

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

August 10, 2018

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

Land Board Members:

SUBJECT: TERMINATION OF REVOCABLE PERMIT (RP) NO. 5, DATED AUGUST 30, 2016, TO GKM, INC. (PERMITTEE) FOR A BOAT/TRAILER STORAGE FACILITY AND EMPLOYEE PARKING; LOCATED AT HONOKOHAU SMALL BOAT HARBOR, KEALAKEHE, NORTH KONA, ISLAND OF HAWAII, TAX MAP KEY: (3) 7-4-008:003 (POR.)

PERMITEE:

GKM, Inc., whose business and mailing address is 74-425 Kealakehe Parkway Kailua -Kona, HI 96740.

REQUEST:

Revocation of GKM INC., revocable permit no. 5

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Honokohau Small Boat Harbor, Kealakehe, Honokohau, North Kona, Island of Hawaii, Hawaii Identified by Tax Map Key: (3) 7-4-008:067 (Por 003) as shown on the attached map labeled **Exhibit A**.

AREA:

Approximately 9 acres, (393,040 Sq. Ft.) more or less

ZONING:

State Land Use District: Conservation / Urban
County of Honolulu: CZO: Open

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:

Encumbered by RP No 5, issued on a month-to-month basis for operation of a boat/trailer storage facility and employee parking.

MONTHLY RENTAL:

\$7,311.45 per month or five percent (5%) per month of the monthly gross receipts, whichever is greater, payable in advance by the first of each month.

REMARKS:

On August 30th, 2016, Department of Land and Natural Resources (DOBOR) executed Revocable Permit No. 5 to GKM, Inc. The RP was a continuation pursuant to HRS Sec. 171-55 of Revocable Permit No. BH-010-07 executed on October 1, 2012 between DOBOR, and GKM, Inc.

On August 11, 2017 DOBOR requested approval from the Board of Land and Natural Resources (Board) to authorize a public auction of lease for a boat/trailer storage facility along with parking for the referenced premises. The Board authorized DOBOR to conduct the public auction to offer the Honokohau property for lease and requested that “DOBOR expedite the offering of lease at public auction at fair market value.”

An appraisal was conducted on December 14, 2017 and the annual minimum ground rent was determined by Hastings, Conboy & Associates LTD. in the amount of Four Hundred Twenty-Three Thousand Dollars (\$423,000.00) annual.

On July 13, 2018, DOBOR conducted the public auction sale for the boating lease at Honokohau Small Boat Harbor and Jason Hoopai was the successful bidder with the highest upset percentage bid of 50%.

DOBOR is requesting that the Board terminate Revocable Permit No.5 and permit DOBOR to give GKM INC., a Thirty (30) calendar day written notice to vacate the premises.

RECOMMENDATION:

That the Board of Land and Natural Resources:

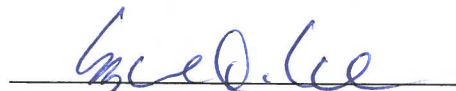
1. Authorize the termination of Revocable Permit No. 5 in the manner specified by law; and
2. Authorize DOBOR to give GKM, INC., Thirty (30) calendar day written notice to vacate premises; and
3. Authorize the retention of all sums heretofore paid or pledged under the Revocable Permit No. 5 be applied to any past due amounts; and
4. Terminate the Revocable Permit and all rights of the Permittee and all obligations of the Permittee, provided that any and all obligations of the Permittee which have accrued up to said effective date or which are stated in the Revocable Permit to survive termination shall endure past such termination date until duly fulfilled, and further provided that Board reserves all other rights and claims allowed by law; and
5. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State; and
6. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under Revocable Permit No. 5 and to pursue all other rights and remedies as appropriate.

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. Location Map

Honokohau Small Boat Harbor

GKM Revocable Permit No. 5

EXHIBIT A



300 ft

Google Earth

