

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

December 13, 2019

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

Ref: GL 5981

OAHU

Third Amendment of General Lease No. 5981; Consent to Sublease, Waianae District Comprehensive Health and Hospital Board, Incorporated, dba Waianae Coast Comprehensive Health Center, Lessee/Sublessor, International Life Support, Inc., dba American Medical Response (AMR), Sublessee; Lualualei, Waianae, Oahu, Tax Map Key: (1) 8-6-001:003.

The purpose of the amendment is to revise the subletting provision of the lease to allow subletting subject to Board's approval.

APPLICANT:

Waianae District Comprehensive Health and Hospital Board, Incorporated, dba Waianae Coast Comprehensive Health Center ("Applicant"), a domestic nonprofit corporation.

International Life Support, Inc. dba American Medical Response (AMR), a domestic profit corporation.

LEGAL REFERENCE:

Section 171-43.1, Hawaii Revised Statutes, as amended. ("HRS")

LOCATION:

Portion of Government lands situated at Lualualei, Waianae, Oahu, identified by Tax Map Key: (1) 8-6-001:003, as shown on the attached map labeled Exhibit A.

AREA:

14.352 acres, more or less.

ZONING:

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

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Encumbered by General Lease No. 5981 issued to the Applicant for health care and medical facility purposes.

LEASE TERM:

Sixty-five (65) years commencing on August 11, 2010 and expiring on July 31, 2075.

ANNUAL RENT:

\$480.00, due in semi-annual payments.

RENTAL REOPENINGS:

Not applicable.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (“HAR”) Section 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on 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, “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 47, which states that “leases of state land involving negligible or no expansion or change of use beyond that previously existing”. **(Exhibit B)**.

DCCA VERIFICATION: (for both Sublessor and Sublessee)

| | | |
|---|------------------|--------------|
| 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> |

APPLICANT REQUIREMENTS:

None.

REMARKS:

The Applicant has operated the health facility at the subject location since 1994. Applicant provides the only emergency room facility (“ER”) for the leeward coast of Oahu. In July

2018, Applicant opened a newly constructed emergency room services building which replaced the original 45-year-old building. From August 2018 through July 2019, there were over 24,000 ER visits.

Many patients treated in the ER require transport to another medical facility subsequent to their stay at ER. Currently, the response time for such non-emergent medical transport takes at least an hour, or more than two hours in some instances. Recently, the Applicant was approached by a private ambulance transport service vendor to station an ambulance on the leased premises. It will help to reduce the waiting time for medical transports, which will be in the best interest of the patients.

Applicant and the ambulance vendor intend to enter into a sublease agreement which will cover a designated room in the ER building together with two parking stalls. The basic terms of the proposed sublease are shown below.

- Character of use: ambulance depot purposes.
- Area: 200 square feet office space
- Parking: One (1) each of ambulance and employee parking stall.
- Term: One year, subject to extension in accordance with the sublease,
- Rent: \$1,020.85 per month

According to the Applicant, federal health care programs require providers such as the Applicant to charge rent at fair market value when subletting space to other health care services providers. Applicant requests to keep the rental attributed to the proposed sublease.

The current subletting provision in the lease is condition 14 “Subletting,” which states that “the Lessee shall not rent or sublet the whole or any portion of the premises.”

Applicant turned in a request dated September 12, 2019 attached as **Exhibit C** proposing to amend the existing language in condition 14 to read, “[t]he Lessee shall not rent or sublet the whole or any portion of the premises without the prior written approval of the Board, except that Lessee may rent or sublet a portion of the premises for the provision of health care services, as defined in Section 323D-2. Hawaii Revised Statutes, upon written notice to the Chairperson of the Board.”

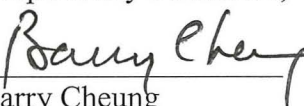
Staff recommends the Board authorize an amendment, subject to the Board’s monitoring of any future subletting. Therefore, staff suggests amending condition 14 to read “the Lessee shall not rent or sublet the whole or any portion of the premises, except with the prior written approval of the Board” (new languages underscored).

Upon approval of the requested amendment, staff also recommends the Board consent to the sublease described above. Applicant is compliant with the terms and conditions of the subject lease and there are no other pertinent issues or concerns.

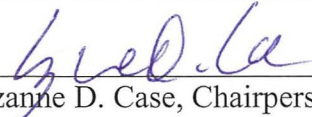
RECOMMENDATION: That the Board:

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 amendment of General Lease No. 5981 by revising the subletting provision, subject to the terms and conditions cited above, and further subject to the following:
 - A. Most current amendment of lease 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.
3. Consent to the sublease under General Lease No. S-5981 between Waianae District Comprehensive Health & Hospital Board, Inc. dba Waianae Coast Comprehensive Health Center, as Sublessor, and International Life Support, Inc. dba American Medical Response (AMR), as Sublessee, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following terms and conditions:
 - A. The standard terms and conditions of the most current consent to sublease 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,


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson



TMK (1) 8-6-001:003

EXHIBIT A

EXEMPTION NOTIFICATION

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

Project Title: Amend General Lease No. 5981 by Revising the Subletting Condition; Consent to Sublease, Waianae District Comprehensive Health and Hospital Board, Incorporated, dba Waianae Coast Comprehensive Health Center, Lessee/Sublessor, International Life Support, Inc., dba American Medical Response (AMR).

Reference No.: GL 5981

Project Location: Lualualei, Waianae, Oahu, Tax Map Key: (1) 8-6-001:003.

Project Description: Replacing the subletting provision to allow subletting to a medical transport service provider on the premises, and consenting to a sublease to AMR.

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

Exemption Class No.: In accordance with Hawaii Administrative Rules Section 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred with 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, “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 47, which states that “leases of state land involving negligible or no expansion or change of use beyond that previously existing”.

Cumulative Impact of Planned Successive Actions in Same Place Significant? No. There will be no change to the current activities on the land.

Action May Have Significant Impact on Particularly Sensitive Environment: No. There will be no change to the current activities on the land.

Consulted Parties Office of Conservation and Coastal Lands

Analysis: Based on the above mentioned, staff believes there would be no significant impact to the environment.

EXHIBIT B

Recommendation:

That the Board finds this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.



**WAIANAE COAST
COMPREHENSIVE
HEALTH CENTER**
www.wcchc.com

TO: Central
FROM: CSLO
No.: GLS-5981

RECEIVED

September 12, 2019

2019 SEP 23 AM 11:13

2019 SEP 19 AM 8:01

Suzanne Case, Chairperson
Department of Land and Natural Resources
P.O. Box 621
Honolulu, Hawaii 96809

DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

DEPT. OF LAND
& NATURAL RESOURCES
STATE OF HAWAII

Aloha Chairperson Case,

Subject: Request Amendment to General Lease No. S-5981
Waianae, Oahu TMK (1) 8-6-001:003

For over 45 years, the Waianae Coast Comprehensive Health Center (WCCHC) has grown its services and facilities on the property of General Lease No. S-5981 (the "Lease"). In our continuing efforts to bring needed health care services to the Waianae Coast community, we are requesting to amend Section 14. Subletting of the Lease, by way of an amendment to General Lease No. S-5981 (the "Amendment").

We are requesting to delete Section 14. Subletting of the Lease in its entirety and replaces it as follows:
"The Lessee shall not rent or sublet the whole or any portion of the premises without the prior written approval of the Board, except that Lessee may rent or sublet a portion of the premises for the provision of health care services, as defined in Section 323D-2, Hawaii Revised Statutes, upon written notice to the Chairperson of the Board."

In addition, federal health care programs require providers such as WCCHC to charge rent at the Fair Market Value when subletting space to other health care services providers. WCCHC also requests that it be allowed to retain any such rental income to offset the cost of providing health care and related support services by WCCHC.

Our 24 hour Emergency Room Services with Laboratory and Imaging Services is valued as the most important service by our community. In July 2018, WCCHC opened the doors to a newly constructed Emergency Room Services Building which replaced the original 45 year old ER Building. For the period from August 2018 through July 2019 there were 24,086 Emergency Room visits.

WCCHC was recently approached by a private Ambulance Transport Service, requesting to lease space to allow the stationing of an Ambulance Unit on-site at our Emergency Room. Having an Ambulance Unit on-site would be of great value to those patients served in our Emergency Room who require Ambulance transport to another facility. Presently, the response time for a requested non-emergent Ambulance transport takes at least an hour and in some instances more than two hours.

WCCHC wishes to pursue the stationing of an Ambulance Unit on-site with our Emergency Room Services. The Amendment we are requesting would enable this effort and improve the Ambulance transport service to our community.

We thank you for your continued support and look forward to receiving your favorable response. If there are any questions, please contact James Z. Chen, Chief Finance Officer at 697-3461 or jchen@wcchc.com.

Sincerely,

Richard P. Bettini
Richard P. Bettini, MPH, MS
President/CEO

EXHIBIT "c"