

STATE OF HAWAI'I  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of State Parks  
Honolulu, Hawaii 96813

October 23, 2020

Board of Land and Natural Resources  
State of Hawai'i  
Honolulu, Hawai'i

Hawai'i

**SUBJECT:**

Request approval to Amend Revocable Permit No. SP0545, Diamond Parking Services, LLC, Permittee, Akaka Falls State Park, Kahua, South Hilo, Hawai'i, Tax Map Key: (3) 2-8-011:018 (portion).

The purpose of this amendment is to update the terms of the revocable permit to incorporate the increased fees set in HAR Chapter 13-146, Section 13-146-6 and increase the monthly percentage rent.

**APPLICANT:**

Diamond Parking Services, LLC

**LEGAL REFERENCE:**

Hawai'i Revised Statutes Sections 171-6 and 55, as amended. Hawai'i Administrative Rules (HAR) Chapter 13-146, Section 13-146-6 (Fees), as amended.

**LOCATION:**

Portion of Government Lands located in Akaka Falls State Park, Kahua, South Hilo, Hawai'i, Tax Map Key: (3) 2-8-011:018 (portion), as shown on the map attached as **Exhibit A**.

**AREA:**

Approximately two (2) acres, more or less of improved and unimproved land

**ZONING:**

State Land Use District:	Conservation
County of Hawai'i CZO:	Agriculture

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 Governor's Executive Order 1992 setting aside land for addition to Akaka Falls Park to be under the control and management of the State of Hawai'i, Department of Land and Natural Resources, Division of State Parks.

BACKGROUND:

The Hawai'i Department of Land and Natural Resources' DSP is responsible for managing the use and protection of all lands, and historical and natural resources within the Hawai'i State Park System, established under Chapter 13-146, Hawaii Administrative Rules (HAR). The new fee schedule in Chapter 13-146 helps improve revenue-generating potential for the Division of State Parks (DSP) to better manage the Hawai'i State Park System that is composed of some of the State's most valuable, scenic, historic, culturally significant, and acclaimed natural and cultural resources.

The purpose of this request is to update the terms of the RP to adjust for DSP's new fee schedule.

REMARKS:

The current revocable permit currently provides for a rent of 70.5% of gross receipts per month. We are asking the Board to approve a ninety-nine percent (99%) of net operating income for the monthly rent.

Following the adoption of HAR13-146 Increase Fees, in the new fees would result in a windfall for the permit holder without adjustment to the rent.

The adjustment of the terms will help capture the windfall that results from the new fee schedule. Parks has worked with the permittee on the new monthly rent and feels the Board can authorize the change.

The subject RP was issued pursuant to Section 171-55, HRS. The statutory language allows the Board to issue a permit, "... by direct negotiation without public auction, under conditions and rent which will serve the best interests of the State ..." Under the current circumstances, Parks believes that the statute provides grounds for the Board to modify the rent as warranted.

Staff recommends the Board approve a monthly rent of 99% of net operating income for the duration of the terms. The new rent will be effective thirty-days (30) from the approval by the Board. In addition, staff recommends Revocable Permit No. SP0545 incorporate the increased fees set in HAR Chapter 13-146, Section 13-146-6.

RECOMMENDATION: That the Board:

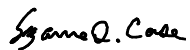
1. Approve the updated Revocable Permit No. SP0545 to incorporate the increased fees set in HAR Chapter 13-146, Section 13-146-6 and;
2. Adjust the rent payable to ninety-nine percent (99%) of net operating income per month.

Respectfully Submitted,



Curt Cottrell, Administrator  
Division of State Parks

APPROVED FOR SUBMITTAL:



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Suzanne D. Case, Chairperson  
Board of Land and Natural Resources

Attachments: Exhibit A





STATE OF HAWAII

SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES

HONOLULU

March 29, 1961

CSF. NO 13,420

ADDITION TO

AKAKA FALLS PARK

Kuhua, South Hilo, Hawaii

Being a portion of the Government Land of Kuhua

Beginning at the south corner of this parcel of land, and on the northeast side of Akaka Falls Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAUKU" being 7363.82 feet North and 1248.39 feet East, as shown on Government Survey Registered Map 2296, thence running by azimuths measured clockwise from True South:-

- 1. 147° 48' 122.19 feet along the northeast side of Akaka Falls Road;
2. 188° 42' 181.60 feet along the east side of Akaka Falls Road;
3. 98° 42' 18.80 feet along the north end of Akaka Falls Road;
4. 196° 00' 46.42 feet along the east side of 20-Foot Road Right-of-Way;
5. 278° 42' 92.90 feet along Government Land covered by General Lease S-3585 to Pepeekeo Sugar Company;
6. 8° 42' 320.00 feet along Government Land covered by General Lease S-3585 to Pepeekeo Sugar Company to the point of beginning and containing an Area of 0.520 Acre.

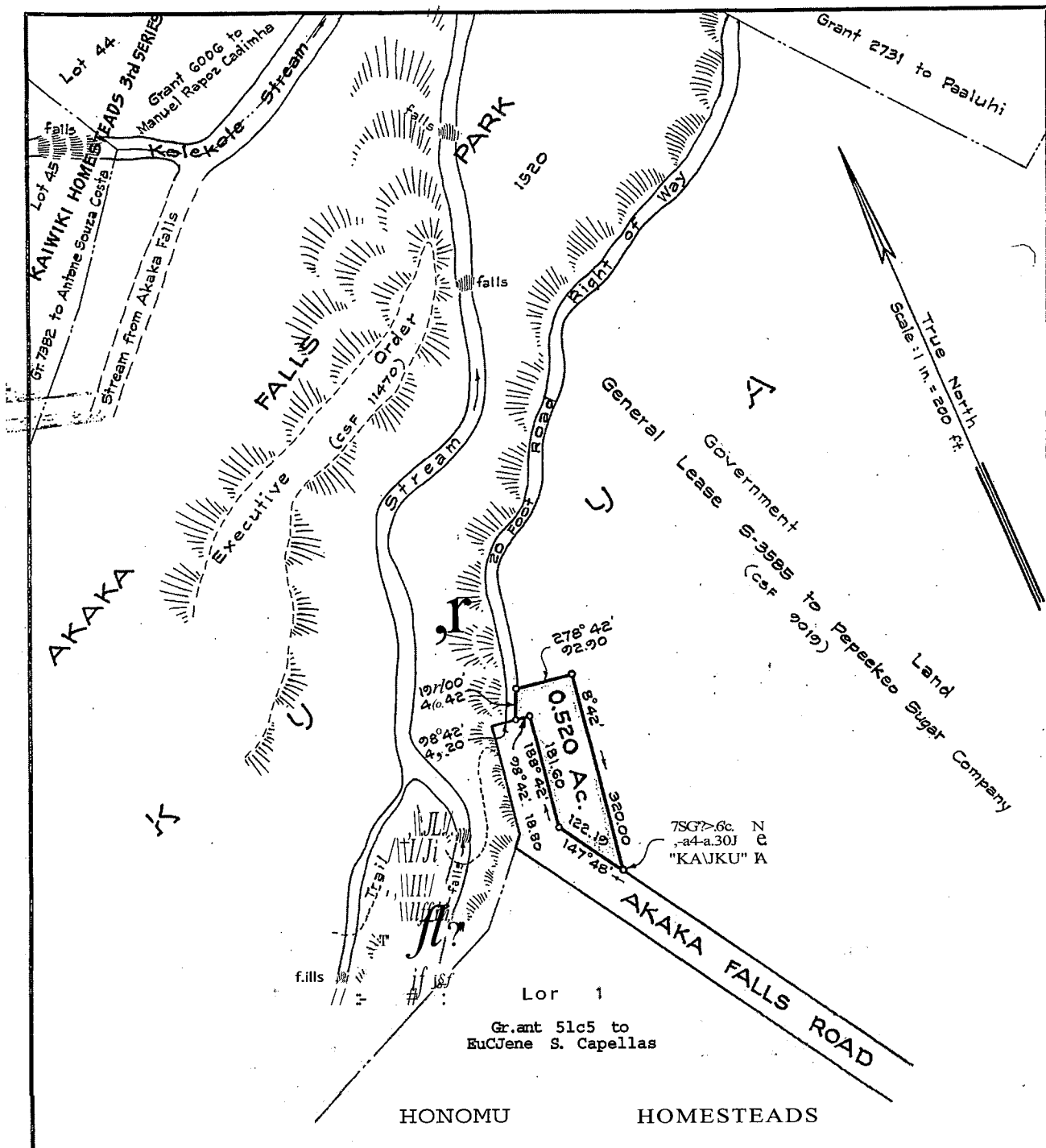
SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

Compiled from Govt. Survey Records.

By: Uaa. Ichiro Sakai Dto Land Surveyor

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**AKAKA -FALLS PARK**  
 Kuhua, South Hilo, HawaH

Scale: 1 inch = 200 feet

JOB 702.  
C. B \ Sakamoto