

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

September 27, 2019

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

Land Board Members:

SUBJECT: REQUEST TO AMEND PRIOR BOARD ACTION OF JUNE 28, 2019, (ITEM J-2) FOR ISSUANCE OF 28 REVOCABLE PERMIT (“RP”) ON ISLANDS OF OAHU, MAUI , HAWAII AND KAUAI; BY AMENDING RENT FOR ISLAND ICE COMPANY (KAHULUI SMALL BOAT HARBOR, ISLAND OF MAUI) FROM \$274.47 TO \$3,293.64, ANNUAL RENT, NA KALAI WA’A (SOUTH KAWAIHAE SMALL BOAT HARBOR, ISLAND OF HAWAII) FROM \$40 TO \$480 ANNUAL RENT, AND ISLAND OF HAWAII YMCA (SOUTH KAWAIHAE SMALL BOAT HARBOR, ISLAND OF HAWAII) FROM \$40 TO \$480 ANNUAL RENT.

BACKGROUND:

On June 28, 2019, under agenda item J-2, the Board approved 28 revocable permits (“RP”) on the islands of Oahu, Maui, Hawaii and Kauai and found the projects to be exempt from the requirement of Chapter 343, Hawaii Revised Statutes and Chapter 11-200 Hawaii Administrative Rules. A copy of the approved Board submittal is attached as “**Exhibit A**”. Three (3) of the 28 RPs stated “monthly” rents versus “annual” rents. The following are the RP’s and annual rents as requested on June 28, 2019, versus the requested annual rents to be amended with this submittal:

		Annual Rent	
RP	Company	6-28 J-2	Amended
12	Island Ice Company	\$274.47	\$3,293.64
22	Na Kalai Wa'a	\$40.00	\$480.00
29	Island of Hawaii YMCA	\$40.00	\$480.00

RECOMMENDATION:

That the Board of Land and Natural Resources:

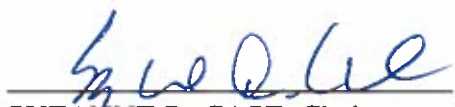
1. Amend its prior Board action of June 28, 2019, agenda item J-2:
 - a. By deleting \$274.47 under FY2020 Annual Rent for RP 12, Island Ice Company and replacing it with \$3,293.64;
 - b. By deleting \$40 under FY2020 Annual Rent for RP 22, Na Kalai Wa'a and replacing it with \$480;
 - c. And by deleting \$40 under FY2020 Annual Rent for RP 29, Island of Hawaii YMCA and replacing it with \$480.
2. Except as amended hereby, all terms and conditions listed in its June 28, 2019 Item J-2, Board approval to remain the same.

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. Prior Board action dated June 28, 2019, Item J-2

Exhibit A



Approved by the
Board of Land and Natural Resources
June 28, 2019



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

June 28, 2019

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

Land Board Members:

SUBJECT: RENEWAL OF 28 REVOCABLE PERMITS ON THE ISLANDS OF OAHU, MAUI, HAWAII AND KAUAI, SEE **EXHIBIT E** FOR LIST OF REVOCABLE PERMITS.

AND

DECLARE PROJECT EXEMPT FROM REQUIREMENTS OF CHAPTER 343, HRS AND TITLE 11, CHAPTER 200, HAWAII ADMINISTRATIVE RULES.

HRS CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

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.”

BACKGROUND:

Since the last renewal of the revocable permits on May 25, 2018, the following permit has been cancelled:

RP#	Permittee	Area	TMK	Monthly Rent	Date Cancelled	Use	Remarks
5	GKM, Inc.	9 ac.	(3) 7-4-008:003 (por)	\$7,311.45	10/31/2018	Boat/trailer storage facility and employee parking.	RP terminated following the sale of lease at public auction.

Exhibit A

Item J-2

Staff is continuing its work to convert revocable permits to long term dispositions, where practicable. To this end, it has procured an appraisal for RP No. 47, issued to A&K Ventures, which the Board renewed earlier this year, and anticipates selling the lease at public auction by the end of the year.

Staff has also identified numerous revocable permits which should be converted to long term dispositions.

The following is staff's timetable to convert these permits:

Near Term (1-3 years)

RP#	Permittee	Remarks
1	Cates Marine Services, LLC Exhibit A-2	Staff believes that a long-term lease is the appropriate disposition for this property and will shortly begin work to sell a lease at public auction
3	Dolphin Excursions Exhibit A-3	Staff believes that a long-term lease is the appropriate disposition for this property and will shortly begin work to sell a lease at public auction
4	Dolphin Excursions Exhibit A-3	Staff believes that a long-term lease is the appropriate disposition for this property and will shortly begin work to sell a lease at public auction
17	Maalaea Boat & Fishing Club Exhibit B-3	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work shortly to sell a lease at public auction
19	Maui Oil Company, Inc. Exhibit B-3	Staff will begin work on a Diesel Fuel Concession for Maalaea SBH
20	Maui Petroleum, Inc. Exhibit B-3	Staff will begin work on a Fuel Concession for Maalaea SBH
26	Pacific Biodiesel Logistics, LLC Exhibit B-3	Staff will begin work on a Bio-Diesel Fuel Concession for Maalaea SBH
28	Surf N' Sea, Inc. Exhibit A-4	Staff believes that a long-term lease is the appropriate disposition for this property and will shortly begin work to sell a lease at public auction
30	Trilogy Corporation Exhibit B-5	Staff is working with the permittee to convert the permit to a non-exclusive easement
34	Diamond Parking Lahaina Exhibit B-4	Staff is currently working on a parking concession for the LSBH
50	Nawiliwili Yacht Club Exhibit D-1	Staff is working to convert this revocable permit to directly negotiated lease with Kauai Sailing Association

Medium Term (3-5 years)

RP#	Permittee	Remarks
6	Hawaii Big Game Fishing Club Exhibit C-1	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work within the next few years to sell a lease at public auction
7	Hawaii Island Paddle Sports Assoc. Exhibit C-1	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work within the next few years to sell a lease at public auction
8	Hawaii Petroleum Exhibit C-2, C-3 & C-4	Staff will work within the next few years to convert this revocable permit to a concession
12	Island Ice Company Exhibit B-2	Staff will look at the possibility of converting this revocable permit to a license
14	Keahole Point Fish, LLC Exhibit C-1	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work within the next few years to sell a lease at public auction
15	The Kona Sailing Club Exhibit C-1	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work within the next few years to sell a lease at public auction
25	Outfitters Kauai, Ltd. Exhibit D-1	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work within the next few years to sell a lease at public auction
31	True Blue Exhibit D-1	Staff believes that a long-term lease is the appropriate disposition for this property and will begin work within the next few years to sell a lease at public auction
35	Horizons Pacific, Inc. Exhibit C-2	The permittee is using a small space within a building location on the Kailua-Kona Pier.

REMARKS:

The list of the 28 revocable permits staff recommends be renewed for fiscal year 2020 is attached as **Exhibit E**. Included in the exhibit are the revocable permit number, permittee names, tax map keys, land trust status, original commencement date of the permit, character of use, land area, annual rent, method by which staff set the rent and the rationale behind the issuance of the permit. Location maps of the revocable permits are attached as **Exhibits A, A-1 to 5, B, B-1 to 5, C, C-1 to 5, D, and D-1**.

The Division of Boating and Ocean Recreation procured a contract with Brian Goto and James Hallstrom of CBRE, Inc. (Appraiser) for appraisal services to assist in valuing the rent to charge for the use of State lands underlying 18 revocable permits statewide as of July 1, 2016.

The Appraiser recommends a 2-3% increase per annum in the revocable permit rents, depending on the desirability of the premises. Previous submittals for the renewal of revocable permits did not include an increase in rents. With the exception of those permits issued to non-profits, staff is therefore recommending that the annual rental for the permits it seeks to renew in this submittal be increased by nine percent (9%), or three percent (3%) per annum since the issuance of the permit.

The following State and County agencies were consulted on this action with the results indicated:

Agency:	Comment:
Division of Aquatic Resources	See Exhibit F - RP 17 has been contacted regarding potential illicit discharges and has been given notice to cure deficiencies.
Office of Conservation and Coastal Lands	See Exhibit G
Division of Conservation and Resources Enforcement	Did not respond by suspense date
DOBOR-Oahu District	No objections
DOBOR-Maui District	No objections
DOBOR-Hawaii District	No objections
DOBOR-Kauai District	No objections
Land Division-Oahu, Hawaii	No comments
Office of Hawaiian Affairs	Did not respond by suspense date
CCH Department of Planning and Permitting	No comments & no objections
COM Planning Department	Recommended minimal to no charge for the landscape easement
COH Planning Department	No comments
COK Planning Department	Did not respond by suspense date

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, Hawaii Administrative Rules, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment; and
2. Approve the continuation of the revocable permits listed in **Exhibit E** on a month-to-month basis for another one-year period, from July 1, 2019, to June 30, 2020, except for permits that are in arrears of rental payment for more than 60 days and/or have been approved for forfeiture by a separate Board action. Permits in arrears of rental for 60 days or more and/or approved by the Board for forfeiture shall not be renewed; and

approved for forfeiture by a separate Board action. Permits in arrears of rental for 60 days or more and/or approved by the Board for forfeiture shall not be renewed; and

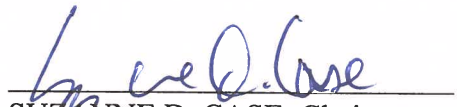
3. Delegate to the Chairperson the authority to adjust the rent for any revocable permit in accordance with the rents listed in **Exhibit E**.

Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:



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

Attachments:

- A. Oahu
 - A-1 Ala Wai SBH
 - A-2 Ke'ehi SBH
 - A-3 Waianae SBH
 - A-4 Haleiwa SBH
 - A-5 He'eia-Kea SBH
- B. Maui & Lanai
 - B-1 Mala Wharf
 - B-2 Kahului SBH
 - B-3 Maalaea SBH
 - B-4 Lahaina SBH
 - B-5 Manele Bay
- C. Hawaii
 - C-1 Honokohau SBH
 - C-2 Kailua Bay
 - C-3 Keauhou Bay SBH
 - C-4 Kawaihae North SBH
 - C-5 Kawaihae South SBH
- D. Kauai
 - D-1 Nawiliwili SBH
- E. List of Revocable Permits
- F. Comments from DAR
- G. Comments from OCCL

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title:	Renewal of 28 Revocable Permits (RPs) on the Islands of Oahu, Maui, Hawaii and Kauai, See Exhibit E for the list of RPs.
Project / Reference No.:	
Project Location:	See Exhibits A, B, C & D for locations and Exhibit E the list of 28 RPs.
Project Description:	See Exhibit E for the list of RPs descriptions.
Chap. 343 Trigger(s):	Use of State Land
Exemption Class No(s):	Exemption Class No. 1, Item No. 51 that states: "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."
Cumulative Impact of Planned Successive Actions in Same Place Significant?	No, the requested locations have had the same use since the last renewal. Therefore, staff believes the use of the lands for the continuation of these revocable permits have no significant effect on the environment.
Action May have Significant Impact on Particularly Sensitive Environment?	No, staff does not believe the continuation of these RPs will have a significant impact on the respective environments.
Analysis:	The current permittees have used the locations for the same purposes since the last renewal. Staff believes that the requests would involve negligible or no expansion or change in use of the subject locations beyond that previously existing. DOBOR would also like to ensure there is a continuous uninterrupted presence on these sites in order to deter any unwanted activity that usually occurs on vacant lands.
Consulted Parties:	Agencies list in submittal
Declaration	The Board finds that these projects will probably have minimal or no significant effect on the environment and declares that these projects are exempt from the preparation of an environmental assessment.

OAHU

Revocable Permits

Exhibit A

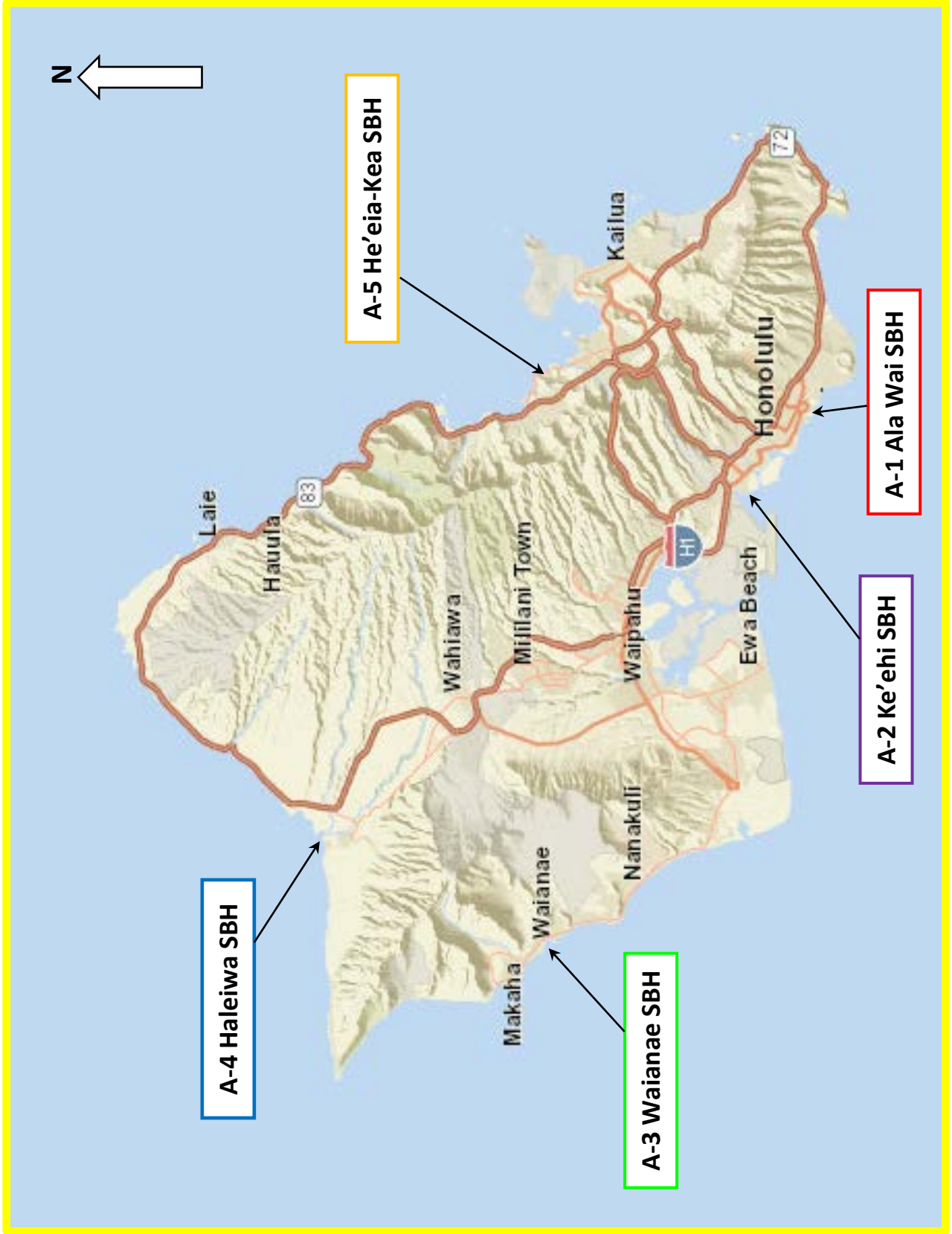


Exhibit A

Exhibit A-1

Ala Wai Small Boat Harbor



Exhibit A-2

Ke'ehi Small Boat Harbor

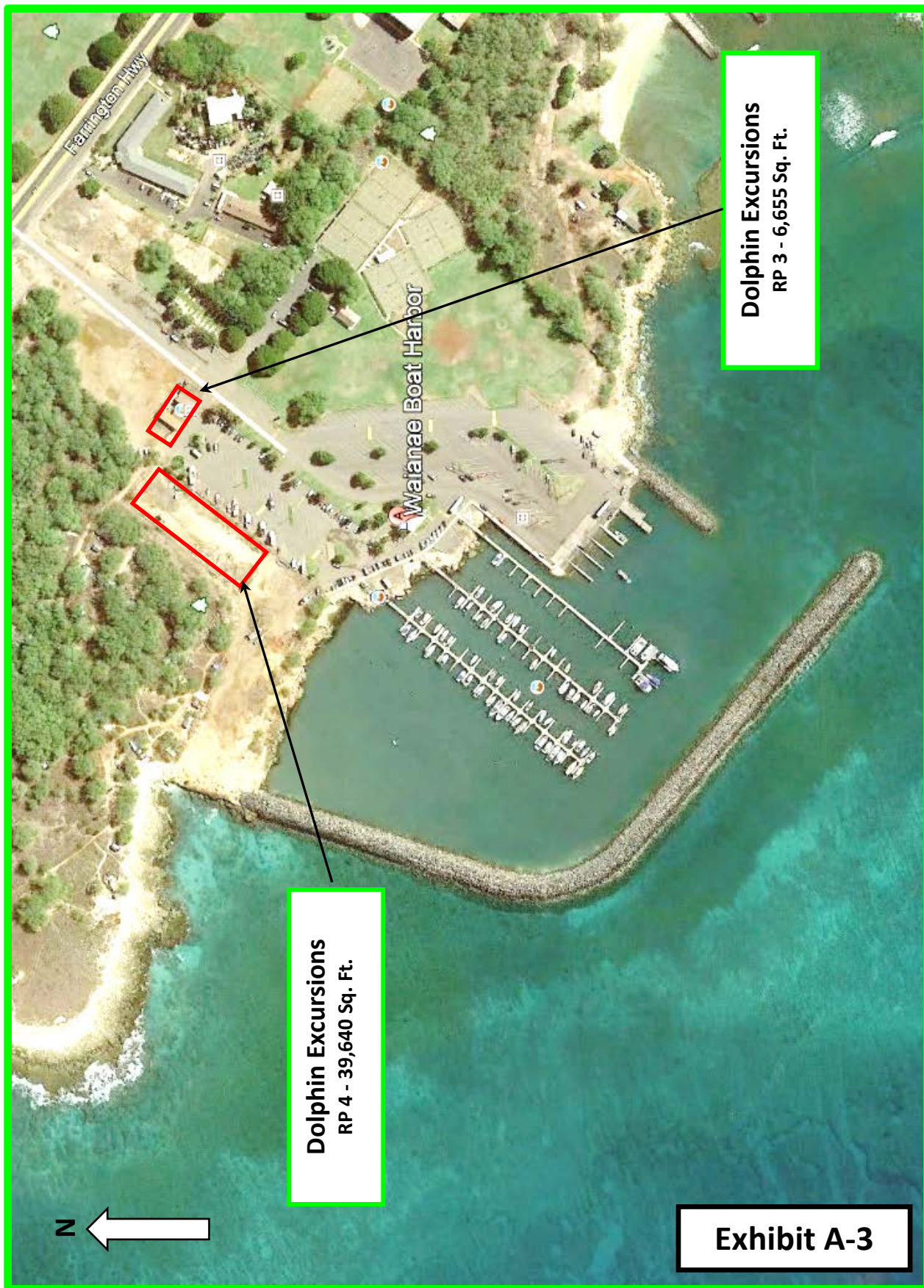
Cates Marine
Services, LLC
RP 1 – 6,300 Sq. Ft.



Exhibit A-2

Exhibit A-3

Waianae Small Boat Harbor



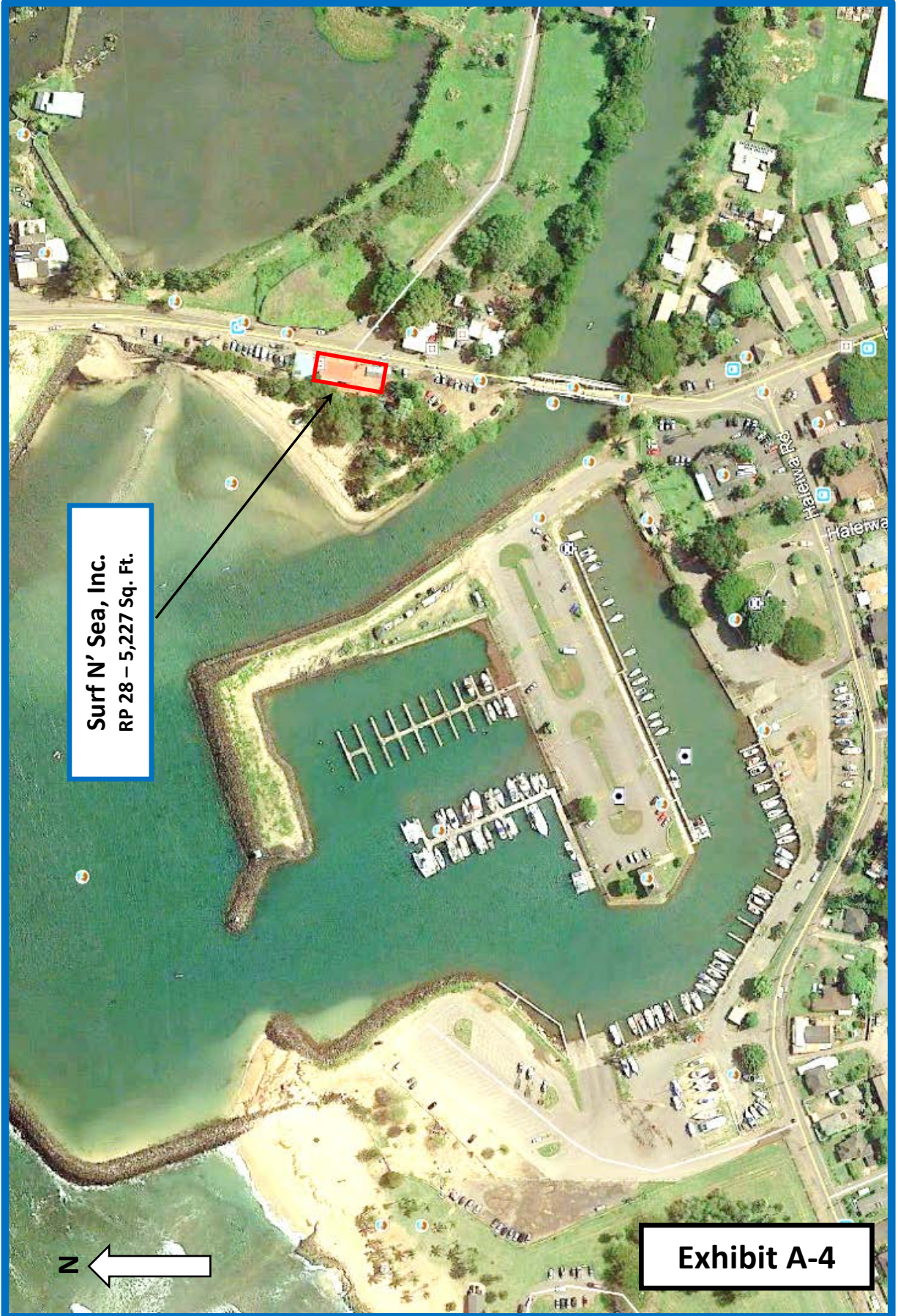
Dolphin Excursions
RP 3 - 6,655 Sq. Ft.

Dolphin Excursions
RP 4 - 39,640 Sq. Ft.

Exhibit A-3

Haleiwa Small Boat Harbor

Exhibit A-4



Surf N' Sea, Inc.
RP 28 – 5,227 Sq. Ft.

Exhibit A-4

Exhibit A-5

He'eia-Kea Small Boat Harbor



Kaneohe Cultural
Foundation
RP 13 – 2,600 Sq. Ft.

Exhibit A-5

MAUI & LANAI
Revocable Permits

Exhibit B

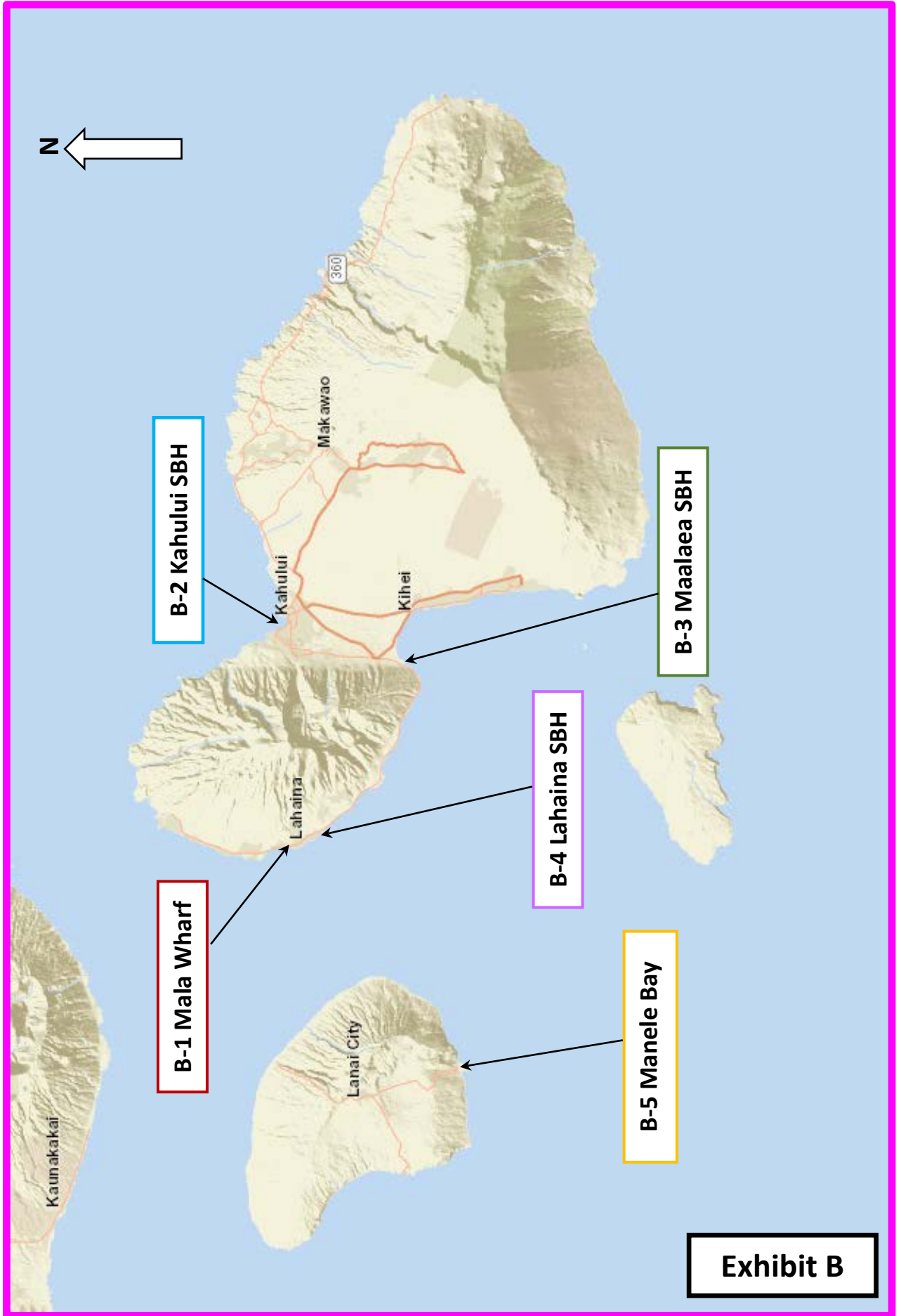
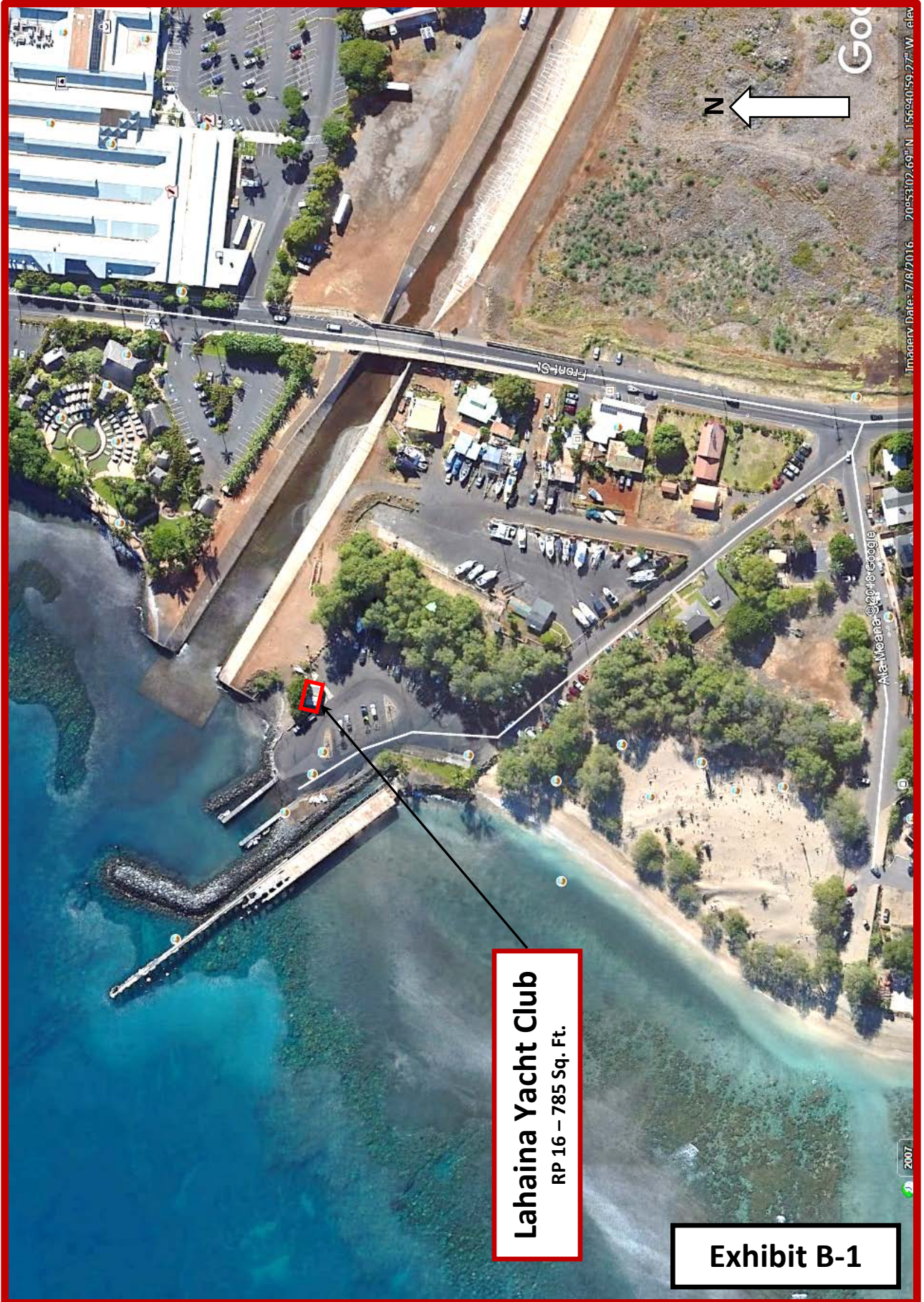


Exhibit B

Exhibit B-1

Mala Wharf

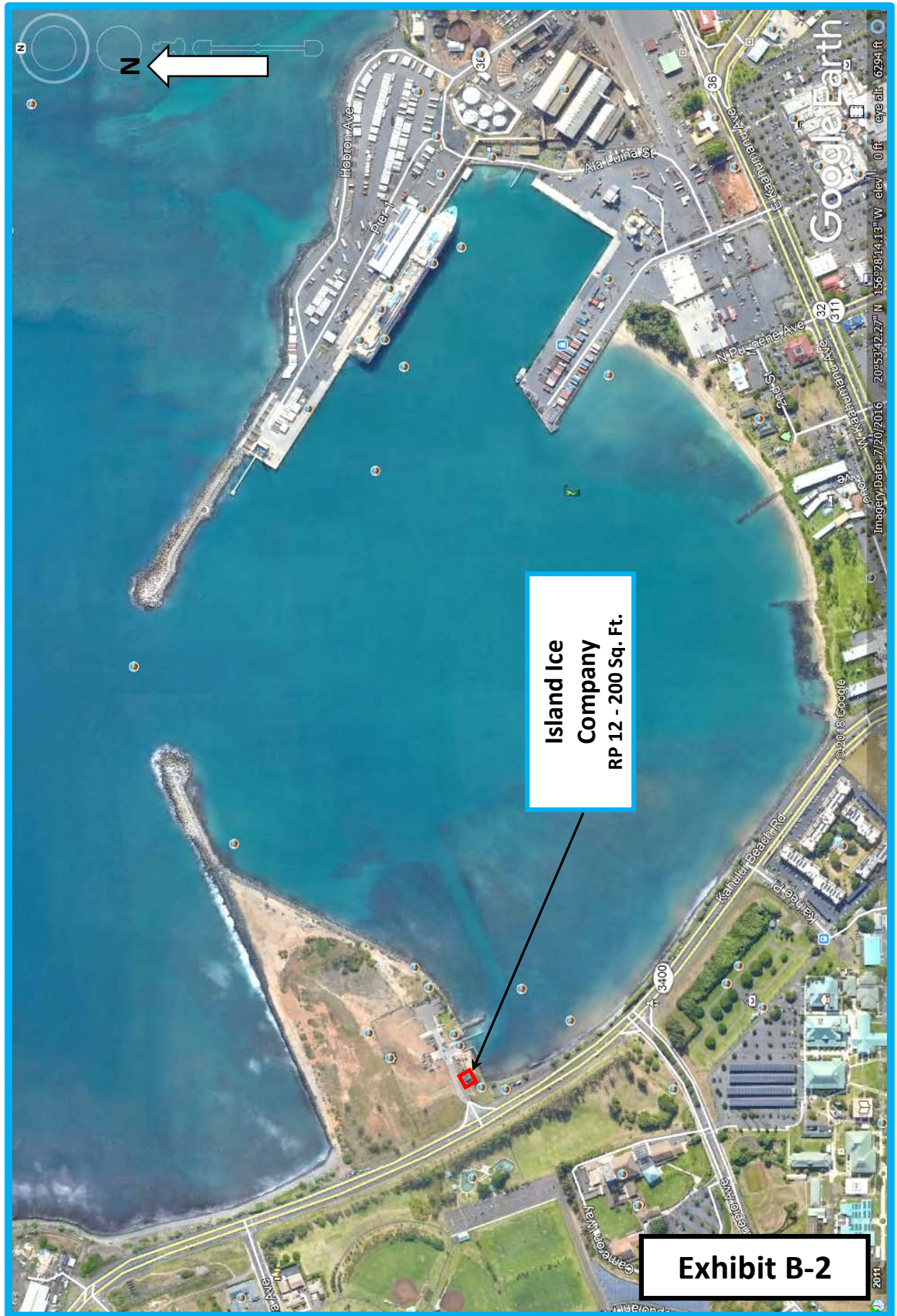


Lahaina Yacht Club
RP 16 - 785 Sq. Ft.

Exhibit B-1

Exhibit B-2

Kahului Small Boat Harbor



Island Ice
Company
RP 12 - 200 Sq. Ft.

Exhibit B-2

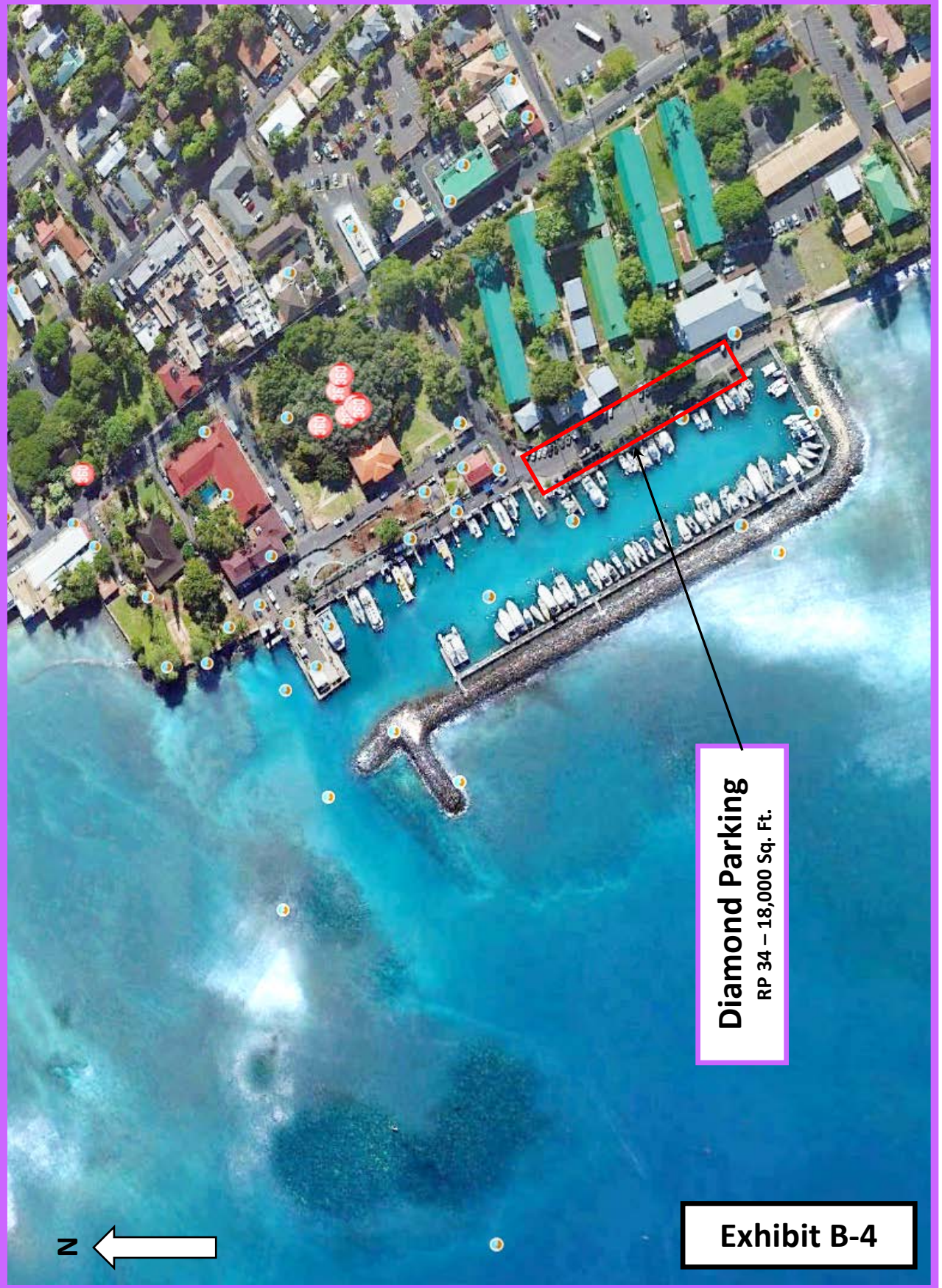
Maalaea Small Boat Harbor

Exhibit B-3



Exhibit B-4

Lahaina Small Boat Harbor



Diamond Parking
RP 34 – 18,000 Sq. Ft.

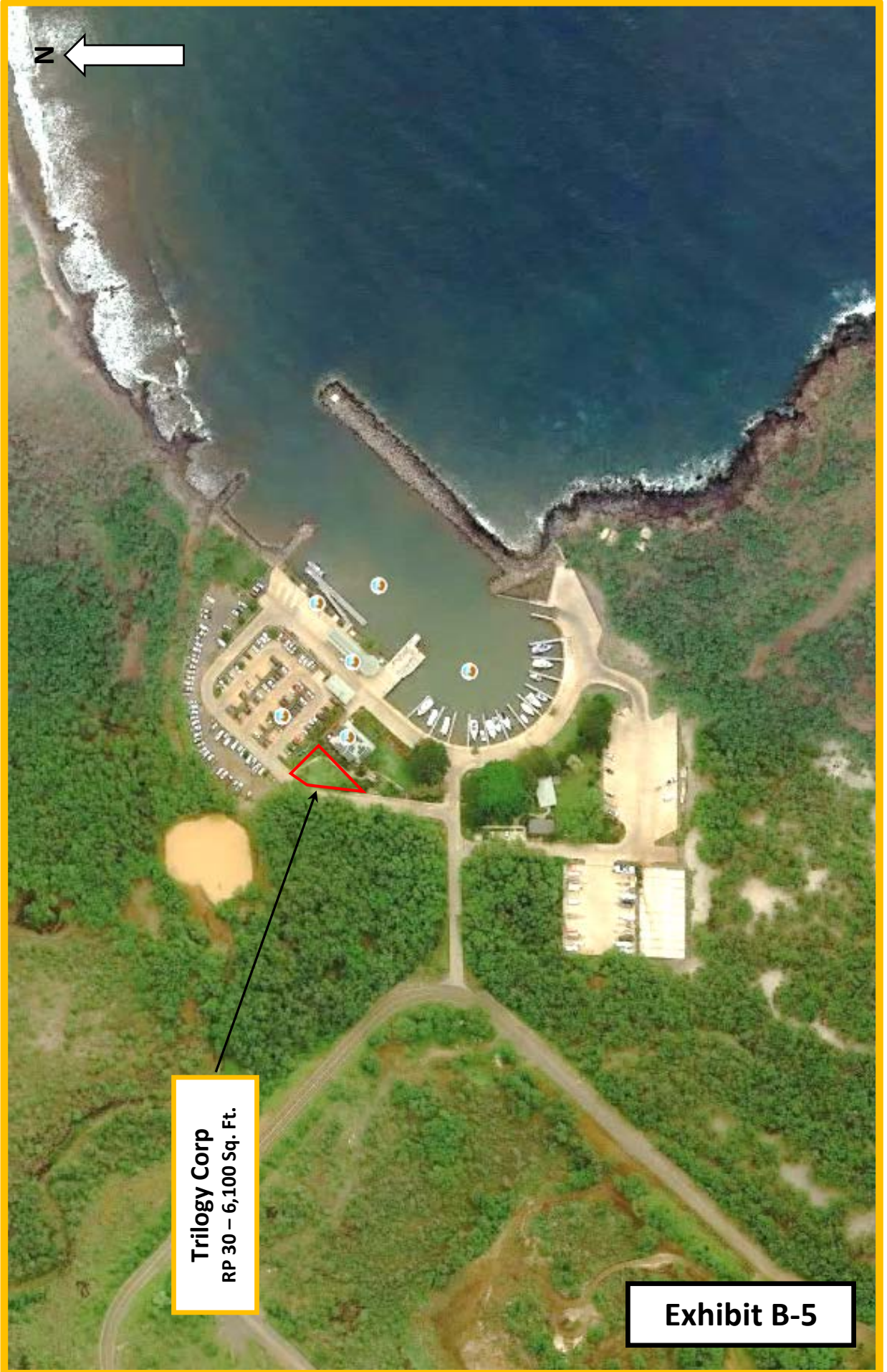
Exhibit B-4

Exhibit B-5

Manele Small Boat Harbor

Trilogy Corp
RP 30 – 6,100 Sq. Ft.

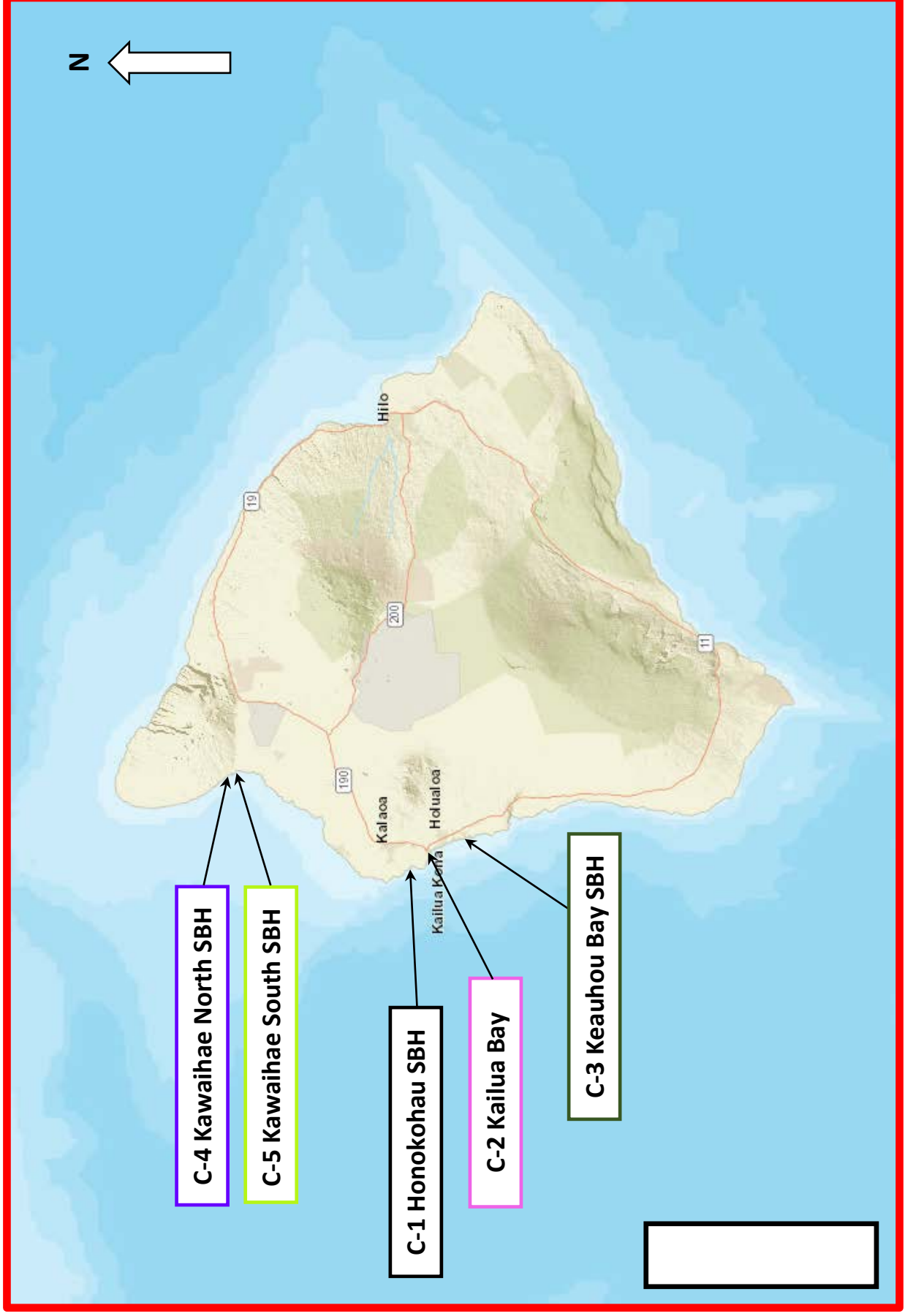
Exhibit B-5



HAWAII

Revocable Permits

Exhibit C



Honokohau Small Boat Harbor

Exhibit C-1

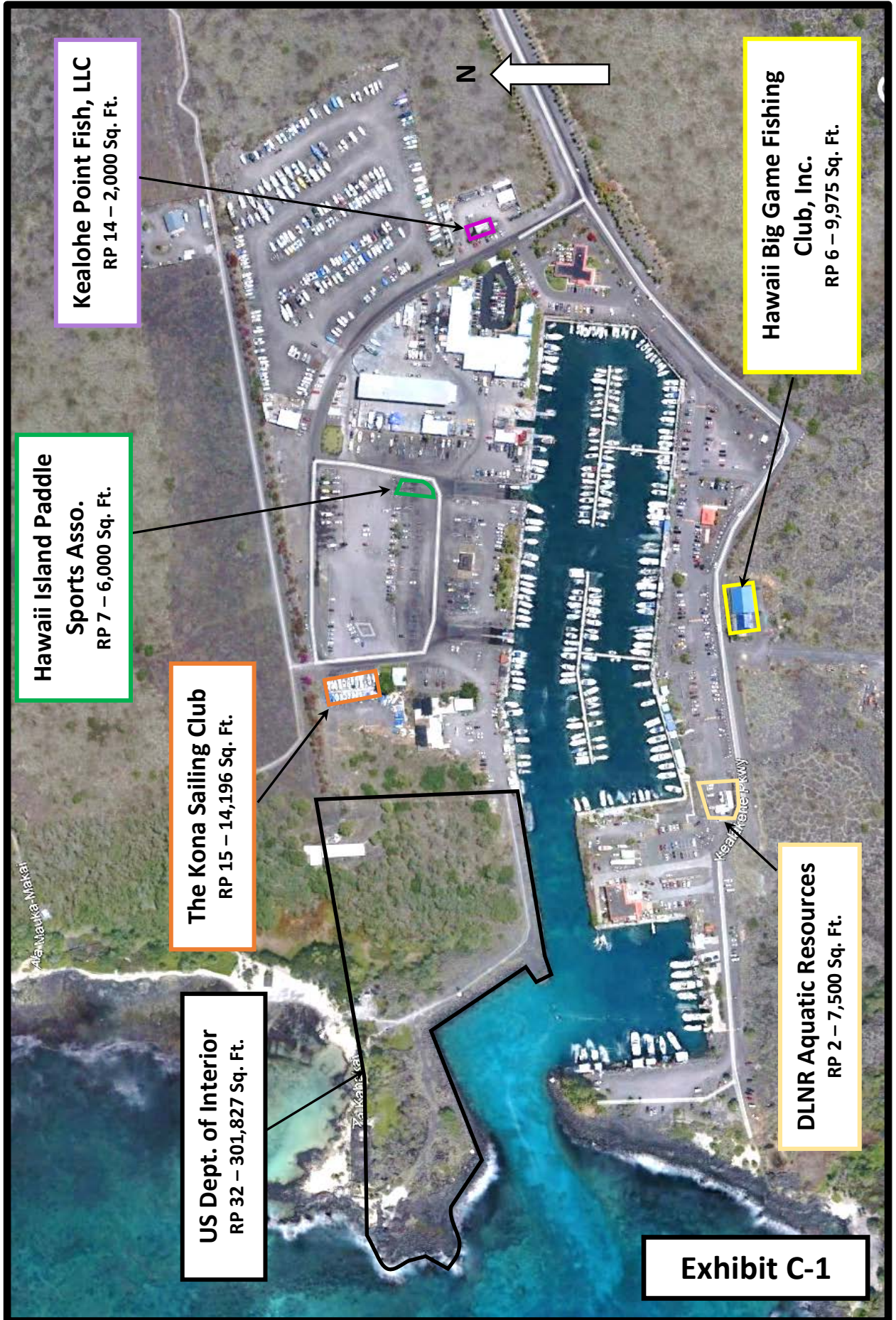


Exhibit C-2

Kailua Bay

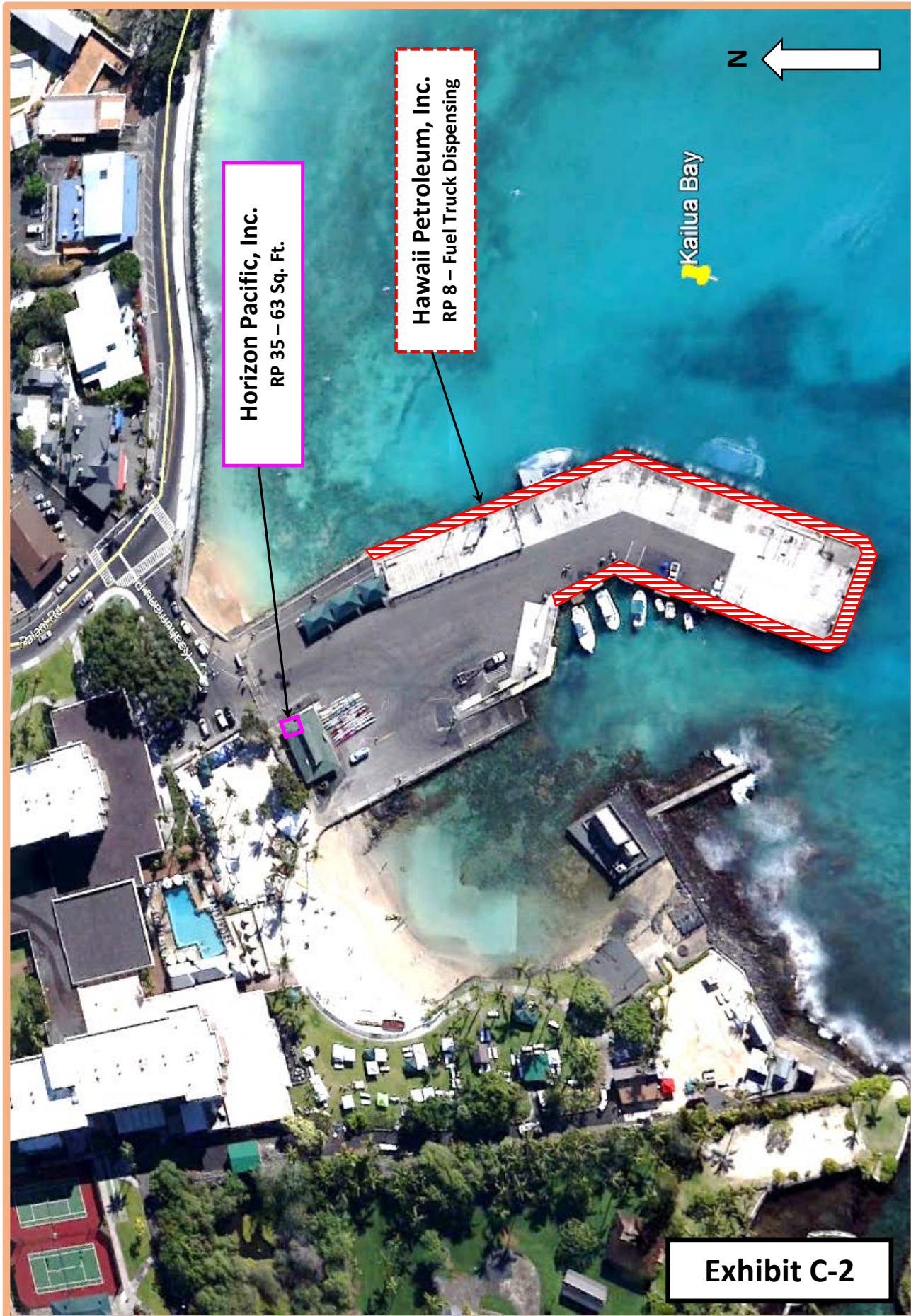
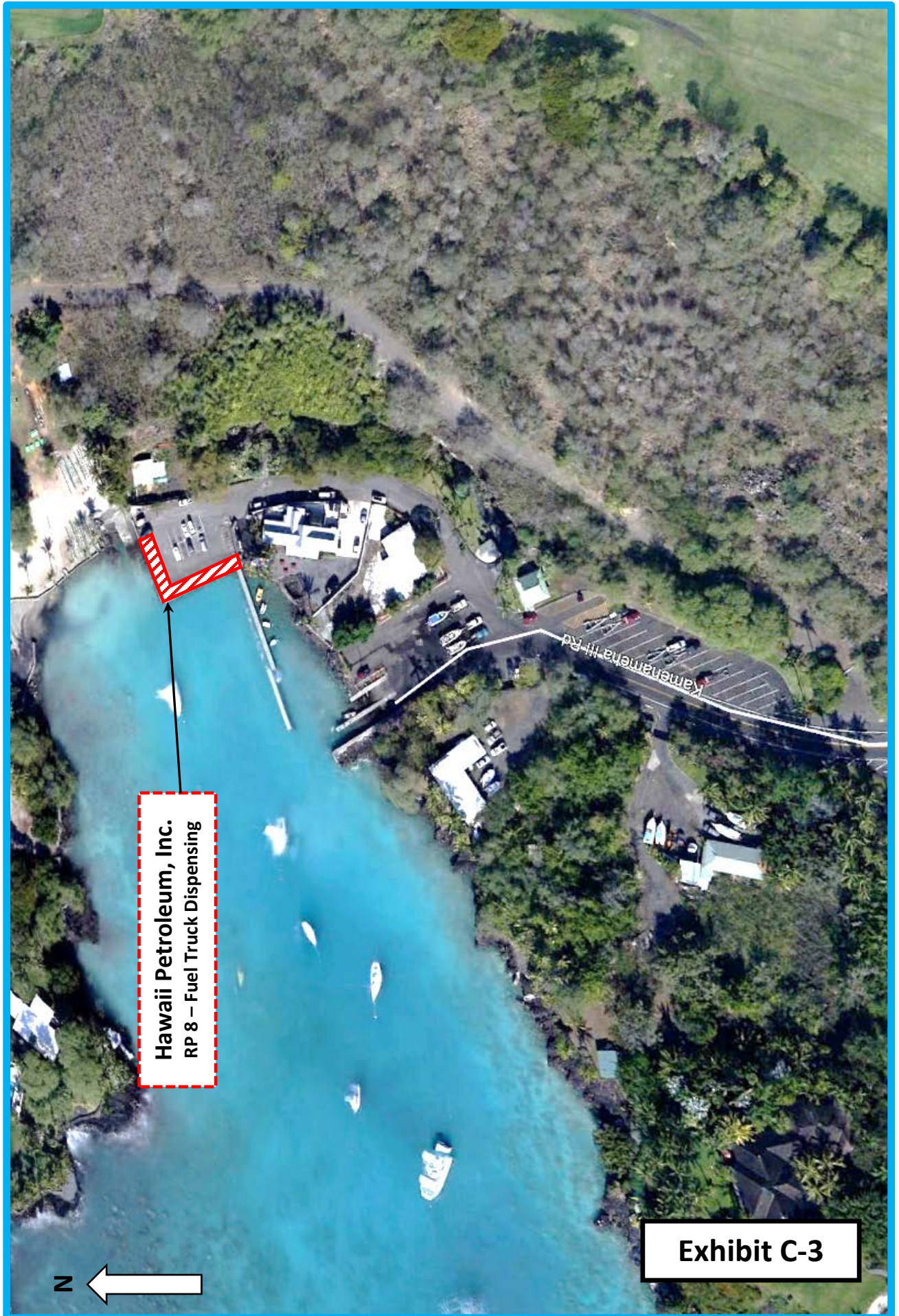


Exhibit C-2



Hawaii Petroleum, Inc.
RP 8 - Fuel Truck Dispensing



Kawaihae Small Boat Harbor South

Exhibit C-5



Island of Hawaii YMCA
RP 29 – 6,098 Sq. Ft.

Na Kalai Wa'a
RP 22 – 22,216 Sq. Ft.

Exhibit C-5

KAUAI

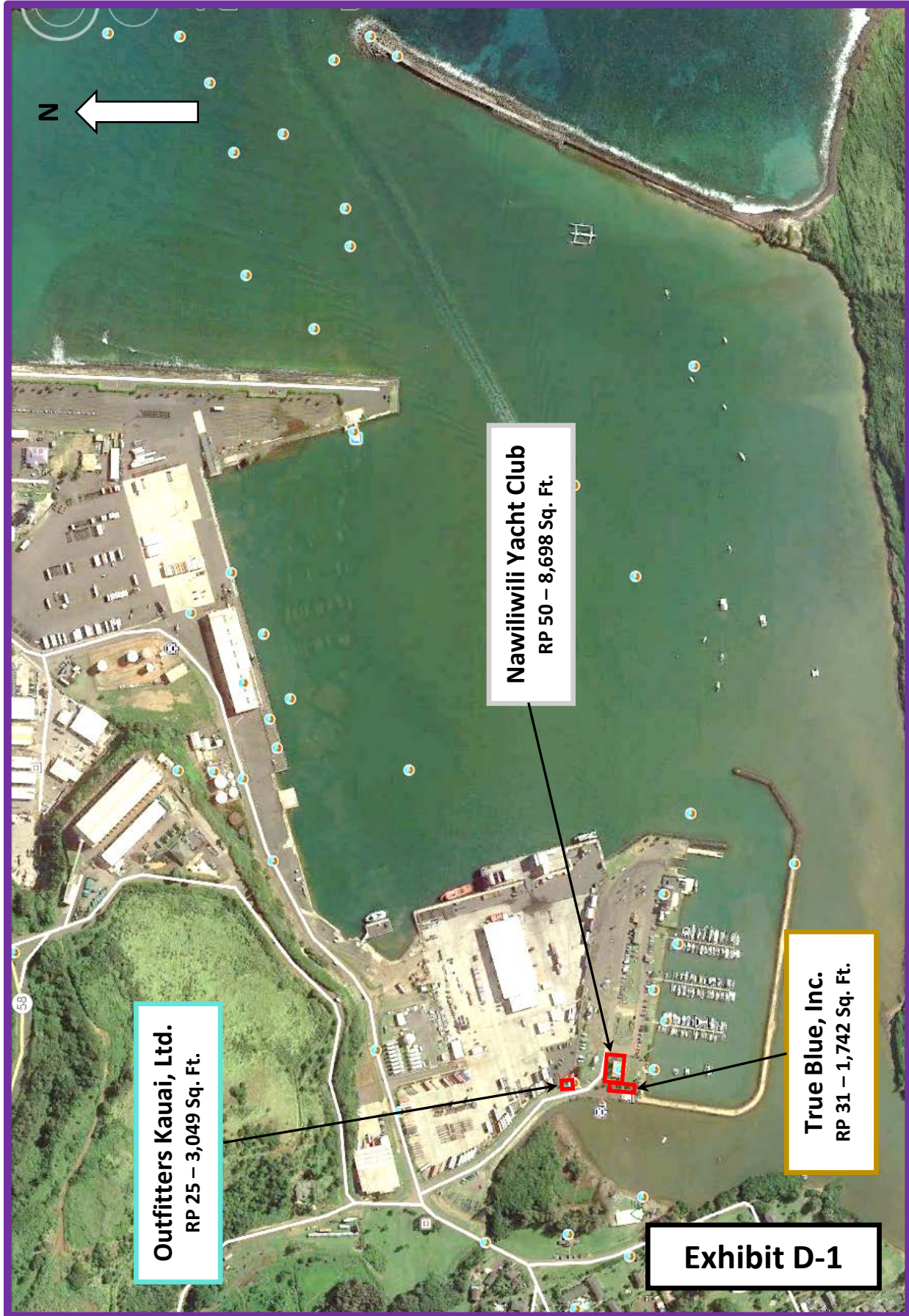
Revocable Permits

Exhibit D



Exhibit D-1

Nawilwili Small Boat Harbor



Outfitters Kauai, Ltd.
RP 25 - 3,049 Sq. Ft.

Nawiliwili Yacht Club
RP 50 - 8,698 Sq. Ft.

True Blue, Inc.
RP 31 - 1,742 Sq. Ft.

Exhibit D-1

DIVISON OF BOATING AND OCEAN RECREATION										
Continuation of Revocable Permits on the Islands of Oahu, Maui, Lanai, Hawaii, and Kauai										
RP No.	Permittee Name	Harbor Location	TMK	Permit Area	Revocable Permit From	Trust Land Status	FY 2019 Annual Rent	FY2020 Annual Rent	Character Use	Comments re rent amount and why no long term disposition
1	Cates Marine Services, LLC	Keehi Exhibit A-2	(1) 1-2-025:043	6,300	2001	5(b)	\$31,500.00	\$34,335.00	Staging area, docking of vessel (used for transport to and from open ocean fish farm) and storage of feed in conjunction with fish farming activity located off Ewa Beach.	• Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. • Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
2	DLNR Aquatic Resources	Honokohau Exhibit C-1	(3) 7-4-008:003 (por)	7,500	2/1/2005	5(b)	Gratis	Gratis	Temp. office trailers, parking, perimeter security fence.	• The rent is gratis. • The rp is issued to a governmental entity.
3	Dolphin Excursions Hawaii, Inc.	Waianae Exhibit A-3	(1) 8-5-002:051	6,655	5/1/2013	5(b)	\$10,160.04	\$11,074.44	Sale of ice, sundry items, non-alcoholic beverages, food, incidental marine related items, and cold storage.	• Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. • Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
4	Dolphin Excursions Hawaii, Inc.	Waianae Exhibit A-3	(1) 8-5-002:044 (por.)	39,640	12/1/2014	5(b)	\$47,199.96	\$47,199.96	To operate a trailer boat yard storage.	• Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is unchanged over the previous year (see timetable contained in the submittal). • Staff has identified this rp as one to convert to a long term lease.
6	Hawaii Big Game Fishing Club, Inc.	Honokohau Exhibit C-1	(3) 7-4-008:003 (por)	9,975	12/1/1993	5(b)	\$12,960.00	\$14,126.40	Occupy and use a portion of open unpaved land in support of fishing and boating activities, public meetings, tournaments, harbor meetings and continued support of youth groups.	• Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. • Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).

7	Hawaii Island Paddle Sports Association	Honokohau Exhibit C-1	(3) 7-4-008:003 (por)	6,000	9/1/2010	5(b)	\$8,079.96	\$8,807.16	Operate and maintain a Hawaiian Style Halau for Permittee's meetings, storage of solo or duo canoes, kayaks, general equipment and staging area for race events. • Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. • Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
8	Hawaii Petroleum, Inc.	Keauhou, Kailua-Kona, and Kawaihae North Exhibits C-2, C-3 & C-4	(3) 7-8-012:055 (por.), (3) 7-5-006:039 (por.), (3) 6-1-003:023 (por.)	-	8/16/1989	5(b)	\$1,216.80	\$1,382.56	Dispense fuel via tank truck(s). • Rent set by in-house valuation (monthly base rent of \$101.40 or \$.005/gallon, whichever is greater). • Staff has identified this permit to convert to a concession (see timetable contained in the submittal).
10	Hawaiian Parasail, Inc.	Ala Wai Exhibit A-1	(1) 2-3-037:012 (por)	36	11/1/2012	5(a) 5(b)	\$3,171.12	\$3,361.39	A thirty-six (36) sq. ft. patio to support the Permittee's commercial parasail operations. • Rent set by in-house valuation based on what harbor ticket booths are charged pursuant to HAR 232-35. • A short term disposition is appropriate in this instance while DOBOR solicits proposals for the redevelopment of the Ala Wai SBH.
11	Honolulu Transpac, Ltd.	Ala Wai Exhibit A-1	(1) 2-3-037:026 (por)	699	7/1/2007	5(b)	\$9,300.00	\$10,137.00	To maintain a headquarter to coordinate the biennial Transpacific Yacht Race and Royal Hawaiian Ocean Racing Series which occur in alternate years. • Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. • A short term disposition is appropriate in this instance as DOBOR solicits proposals for the redevelopment of the Ala Wai SBH.

12	Island Ice Company	Kahului Exhibit B-2	(2) 3-7-001:023 (por)	200	6/1/2010	5 (b)	\$251.81	\$274.47	Retail operation of an automated ice machine.	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Permittee pays the minimum rent or 8% of gross sales, whichever is greater. - Staff will look into converting this rp to a license (see timetable contained in the submittal).
13	Kaneohe Cultural Foundation	He'eia-Kea Exhibit A-5	(1) 4-6-006:072 and 069 (por.)	2,600	10/1/2012	5(b)	Gratis	\$480.00	Use of the existing structures/improvements, which include two structures for canoe storage and equipment storage purposes comprising approx. 2,600 sq. ft. more or less	- The rent is gratis. - The rp is issued pursuant to HRS 200-20.
14	Keahole Point Fish, LLC	Honokohau Exhibit C-1	(3) 7-4-008:003 (por)	2,000	7/1/2010	5(b)	\$24,560.04	\$26,770.44	Provide an area for land-based operations in support of an ocean-based aquaculture project.	- Rent was determined by appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
15	The Kona Sailing Club	Honokohau Exhibit C-1	(3) 7-4-008:003 (por)	14,196	10/1/1997	5(b)	\$17,919.96	\$19,532.76	Trailered boat storage, sailing related equipment, storage, and boating and ocean safety education/training.	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
16	Lahaina Yacht Club	Mala Wharf Exhibit B-1	(2) 4-5-005:003 (por)	785	11/1/1992	5(b)	\$1,839.96	\$2,005.56	Sailing program storage	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - LYC is a 501(c)(7) tax exempt organization.

EXHIBIT E

17	Maalaea Boat & Fishing Club	Maalaea Exhibit B-3	(2) 3-6-001:034 (por)	4,731	3/1/1994	5(b)	\$10,400.04	\$11,336.04	Operation of a boat and fishing club and management of boat haul-out for self repair dry dock services for the Permittee and public	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
18	Maalaea Charters, Inc	Maalaea Exhibit B-3	(2) 3-6-001:002 (por)	144	9/1/1993	5(b)	\$3,171.12	\$3,456.52	Occupy and use space for operation of a commercial charter vessel office for vessel activity sales, and the sales of various outdoor activities	- Rent set by in-house valuation based on what harbor ticket booths are charged pursuant to HAR 13-234-35. - A revocable permit is the correct disposition as the permittee's activities do not allow for issuing a harbor ticket booth permit.
19	Maui Oil Company, Inc	Maalaea Exhibit B-3	(2) 3-6-001:002 (por)	-	12/1/1994	5(b)	\$1,268.40	\$1,382.56	Dispense fuel via tank truck	- Rent set by in-house valuation (monthly base rent of \$105.70 or \$.005/gallon, whichever is greater). - Staff has identified this permit to convert to a concession (see timetable contained in the submittal).
20	Maui Petroleum, Inc	Maalaea Exhibit B-3	(2) 3-6-001:002 (por)	-	9/27/1985	5(b)	\$1,216.80	\$1,382.56	Dispense fuel via tank truck	- Rent set by in-house valuation (monthly base rent of \$101.40 or \$.005/gallon, whichever is greater). - Staff has identified this permit to convert to a concession (see timetable contained in the submittal).
22	Na Kalai Wa'a	South Kawaihae Exhibit C-5	(3) 6-1-003:(por)	22,216	7/1/2016	5(b)	\$480.00	\$40.00	Vessel storage, general storage, maintenance of improvements, youth programs, educational programs, and affiliated community programs.	- At its meeting on 2/9/18, under agenda item J-9, the Board approve a reduction in permittee's rent pursuant to the Board's minimum rent policy. - Permittee is a 501 (c)(3) entity.

EXHIBIT E

25	Outfitters Kauai, Ltd.	Nawiliwili Exhibit D-1	(4) 3-2-003:007 (por)	3,049	8/1/1998	5(b)	\$11,180.64	\$12,186.90	Portable storage/office structure, parking, staging of kayaks and approved vessels, and access to Huleia River.	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
26	Pacific Biodiesel Logistics, LLC	Maalaea Exhibit B-3	(2) 3-6-001:002 (por)	-	9/1/2014	5(b)	\$1,216.80	\$1,382.56	Deliver and dispense fuel via tank truck	- Rent set by in-house valuation (monthly base rent of \$101.40 or \$.005/gallon, whichever is greater). - Staff has identified this permit to convert to a concession (see timetable contained in the submittal).
28	Surf N' Sea, Inc.	Haleiwa Exhibit A-4	(1) 6-2-003:039 (por)	5,227	10/1/1969	5(b)	\$170,400.00	\$185,736.00	Hardware and sporting goods store.	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
29	Island of Hawaii YMCA	South Kawaihae Exhibit C-5	(3) 6-1-003:(por)	6,098	8/1/2000	5(b)	\$480.00	\$40.00	Sailing programs, storage purposes, marine education and youth programs	- At its meeting on 5/11/18, under agenda item J-2, the Board approved a reduction in permittee's rent to the minimum allowable rent. - Permittee is a 501 (c)(3) organization which benefits the general public beyond its membership.

EXHIBIT E

30	Trilogy Corporation	Manele Exhibit B-5	(2) 4-9-017:006 (por)	6,100	2/1/1998	5(b)	\$3,970.44	\$4,327.78	Landscaping and open public space for Trilogy's pavilion.	- The monthly rental for the revocable permit is based on the lease rent rate per square foot being charged under the long-term lease issued to permittee for an adjacent parcel. Staff is recommending a 9% increase in the monthly rental. - Staff has identified rp as one to convert to an easement which will be co-terminus with Trilogy Corporation's lease for the adjacent parcel (see timetable contained in the submittal). Staff has met with the permittee, who has expressed interest in an easement, and has procured an appraisal for the term easement.
31	True Blue, Inc	Nawiliwili Exhibit D-1	(4) 3-2-003:007 (por)	1,742	10/1/2011	5(b)	\$6,655.68	\$7,254.69	Portable storage/office structure, parking, staging of kayaks and approved vessels, and access to Huleia River.	- Rent was determined by CBRE appraisal effective 7/1/16. The rent has not been increased since. FY 2020 rent is increased 9% over the previous year. - Staff has identified this rp as one to convert to a long term lease (see timetable contained in the submittal).
32	US Dept. of Interior	Honokohau Exhibit C-1	(3) 7-4-008:003 (por)	301,827	9/1/1991	5(b)	Gratis	Gratis	Management of the existing archaeological features and anchialine ponds	- The rent is gratis. - The permit is issued to a governmental entity.

EXHIBIT E

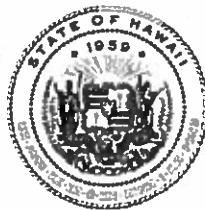
34	Diamond Parking Lahaina	Lahaina Exhibit B-4	(2) 4-6-001:002 (por)	18,000	8/7/2017	5(b)	\$20,400.00	\$20,400.00	Parking Concession	- The monthly rental of \$1,700 plus 30% of all revenue collected over \$3,000 per month was based on the parking concession at Maalaea SBH. Staff will not adjust the monthly rental as it is working on a parking concession for this property. - At its meeting on 7/13/19, under agenda item J-2, and amended at its meeting on 1/11/19, under agenda item J-1, the Board approved the issuance of a 5-year concession for parking at the Lahaina SBH. Staff is currently working towards auctioning the concession (see timetable contained in the submittal).
35	Horizons Pacific, Inc.	Kailua-Kona (Kailua Bay) Exhibit C-2	(3) 7-5-006:039 (por)	63	6/21/2016	5(b)	\$39,240.00	\$36,000.00	Maritime related activities, including concierge service, providing general island information, maps, restaurant guides, charter and tour info, cruise ship itineraries, trolley/bus affordable beach rental	- In 2016 staff solicited proposals from interested parties to use approximately 63 s.f. of kiosk. Staff selected the permittee based on proposed services and monthly rent. - Staff will investigate whether it is possible to do a concession or license for this location (see timetable contained in the submittal).

EXHIBIT E

50	Nawiliwili Yacht Club	Nawiliwili Exhibit D-1	(4) 3-2-003:043 (por)	8,698	11/13/2017	5(b)	\$13,284.00	\$14,081.04	Sailing purposes. Holdover RP until Kauai Sailing Association Lease finalized.	- Rent was determined by CBRE appraisal effective 7/1/16 and adjusted with a one year escalation. The rent has not been increased since. FY2020 has been increased by 6% over the previous year. - At its meeting on May 25, 2018, under agenda item J-6, the Board approved the issuance of a direct lease and reduced rent to Kauai Sailing Association. Staff is awaiting the CSF Map from DAGS Survey. A revocable permit is the correct disposition until a direct lease can be executed with KSA (see timetable contained in the submittal).
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Exhibit F

DAVID Y. IGE
GOVERNOR OF
HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF AQUATIC RESOURCES
1151 PUNCHBOWL STREET, ROOM 330
HONOLULU, HAWAII 96813

Date: 5/16/2019

DAR # 5919

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

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

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

MEMORANDUM

TO: Brian J. Neilson
DAR Administrator

FROM: William J. Walsh *WJW*, Aquatic Biologist
Paul Murakawa *PM* Russell Sparks *RS*

SUBJECT: Request for Renewal of 28 Revocable Permits on the Islands of Oahu, Maui,
Lanai, Hawaii and Kauai

Request Submitted by: Richard Howard, Project Manager

Location of Project: Statewide

Brief Description of Project:

RENEWAL OF 28 REVOCABLE PERMITS ON THE ISLANDS OF
OAHU, MAUI, HAWAII AND KAUAI AND DECLARE PROJECT EXEMPT FROM
REQUIREMENTS OF CHAPTER 343, HRS AND TITLE 11, CHAPTER 200,
HAWAII ADMINISTRATIVE RULES.

Comments:

☐ No Comments ☒ Comments Attached

Thank you for providing DAR the opportunity to review and comment on the proposed project. Should there be any changes to the project plan, DAR requests the opportunity to review and comment on those changes.

Comments Approved:

Brian J. Neilson
Brian J. Neilson
DAR Administrator

Date:

5/17/19

Exhibit F

Exhibit F

DAR# 5919

Comments

Out of the 28 revocable permits listed DAR has some concerns about Maalaea boat and fishing club which is number 17 on the list. The concerns for that particular lease are listed below. The current haul out and boat dry dock operations is not being done with any real effort to mitigate environmental impacts. Bottom paint is often sanded and/or pressure washed off of the boats and flows directly into the harbor waters. Fiberglass work is conducted out in the open with fine fiberglass powder blowing off of boats and into the ocean. If a long term lease is provided to allow for this on-going dry dock use, it seems appropriate environmental controls should be put in place to prevent pollutants from entering the nearshore waters of the bay and harbor.

One other concern raised was that DAR is currently using this space as temporary office space until their office in Wailuku is completed. It is unclear if the proposed action would impact the current use or not.

Exhibit G

DAVID Y. IGE
GOVERNOR OF
HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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

ROBERT K. MASUDA
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CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAIROOLAWA ISLAND RESERVE COMMISSION
LAND
STATE PARKS

REF:OCCL:TM

Correspondence: ST 19-175

TO: Richard Howard, Property Manager
Division of Boating and Ocean Recreation

MAY 13 2019

FROM: *for* Samuel J. Lemmo, Administrator *[Signature]*
Office of Conservation and Coastal Lands

SUBJECT: Renewal of Revocable Permits for Small Boat Harbors and HRS, Chapter 343
Concurrence

The Office of Conservation and Coastal Lands (OCCL) has reviewed the list of Revocable Permits and note that we have permits for Harbor improvements at the indicated locations:

Location	ConservationDistrictUsePermit (CDUP)	Purpose
Honokohau, Hawai'i (3) 7-4-008:003 ✓	HA-1237	Harbor
Ala Wai, O'ahu (1) 2-3-037:012/026	OA-340; 927; 1097	Pier, Docks, Harbor Imp.
Kahalui, Maui (2) 3-7-001:023	MA-3196; 3738	Harbor Imp.; Trailer Parking
Ma'alaea, Maui (2) 3-6-001:002	MA-695; 846	Harbor; Moorings
Mānele, Lana'i (2) 4-9-017:006	LA-3257	Small Boat Harbor
He'eia, O'ahu 4-6-006:069	OA-709; 1457	Docks
Nawiliwili, Kaua'i (4) 3-2-003:007	KA-414	Harbor
Wai'anae, O'ahu (1) 8-5-002:044`	OA-875	Harbor

The OCCL concurs the renewal of the revocable permits appear to be considered an exempt action pursuant to Chapter 343, Hawaii Revised Statutes (HRS), as amended, and Chapter 11-200, HAR, **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.

Should you have any questions regarding this memorandum, contact Tiger Mills of our Office at (808) 587-0382.

Exhibit G