 5% of gross, whichever higher	6/10/2005 (commence) 12/31/2017 (expires)	
SP0046	Rick Haviland, dba Outfitters Kauai	Napali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	n/a	\$5 per person, 5% of gross, whichever higher	6/6/2005 (commence) 12/31/2017 (expires)	
SP0004	Clancy Greff dba Na Pali Zodiac and A Na Pali Eco Adventures, Inc.	Napali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	n/a	\$5 per person, 5% of gross, whichever higher	5/18/2005 (commence) 12/31/2017 (expires)	
SP0005	Na Pali Sea Tours, Inc.	Napali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	n/a	\$5 per person, 5% of gross, whichever higher	4/26/2005 (commence) 12/31/2017 (expires)	
SP8701	Lady Ann Cruises, Inc.	Napali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	n/a	\$5 per person, 5% of gross, whichever higher	4/1/2005 (commence) 12/31/2017 (expires)	
SP0041	Pepsi Bottling Group	Diamond Head SM, O'ahu	(1) 3-1-042:006	Concession	n/a	\$520 per month (\$6,240/annum) or 45.5% Drinks, 30% Gatorade of gross receipts whichever is greater	10/1/2004 (commence) 12/31/2017 (expires)	Projected IFB in 2018
SP0509	YMCA	Ka'ena Point State Park Reserve, O'ahu	(1) 6-9-004:005	Outdoor Recreational Activities	6.2 acres	\$150 per month (\$1,800/annum)	7/1/2013 (commence) 12/31/2017 (expires)	

**DIVISION OF STATE PARKS
Revocable Permit Master List 2018**

RP#	PERMITTEE NAME	PARK	TMK	CHARACTER OF USE	PERMIT AREA (ACRES)	CURRENT RENT (BASE OR PERCENTAGE)	COMMENCEMENT DATE and EXPIRATION DATE	COMMENTS
SP0530	Hawai'i Climbing Coalition.	Katena Point State Park Reserve, O'ahu	(1) 6-9-001:004 (por.)	Public Rock Climbing	3.65 acres	Gratis	12/1/2015 (commence) 12/31/2017 (expires)	AG and HCC agreement; non-commercial
SP0058	Erlinda Molina Villanueva	Ahupua'a o Kahana SP, O'ahu	(1) 5-2-02: por. 1	Agriculture	6.0 acres	\$90 per month (\$1080/annum)	5/21/2008 (commence) 12/31/2017 (expires)	
SP0517	Adventures in Paradise, Inc.	Kealakekua Bay State Historical Park, Hawai'i	(3) 8-1-011:006,010,011 and (3) 8-2-004:015 and seaward	Commercial Kayak Tours	N/A	\$5 per person, 5% of gross, whichever higher	5/21/2003 (commence) 12/31/2017 (expires)	Rent Raised 2017
SP0518	Kona Boys, Inc.	Kealakekua Bay State Historical Park, Hawai'i	(3) 8-1-011:006,010,011 and (3) 8-2-004:015 and seaward	Commercial Kayak Tours	N/A	\$5 per person, 5% of gross, whichever higher	3/20/2013 (commence) 12/31/2017 (expires)	Rent Raised 2017
SP0519	Iwa Kalua, dba Aloha Kayak Co.	Kealakekua Bay State Historical Park, Hawai'i	(3) 8-1-011:006,010,011 and (3) 8-2-004:015 and seaward	Commercial Kayak Tours	N/A	\$5 per person, 5% of gross, whichever higher	4/1/2013 (commence) 12/31/2017 (expires)	Rent Raised 2017
SP0500	Republic Parking Northwest, Inc.	Iao Valley State Park, Maui	(2) 3-3-003:012, 013	Parking Lot Operation	N/A	19,100 (Base rent). 71% gross receipts	1/1/2012(commence) 12/31/2017 (expires)	
SP0544	Diamond Parking Services LLC	Pali Lookout, O'ahu	(1) 1-9-007: (por)	Parking Lot Operation	3 acres	70% of Gross Receipts	4/25/2015 (commence) 12/31/2017 (expires)	Projected IFB in 2018
SP0545	Diamond Parking Services LLC	Akaka Falls State Park, Hawai'i	(3) 2-8-011:018 (por)	Parking Lot Operation	2 acres	70% of Gross Receipts	4/25/2015 (commence) 12/31/2017 (expires)	Projected IFB in 2018

**DIVISION OF STATE PARKS
Revocable Permit Master List 2018**

RP#	PERMITTEE NAME	PARK	TMK	CHARACTER OF USE	PERMIT AREA (ACRES)	CURRENT RENT (BASE OR PERCENTAGE)	COMMENCEMENT DATE and EXPIRATION DATE	COMMENTS
SP0408	Republic Parking Northwest, Inc.	Hapuna Beach SRA, Hawaii	(3)6-6-002:031, 035	Parking Lot Operation	n/a	\$16,100(Base rent), 75% gross Receipts (\$193,200/annum)	4/1/2013 (commence) 12/31/2017 (expires)	Projected IFB in 2017
SP0191	Hawai'i Conference Foundation, United Church of Christ	Koke'e SP, Kaua'i	(4) 1-4-004:027 a (4) 1-4-004:027 b	Nonprofit Camp	.50 ac.	\$132.00 annum	1/1/2007 (commence) 12/31/2017 (expires)	
SP0189	Ka Imi Naa'ao o Hawaii Nei	Waimea Canyon SP, Kaua'i	(4) 1-4-002:20	Nonprofit Camp	1.0 ac.	\$2,520.00 annum (\$210.00 month)	1/1/2007 (commence) 12/31/2017 (expires)	Board approved month to month permit although no permit was issued. requesting long-term lease
SP0193	Kauai Christian Fellowship	Waimea Canyon SP, Kaua'i	(4) 1-4-002:041	Nonprofit Camp	.99 ac.	\$2,520.00 annum (\$210.00 month)	1/1/2007 (commence) 12/31/2017 (expires)	

