

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

November 8, 2019

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

PSF No.: 12OD-132

OAHU

Issuance of Revocable Permit to Pacific Crane Service Hawaii LLC, Moanalua,
Honolulu, Oahu, Tax Map Key: (1) 1-1-064:006.

APPLICANT:

Pacific Crane Service Hawaii LLC, a domestic limited liability company (“Applicant”).

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes (“HRS”), as amended.

LOCATION:

Portion of Government lands situated at Moanalua, Honolulu, Oahu, identified by Tax
Map Key: (1) 1-1-064:006, as shown on the attached map labeled **Exhibit A**.

AREA:

9,005 square feet, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: I-2

TRUST LAND STATUS:

Section 5(e) lands of the Hawaii Admission Act, i.e. ceded.
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Parking and open storage purposes.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

In 2016, the Board approved setting the upset rent for the auction at \$27,351 per annum for parking and open storage purposes. Applying an increase 1.5% per annum, i.e. same approach used in the annual renewal of revocable permits, for three (3) years from 2016 to 2019 over \$27,351 is equivalent to:

$$\$27,351 \times 1.5\% \times 3 \text{ years} = 28,582 \text{ per annum, or } \$2,381.83 \text{ per month}$$

Staff recommends the Board approve the rent for the requested revocable permit at the commencement as \$2,382 per month.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (“HAR”) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states, “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,” and Item 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.” See **Exhibit B**.

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>

REMARKS:

History of Subject Parcel

In 1999, Island Demo, Inc. (“ID”) was the successful bidder at a public auction for General

Lease (“GL”) 5590, which was a 35-year for industrial use purposes. In April 2012, ID requested that the Board agree to the release of all its bonds held on deposit for the subject parcel encumbered by GL 5590, and to mutually agree to termination of the lease without any further monetary penalty or financial obligation. Following a successful completion of a Phase 1 environmental study for the subject site, the Board, on April 27, 2012, under agenda item D-10, approved the mutual termination of GL 5590.

Later in 2012, the Board approved the sale of a new lease over the subject parcel. The basic terms of the planned auction were: 65-year term, known rent for the first 30 years of the lease, permitting any uses allowed under the zoning ordinance, upset rent @\$61,600 per annum, and first 12-months rent waived. A public auction was subsequently scheduled in August 2013, but the Department did not receive any applications.

Staff received inquiries from realtors and small business owners regarding the availability of the parcel, and the planned uses were mainly focusing on parking and open storage. In August 2016, staff obtained approval from the Board to reduce the proposed lease to 20 years for open storage and parking purposes at an upset rent of \$27,351 per annum. A public auction was subsequently scheduled in January 2017, but the Department did not receive any applications.

Another attempt to sell the 20-years lease described above in August 2019 also resulted in the same outcome, i.e. no applications received. The standard lease condition requiring the Board’s consent prior to any subletting, the size of the parcel, and general market conditions may all be underlying factors for the past auction results. Nevertheless, staff continues efforts to put the land to productive use is no conclusive answer.

Justification for Revocable Permit

Staff proposes short-term tenure in the interim for several reasons: (1) to allow the short-term tenant to set up and grow its business and possibly become interested in a future long-term disposition; (2) to facilitate consolidation of the subject parcel with other State lands in the area when leases for the other parcels expire in 2034; (3) to provide for maintenance of the parcel by having it occupied, and (4) to bring in revenues.

Applicant

Applicant contacted the Land Division and indicated its desire to utilize the parcel for parking of its equipment, e.g. crane and storage containers, as it wants to move the parking site closer to town. Applicant proposes to erect chain link fencing and grade the site with recycled asphalt. When the improvements are done, cranes/trucks will be parked there together with storage container(s). Applicant understands authorization from the City and County of Honolulu for the proposed improvements is required.

Applicant was established in 2015 but the owner of the company, Hugh Baptiste, has over 20 years of experience in the crane business. Staff believes the Applicant has the adequate experience and background to utilize the subject parcel based on the proposed use described above.

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.

There is no known pending litigation involving the Applicant or the subject parcel. At the time of preparing this submittal, there were no other applicants requesting the same parcel.

The proposed use is allowable in the county zoning as indicated by response from the Department of Planning and Permitting during the course of previous auction efforts described above.

Department of Parks and Recreation, Department of Facility Maintenance, and Board of Water Supply have no comments and concur to the proposed environmental assessment exemption declaration.

Department of Transportation, Highways Division requires (1) no dirt or debris tracked onto the roadway, and (2) no change in access point¹ without review by them. (**Exhibit C**)

Department of Planning and Permitting (“DPP”) reminds Applicant of the requirements under various provisions in the Land Use Ordinance for parking and storage. It is a standard requirement in any revocable permit to require any permittee comply with the all applicable laws and rules. (**Exhibit D**)

In addition, DPP noted the parcel is within a transit-orientated development (“TOD”) neighborhood. The subject request pertains to a short-term disposition and staff believes any of the objectives under any future TOD plans can be addressed in the long-term disposition process described in the Justification for Revocable Permit section above.

There are no other pertinent issues or concerns. Staff recommends the Board authorize the issuance of the requested revocable permit subject to the terms and conditions cited above.

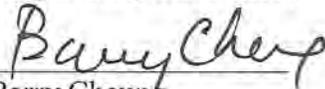
RECOMMENDATION: That the Board:

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 the issuance of a revocable permit to Pacific Crane Service Hawaii LLC covering the subject area for parking and open storage purposes 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;

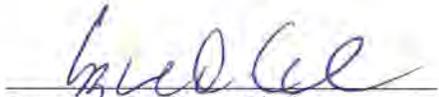
¹ Current access is on Kilihau Street

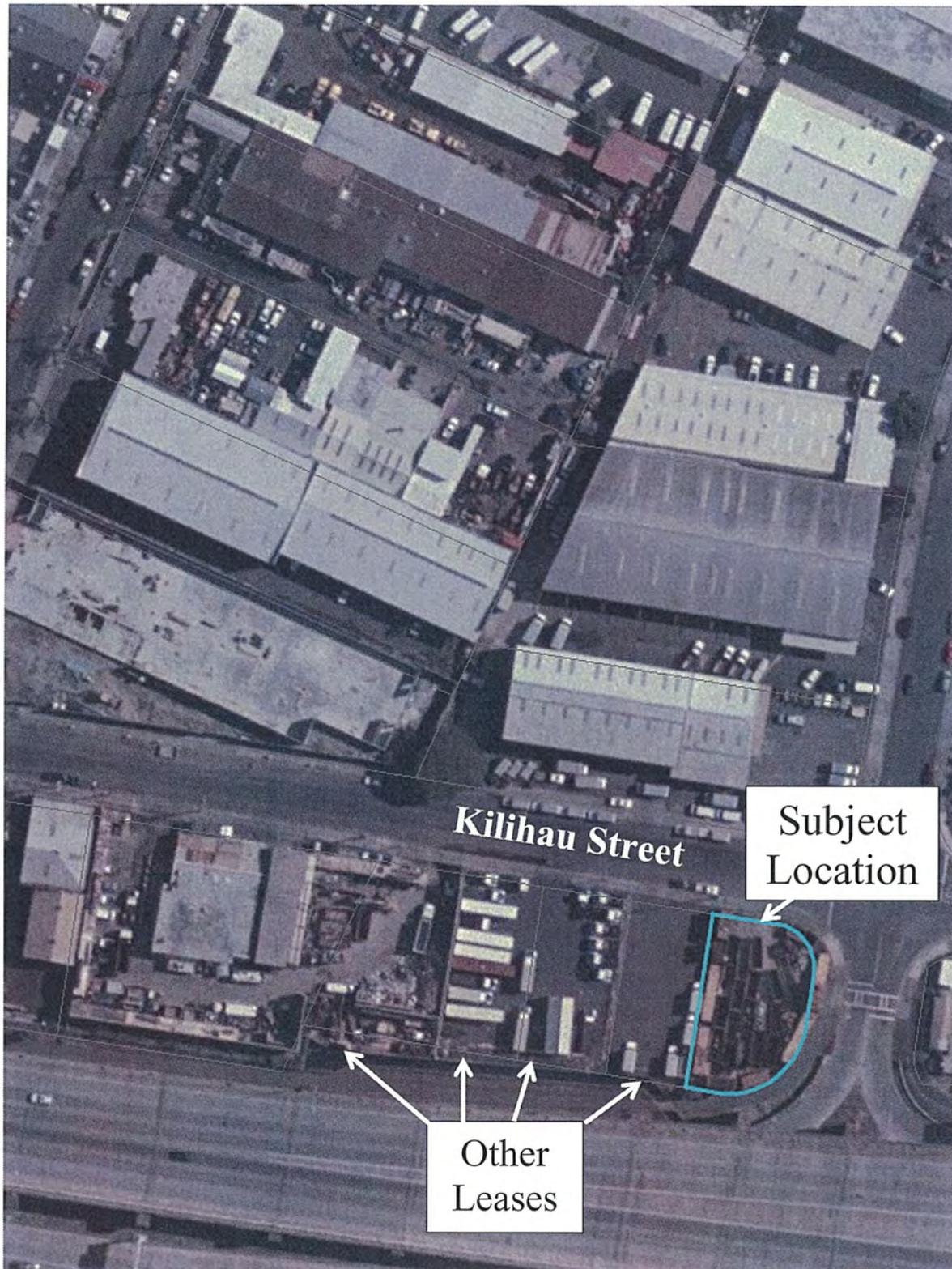
- B. Monthly rent of \$2,382.00;
- C. Permittee shall not dirt or debris tracked onto any public roadway;
- D. Permittee shall not change access point to the requested premises without prior approval from the Department of Transportation, Highways Division;
- E. Review and approval by the Department of the Attorney General; and
- F. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson



TMK (1) 1-1-064:006

EXHIBIT A

EXEMPTION NOTIFICATION

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

Project Title: Issuance of revocable permit for parking and open storages purposes.

Reference No.: PSF 12OD-132

Project Location: Moanalua, Honolulu, Oahu, TMK (1) 1-1-064:006.

Project Description: Issuance of right-of-entry permit for parking and open storage purposes.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with HAR § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 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", Item 51, which states the "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 proposed use does not involve any expansion or change of use from the previous situation and the general land uses in the area.

Action May Have Significant Impact on Particularly Sensitive Environment? There is no known sensitive environment in the area, and it is heavily impacted by other similar industrial uses in this area. Based on the analysis below, staff believes there would be no significant impact to sensitive environment.

Consulted Parties: Agency as noted in the submittal.

Analysis: The previous tenant utilized the subject parcel for open storage and parking before the lease was mutually terminated in 2012. The proposed use does not involve any expansion or change of use from the previous situation, and staff does not anticipate any major improvement, other than fencing and grading material

EXHIBIT B

will be placed on the premises. Therefore, staff believes the subject request has no significant effect on the environment.

Recommendation:

It is recommended that the Board find that this request will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

DAVID Y. IGE
GOVERNOR OF HAWAII



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

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

September 9, 2019

2019 OCT 19 AM 8:57
RECEIVED
LAND DIVISION
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII
Ref. No: PSF 120D-132

MEMORANDUM

TO:	State Agencies:	County Agencies:
	<input checked="" type="checkbox"/> DOH	<input checked="" type="checkbox"/> Planning and Permitting
	<input checked="" type="checkbox"/> DOT-Highways Division-ROW Branch	<input checked="" type="checkbox"/> Parks & Recreation
	<input checked="" type="checkbox"/> Office of Hawaiian Affairs	<input checked="" type="checkbox"/> Facility Maintenance
		<input checked="" type="checkbox"/> Board of Water Supply

FROM: Barry Cheung, District Land Agent *Barry Cheung*

SUBJECT: Issuance of Revocable Permit for Parking and Open Storage Purposes
LOCATION: Moanalua, Honolulu, Oahu, TMK (1) 1-1-064:006
APPLICANT: Pacific Crane Service Hawaii LLC

Transmitted for your review and comment is a copy of the draft Land Board submittal for the above referenced request involving State lands. We would appreciate your comments on this application. Please submit any comments by **October 9, 2019**. If no response is received by this date, we will assume your agency has no comments. If you have any questions about this request, please contact my office at 587-0430 or email at barry.w.cheung@hawaii.gov.

Enclosure

- () We have no objections and concur to the proposed environmental assessment.
- () We have no comments and concur to the proposed environmental assessment.
- (x) Comments are attached. Comments below.

Signed: *Barry Cheung*
Date: 10/02/19

- *No dirt or debris tracked onto the roadway.
- *No change in access point without review by DOT.

EXHIBIT "C"

*W 089/10/19
-RM
AKK*

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-8041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

120D-132

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

October 9, 2019

2019/ELOG-1769(JD)

Mr. Barry Cheung
State of Hawaii
Department of Land and Natural Resources
P.O. Box 621
Honolulu, Hawaii 96809

RECEIVED
LAND DIVISION
2019 OCT 10 AM 11:10
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

Dear Mr. Cheung:

**SUBJECT: Request for Comments
Issuance of Revocable Permit for Parking
and Open Storage Purposes
2721 Kili Hau Street - Moanalua
Tax Map Key 1-1-064: 006**

This responds to your letter, received on September 10, 2019, requesting comments regarding the issuance of a revocable permit for parking and open storage purposes. The site is within the I-2 Intensive Industrial District, which allows for commercial parking and storage. Parking lots are subject to Land Use Ordinance (LUO) Section 21-4.70 and must comply with any applicable landscaping and screening requirements. Additionally, pursuant to LUO Section 21-5.630, storage yards must be completely enclosed by a fence or wall not less than six feet in height, except for necessary openings for ingress and egress, and there shall be no sale or processing of scrap, salvage or secondhand material.

It should be noted that the surrounding neighborhood is identified within the Airport Neighborhood Transit-Orientated Development (TOD) plan and we anticipate the site will be within the TOD Special District when it is established. The future zoning of the site is anticipated to be IMX-1 Industrial-Commercial Mixed Use. Proposed developments should take into consideration the goals and objectives of the Airport TOD plan and the TOD Special District, such as encouraging pedestrian activity and providing a high level of streetscape amenities.

EXHIBIT "D"

Mr. Barry Cheung
October 9, 2019
Page 2

Should you have any questions, please contact Jordan Dildy, of our Zoning Regulations and Permits Branch, at 768-8027 or jdildy@honolulu.gov.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kathy K. Sokugawa', with a long horizontal flourish extending to the right.

For Kathy K. Sokugawa
Acting Director