

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

September 11, 2020

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

Land Board Members:

SUBJECT: Sale of Concession by Sealed Bid for a Five-Year Parking Contract to Operate a Parking Concession Situated at Ala Wai Small Boat Harbor Honolulu, Island of Oahu, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037

And

Declare Project Exempt from Requirements of Chapter 343, HRS and Title 11, Chapter 200.1, Hawaii Administrative Rules

REQUEST:

Sale of Parking Concession Contract by Sealed Bid for the purpose of managing a parking concession at the Ala Wai Small Boat Harbor ("AWSBH") on the island of Oahu.

LEGAL REFERENCE:

Chapter 102-2, and Chapter 171-13, Hawaii Revised Statutes, as amended.

LOCATION:

Portions of Government lands situated at AWSBH, Honolulu, Oahu, Hawaii, identified by Tax Map Keys: (1) 2-6-010-:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037, as shown on the attached map labeled Exhibit A-2.

AREA:

8.5 acres, more or less. The concession area includes 329 paid and 312 monthly permit parking stalls. The concessionaire will also be responsible for managing the three 300 free public parking stalls.

Item J-4

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: Public Precinct (Waikiki Special District)

TRUST LAND STATUS:

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

CURRENT USE STATUS:

The Premises is presently unencumbered.

CHARACTER OF USE:

Vehicle Parking Concession.

CONCESSION CONTRACT TERM:

Five (5) Years.

CONCESSION COMMENCEMENT DATE:

As determined by the Chairperson.

BID FOR CONCESSION FEE & MINIMUM DUTIES OF THE CONCESSIONAIRE & DOBOR RESPONSIBILITIES:

**Bid for Concession Fees:**

- DOBOR to pay concessionaire a flat monthly management fee no higher than \$10,000/month to be determined by sealed bid. The winning bidder will be bidder who submits the lowest bid.

**Minimum Duties of the Concessionaire:**

- Manage the Division's parking program at the harbor.
- Collect the fees and issue monthly parking decals for permit parking and turn the money over to the Division within Thirty (30) days of collection by the permittee.
- Work with equipment supplier to maintain and repair the Division's equipment.
- Ensure parking enforcement and work directly with the Division's towing concessionaire.
- Ensure that proper parking signage is displayed throughout the facility.
- Participate in any and all post-tow hearings.

**DOBOR Responsibilities:**

- Purchase all equipment including but not limited to pay stations, mobile phone payment apps, signage.
- Pay stations will be cashless and the equipment have battery, A/C and solar power options, secure housing, be weather resistant, thermal print technology, payment options including credit card and mobile applications, programmable functions, wireless communication for remote meter management, security systems, efficient maintenance, meter management system that includes remote monitoring, meter mapping, administration reports and maintenance reports and financial reporting.
- Division will pay concessionaire an incentive fee of five percent (5%) of revenue over Thirty Thousand dollars (\$30,000.00) per month. The incentive fee will be paid to the concessionaire monthly.
- Provide concessionaire a monthly accounting of all hourly paid parking collected from the parking equipment.

PERFORMANCE BOND:

Equal to four (4) months of monthly fee.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15, Hawaii Administrative Rules (HAR) and the Exemption List for the Department of Land and Natural Resources, reviewed and concurred in by the Environmental Council on March 3, 2020, the subject request is exempt from the preparation of an Environmental Assessment pursuant to Exemption Class No. 1, Item No. 44 states that, “Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.”

BACKGROUND:

At its meeting on August 7, 2008, under agenda Item J-1, the Board approved the issuance of a revocable permit to Diamond Parking Services LLC (“Diamond”) for parking concession purposes, effective November 1, 2008. On December 27, 2009, Diamond was awarded Parking Concession Contract IFB No. AWSBH-200901, which commenced February 1, 2010, and ended on January 31, 2015. Diamond exercised an option to extend for an additional five (5) years and the concession ended on January 31, 2020.

At its meeting on January 10, 2020, under agenda Item J-1, the Board approved the issuance of a revocable permit (“RP”) to Diamond from February 1, 2020, to January 31, 2021. The rent was the greater of \$45,869.52 per month or 70.369% of Gross Receipts, whichever is greater. The proposed RP rent was based on the rent charged in the Parking Concession Contract IFB No. AWSBH-200901.

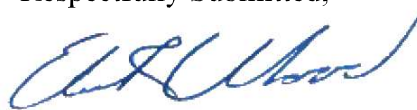
Due to the economic impact that resulted from the Covid-19 pandemic shut down, Diamond requested that the contract be renegotiated. Staff and Diamond were not able to agree to terms acceptable to the state. Therefore, Diamond elected to remove their equipment as of July 31, 2020. The preceding events necessitate a new IFB for a parking concession at AWSBH.

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 the Sale of a Parking Concession Contract by Sealed Bid for the purpose of managing a parking concession at the Ala Wai Small Boat Harbor 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 concession contract 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.

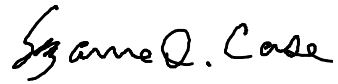
Respectfully Submitted,



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

APPROVED FOR SUBMITTAL:

A handwritten signature in black ink that reads "Suzanne D. Case". The signature is written in a cursive style with a large initial 'S'.

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

Attachments:

A-1 AWSBH location on Oahu

A-2 AWSBH Parking Plan

**Exhibit A-1**

**Island of Oahu**



**Ala Wai Small Boat Harbor**

**Exhibit A-1**

**Exhibit A-2**

**Parking Plan**

