

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

January 12, 2018

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

Land Board Members:

SUBJECT: ISSUANCE OF REVOCABLE PERMIT TO NORTH SHORE CANOE CLUB, FOR STORAGE FOR CANOES AND TRAILER PARKING, LOCATED AT HALEIWA SMALL BOAT HARBOR, HALEIWA, OAHU, TAX MAP KEY: (1) 6-2-003:011 (POR.)

APPLICANT:

North Shore Canoe Club (NSC), a 501(c)(3) Domestic Non-Profit Corporation, whose mailing address is P.O. Box 416, Haleiwa, HI 96712.

LEGAL REFERENCE:

Sections § 171-13 and -55, Hawaii Revised Statutes, as amended.  
Sections § 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Haleiwa Small Boat Harbor (HSBH), Haleiwa, Oahu, Tax Map Key: (1) 6-2-003:011 (por.) as delineated and as shown on the map labeled EXHIBIT A

AREA:

Approximately 1,000 square feet, more or less.

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: R-5 Residential

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act: YES

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

CURRENT USE STATUS:

Unpaved/unimproved land currently encumbered to the Division of Boating and Ocean Recreation.

CHARACTER OF USE:

Occupy and use the Premises for the following specified purposes only: Canoe storage and trailer parking.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

Forty and no/100 dollars (\$40.00) per month, payable in advance by the first of each and every month. Monthly rental amount is based on Land Division's Land Board Submittal dated May 13, 2005; Minimum Rent Policy for New Dispositions (See EXHIBIT B).

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

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the "Comprehensive Exemption List for the Division of Boating and Ocean Recreation, Department of Land and Natural Resources, State of Hawaii, as concurred in by the Environmental Council, State of Hawaii", dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states in pertinent part, "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." This project is exempt from the preparation of an EA pursuant to the following exemption:

Item No. 51. Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.

In consultation with Land Division (LD), regarding HRS Chapter 343, they concurred the RP meets Chapter 343, HRS, and Chapter 11-200, HAR, and will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment attached as EXHIBIT C.

**REMARKS:**

NSC is a small canoe club established in 1994 as a 501(c)(3) non-profit organization with an average annual membership of 40-50 paddlers. NSC is a part of the Na 'Ohana O Na Hui Wa'a Association.

NSC requests the Board's authorization to utilize a portion of the shoreline area for the storing of their canoes and trailer parking at HSBH, and conduct harbor clean-ups at HSBH. This site is located on the Northern edge of HSBH. The area provided under this permit is approximately 1,000 square feet, more or less, of unpaved/unimproved land.

DOBOR created a review process for determining Discounted Rent for Existing RPs (see attached EXHIBIT D), which also could be used for new disposition for non-profit organizations.

DOBOR has no objections to the applicant's request and therefore in accordance with Sections 171-13, 171-55 and 171-43.1 HRS, relating to Public Purposes, Permits and Lease to Eleemosynary Organizations, DOBOR respectively proposes to issue a month-to-month revocable permit to NSC for its storage for canoes and trailer parking at HSBH.


**RECOMMENDATION:**

That the Board of Land and Natural Resources:

1. Authorize the issuance of Revocable Permit to NSC covering the subject area for canoe storage purposes and trailer parking 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. The new RP shall be subject to a minimum rent of \$40.00 per month, \$480.00 annually.
  - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

2. Declare that, after considering the potential effects of the proposed project 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.

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:

- A. Aerial Map of Haleiwa Small Boat Harbor
- B. May 13, 2005; D-19: Minimum Rent Policy for New Dispositions
- C. Declaration of Exemption, Chapter 343
- D. DOBOR Discounted Rent Review Process Chart



Haleiwa Small Boat Harbor

Legend

- Haleiwa Harbor
- Kamehameha Hwy
- Surf N Sea

Haleiwa Canoe Club

Surf N Sea

EXHIBIT A







STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

May 13, 2005

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

Statewide

Minimum Rent Policy for New Dispositions

BACKGROUND

Pursuant to discussion among staff, we feel there is a need to balance staff time and costs against the returns from Land Division dispositions. The State should receive a fair return on the land while maintaining its duty under the public land trust.

The current lowest rent for leases and revocable permits is \$156 per year or \$13 per month. Staff cannot locate any Board approval regarding the definition or the origin of the "minimum rent". Staff believes that in the past we just administratively adopted the term.

A consulting report by local real estate appraisal and consulting firm Medusky & Co. was completed in April 2004 which addressed the state's proposed formula for calculating one-time payments for term shoreline encroachment easements. The report recommended that for small encroachments where the rent payment, when calculated using the recommended formula is less than \$500, a minimum rent be charged of \$500. The \$500 amount was derived via other small easement considerations researched from the market. This fee was considered reasonable in part for inconvenience and to defray administrative costs. The Board has adopted the \$500 minimum rent for shoreline encroachments.

RESEARCH

Staff has conducted some research into overhead and administrative costs necessary to manage new dispositions and reopenings. Other landowners were surveyed such as Campbell Estate and Kamehameha Schools Bishop Estate. Campbell does not have a universal minimum rent but every year they set their rent based on the current conditions and evaluates all new deals based on that. Calls to Kamehameha Schools were not returned. Department of Transportation (DOT) and Department of Agriculture were also surveyed as to their policy regarding minimum rent. Only DOT charges a minimum rent of \$20 per month for rental of storage areas in the harbor areas.

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

May 13, 2005

ITEM D-19

EXHIBIT B

Dispositions including lease, easement, license and revocable permit involve rental payments on a recurring basis or lump sum. The proposed guideline as explained below will cover these disposition but not the fee conveyances, e.g. sale of remnant or reclaimed land.

Further, staff notes that land dispositions involve multiple offices, e.g. DLNR, DAGS, AG. Staff would point out that the minimum rent recommended below only covers the staff cost of DLNR as the other agencies are only involved at the application stage. Once the disposition is consummated, DLNR is the only agency that manages the disposition and incurs staff costs. While we want to recoup part of the staff cost, staff feels that the figure has to be realistic and affordable by our tenants.

Also, time consumed for different disposition could be varied. Staff discussed the time with other districts and feels that an 8-manhour period is appropriate as the basis of this analysis.

#### EVALUATION:

Eight hours at a rate of \$18.91 (starting hourly rate of a Land Agent IV) is \$151.28. However, after the initial year, staff time expended on a disposition, which is in compliance with the terms and conditions, would be reduced substantially. Therefore, staff recommends a 75% discount from the total staff costs to account for the ongoing staff time on managing the disposition. Staff recommends \$40 per month or \$480 per year ( $\$151.28 \times 25\% = \$37.82$ , rounded to \$40 per month) as the minimum rent for all dispositions involving recurring rental payment.

Staff feels the minimum one-time payment (\$500) adopted by the Board for shoreline encroachment could be used as a guideline for other term or perpetual easements as well. The report by Medusky based his findings on market data, which reviewed other minimum rent payments for a variety of other easements. The report concluded a minimum payment for small encroachment easements of \$500. Land Division has been recommending one-time payment for other types of easements (e.g. access, utility easements). Easement valuations are largely determined via independent appraisal. However, in the event the appraised value for the term or perpetual easement is below \$500, then Staff recommends a \$500 charge to cover administrative overhead. Staff feels this amount should be set as a minimum for all dispositions involving one-time payment.

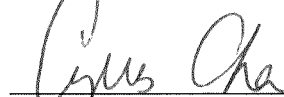
#### RECOMMENDATION

That the Board approves the above policy by requiring:

- A. All new dispositions by Land Division shall be subject to a minimum rent of \$40 per month, \$480 per year or \$500 (one-time payment) depending on the payment term.
- B. Staff shall bring any cases that require deviation from the above policy to the Board for approval.

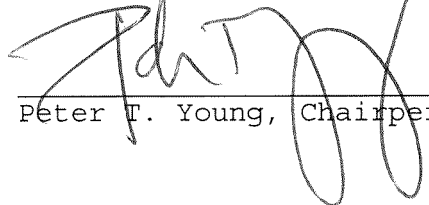


Respectfully Submitted,



Cyrus Chen  
Appraisal Manager

APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson



DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

November 24, 2017

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**JEFFREY T. PEARSON, P.E.**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**DECLARATION OF EXEMPTION**

Regarding the preparation of an environmental assessment under the authority of  
Chapter 343, HRS and Section 11-200-8, HAR

Project Title:	Issuance of Revocable Permit to North Shore Canoe Club
Project Location:	Haleiwa Small Boat Harbor, Oahu, Hawaii; TMK (1) 6-2-003:011 (por.)
Chapter 343 Trigger(s):	Use of State Lands
Project Description:	Issuance of Revocable Permit for the purposes of storing canoes and trailer parking at Haleiwa Small Boat Harbor.
Consulted Parties:	Barry Cheung: Land Division (LD) Kimberly Mills: Office of Conservation & Coastal Lands (OCCL)  Agencies concurred with the proposed exemption notification.
Authorization:	Exemption Authority: Exemption List for the DLNR:DOBOR approved by the Environmental Council on June 5, 2015. Scope of Activity: Storage of Canoes with Trailer Parking.. <u>Exemption Class 1:</u> 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.
Exemption Class & Description:	<u>Item 51:</u> Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.
Determination:	The Board of Land and Natural Resources declares that this project will likely have minimal or no significant impact on the environment and is therefore exempt from the preparation of an environmental assessment under the above exemption classes.

**EXHIBIT C**





Department of Land and Natural Resources, Division of Boating and Ocean Recreation  
REVIEW PROCESS FOR DISCOUNTED RENT - EXISTING REVOCABLE PERMITS

