

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

October 11, 2019

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

Land Board Members:

SUBJECT: ISSUANCE OF A FOUR (4) MONTH RIGHT-OF-ENTRY AND SUBSEQUENT REVOCABLE PERMIT TO CATES MARINE SERVICES, LLC, FOR PURPOSES OF MARINE SALVAGE AND MARINE SERVICES, SITUATED AT KE'EHĪ SMALL BOAT HARBOR, HONOLULU, ISLAND OF OAHU, HAWAII, IDENTIFIED BY TAX MAP KEY: (1) 1-2-023:057

AND

DECLARE PROJECT EXEMPT FROM REQUIREMENTS OF CHAPTER 343, HRS AND TITLE 11, CHAPTER 200.1, HAWAII ADMINISTRATIVE RULES.

APPLICANT:

Cates Marine Services, LLC ("CMS"), a Limited Liability Company, whose mailing address is, 24 Sand Island Access Road, Honolulu, HI 96819 in the care of, John Cates, Manager; hereinafter referred to as the "Applicant".

LEGAL REFERENCE:

Sections 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government fast lands at Ke'ehi Small Boat Harbor ("KSBH"), situated in Ke'ehi Industrial Park, Honolulu, Island of Oahu, Hawaii, identified by Tax Map Key: (1) 1-2-023:057, as shown on the attached map labeled **Exhibit A-1 thru A-3**.

AREA:

Approximate area of 15,543 square feet, which area is hereinafter referred to as the “Premises”. The area is located in Ke’ehi Industrial Park Association (KIPA) area on TMK (1) 1-2-023:057 as depicted in **Exhibit A-3**.

ZONING:

State Land Use District: Urban
County of Honolulu CZO: I-2 Intensive Industrial District

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES _ NO X

CURRENT USE STATUS:

The premises are presently unencumbered. The property was withdrawn from Executive Order No. 3708, issued to the Department of Transportation, Harbors Division and Reset-Aside to the Department of Land and Natural Resources, Division of Boating and Ocean Recreation (DOBOR) with an Immediate Management Right-of-Entry to DOBOR by way of Board Action at it’s December 14, 2018, meeting, under agenda Item D-6.

CHARACTER OF USE:

Marine Salvage and Marine Services. Storage of marine service equipment and for providing marine maintenance, repair and fabrication services.

COMMENCEMENT DATE:

The revocable permit’s commencement date is to be determined by the Chair.

MONTHLY RENTAL:

\$3,625.00 per month

The monthly rental is based on an in-house valuation using an appraisal report prepared by Alan Conboy (of Hastings, Conboy and Associates, Ltd.) for the rental reopening of La Mariana Sailing Club, Inc. for the adjacent parcel (1) 1-2-023:052. The appraisal reports valuation is effective as of May 1, 2019, which staff believes gives a reliable basis to make a rent recommendation.

The value of fast land was discounted by 50%. The basis for applying a 50% discount for property in KIPA was practiced by DOT-HAR due to the absence of utilities. The appraised value of La Mariana Sailing Club, Inc fast lands is \$5.60 per square foot per year. Therefore, the calculated value is as follows: $\$5.60/\text{Sq. Ft.}/\text{Yr.} \div 12 \text{ months} \times 50\% \times 15,543 \text{ Sq. Ft.} = \$3,626.70$ or \$3,625.00 rounded.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Exemption List for the, Department of Land and Natural Resources, reviewed and concurred by the Environmental Council on June 5, 2015, the subject request is exempt from the preparation of an Environmental Assessment pursuant to Exemption Class No. 1, 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.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u>__</u>
Registered business name confirmed:	YES <u>X</u>	NO <u>__</u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u>__</u>

JUSTIFICATION FOR REVOCABLE PERMIT:

The applicant proposes to use the area to build a special-order boat, which is estimated to take about a year to fabricate. DOBOR believes that a revocable permit is the proper instrument for the proposed use and for the proposed area.

REMARKS:

Cates Marine Services, LLC fka Cates International, Inc. has been a permittee in good standing with DOBOR since December 1, 2001.

The proposed 15,543 Sq. Ft. area, TMK (1) 1-2-023:057, was withdrawn from E.O. 3708, issued to the Department of Transportation (DOT) Harbors Division and Reset-Aside to DLNR DOBOR by Board Action December 14, 2018, under agenda item D-6.

The proposed parcel is currently vacant and overgrown with vegetation. The existing structure is in need of repairs. In order for it to be restored to a safe condition, the applicant is requesting a four (4) month Right-of-Entry, at no charge, in order to clear the area of vegetation and make repairs to the existing structure.

Month-to-month tenancy is more appropriate than a long-term disposition in this case due to the temporary nature of the proposed use. The proposed use is allowable in the county zoning and compatible with surrounding existing use.

The Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

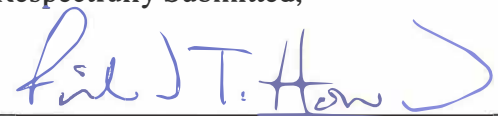
Staff consultation with the DLNR Land Division (DLNR-LD), regarding HRS Chapter 343 exemption. In accordance with the Department's comprehensive exemption list, they concur that the proposed use is exempt from the preparation of an environmental assessment and will probably have minimal or no significant effect on the environment and should be considered exempt from the preparation of an environmental assessment.

RECOMMENDATION:

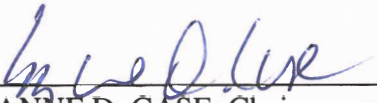
That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, 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.
2. Authorize a four (4) month, gratis, Right-of-Entry to CMS to clear vegetation and make repairs to the existing structure.
3. Authorize the issuance of a Revocable Permit to CMS covering the subject area 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;
 - b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


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

APPROVED FOR SUBMITTAL:



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

Attachments:

- Exhibit A-1 Ke'ehi Small Boat Harbor Location on Oahu
- Exhibit A-2 CMS Proposed Location TMK (1) 1-2-023:057
- Exhibit A-3 CMS Proposed RP Area

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200.1, HAR

Project Title:	Issuance of a Revocable Permit (RP) to Cates Marines Services, LLC for 15,543 sq. ft. of fast land in KIPA
Project / Reference No.:	TBD
Project Location:	TMK: (1) 1-2-023:057, Ke'ehi Small Boat Harbor, Island of Oahu, Hawaii
Project Description:	15,543 sq. ft. of fast land for Marine Salvage and Marine Services. Storage of marine service equipment and for providing marine maintenance, repair and fabrication services.
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 prior permittee used the area for converting cargo containers into portable offices and other marine related activities. In addition, former DOT Harbors Division Permittee's that abutted this parcel also engaged in marine service, maintenance, repair and fabrication for many years. Therefore, staff believes the use of the proposed lands for this revocable permit will have no significant effect on the environment.
Action May have Significant Impact on Particularly Sensitive Environment?	No, the area was used for similar activities by previous permittees. Therefore, staff does not believe the issuance of an RP for the proposed activities for this area will have a significant impact on the respective environment.
Analysis:	The applicant has been a responsible permittee on a neighboring parcel since December 2001. The requests would involve no expansion or change in use of the subject locations beyond that previously existing. DOBOR would also like to ensure there is a presence on currently unencumbered sites in order to deter any unwanted activity that usually occurs on vacant lands. DOT Harbors currently has such activity present in adjacent KIPA areas.
Consulted Parties:	The Oahu District Land Office was consulted and they concur that the proposed use is exempt from the preparation of an environmental assessment and will probably have minimal or no significant effect on the environment and should be considered exempt from the preparation of an environmental assessment.
Declaration	The Board finds that these projects will probably have minimal or no significant effect on the environment and declares that this project is exempt from the preparation of an environmental assessment.

Exhibit A-1

Cates Marine Services, LLC at Ke'ehi Small Boat Harbor



Exhibit A-1

Exhibit A-2

Ke'ehi Small Boat Harbor



Cates Marine Services, LLC
Proposed RP Location
TMK (1) 1-2-023:057

Exhibit A-2

Exhibit A-3

**Cates Marine Services, LLC Proposed Area
15,543 Square Feet**

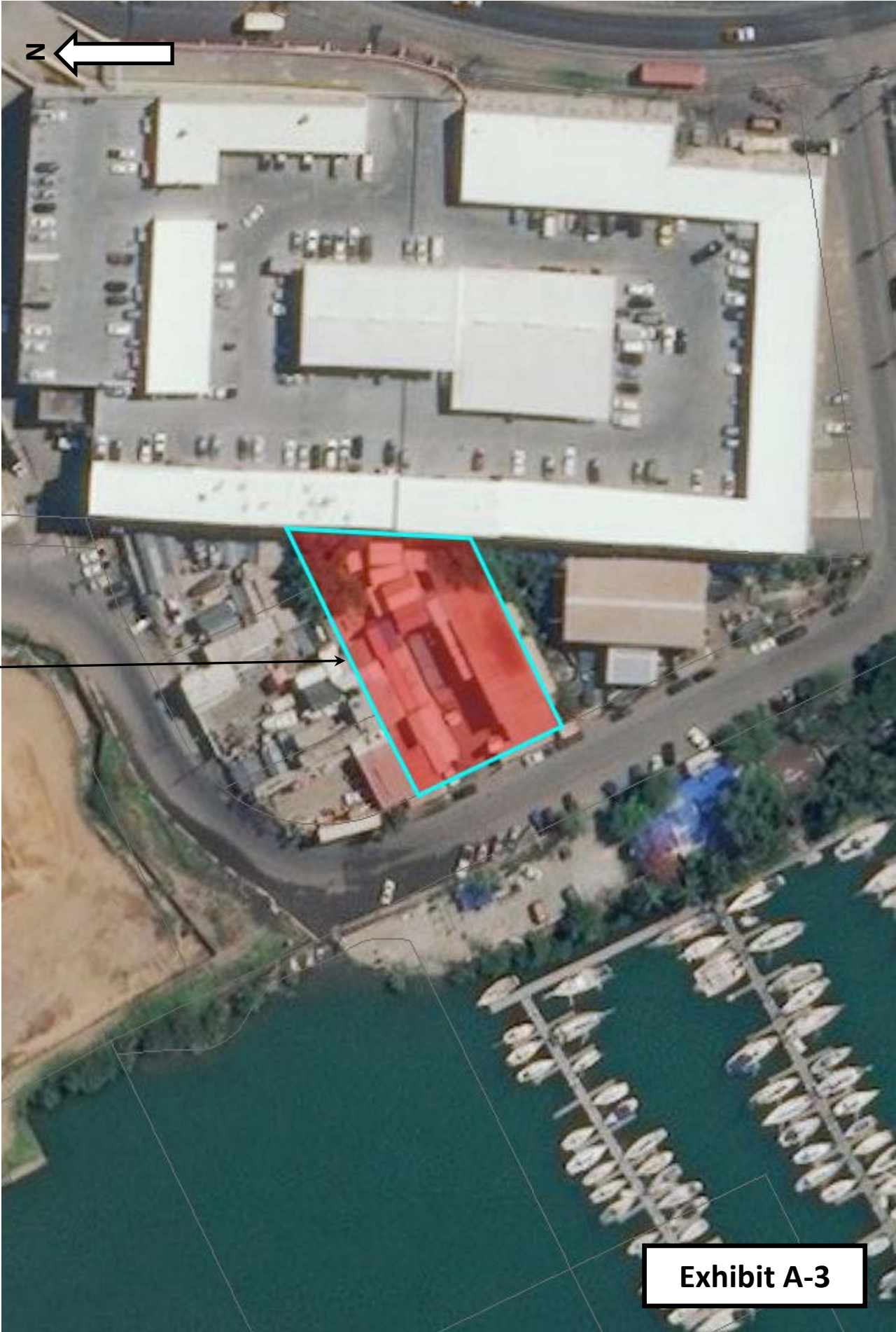


Exhibit A-3