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

PSF No.: 20HD-051

Issuance of a Revocable Permit to Marine Toys for Tots Foundation, for Warehousing Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-058:004.

APPLICANT:

Marine Toys for Tots Foundation, a Virginia non-stock corporation and determined by the Internal Revenue Service to be a 501(c)(3) public charity.

LEGAL REFERENCE:

Sections 171-13, 43.1 and -55, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Hilo Industrial Development situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-058:004, as shown on the attached map labeled Exhibit A.

AREA:

14,421 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: MG-1a (General Industrial, minimum 1 acre)

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:
Vacant and unencumbered.

CHARACTER OF USE:
Warehousing purposes.

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

MONTHLY RENTAL:
$40.00 per month, based on the minimum rent policy as established by the Board of Land and Natural Resources at its meeting of May 13, 2005, agenda item D-19.

The Marine Toys for Tots Foundation is a 501(c)(3) public charity that is the overriding organization for the nationwide “Toys for Tots” program. Its mission is to collect donated toys and distribute them to disadvantaged children at Christmas.

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 on March 3, 2020, 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 44 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.” Refer to attached Exhibit B.

DCCA VERIFICATION:
Applicant does not conduct any business in the State and is therefore not required to register with the DCCA. All services on behalf of applicant in the State are provided by community volunteers. Holding a revocable permit for the subject location is not, in itself, conducting business. See Section 414D-271, HRS.
BLNR - Issuance of RP to Marine Toys for Tots Foundation
South Hilo, Hawaii, TMK: (3) 2-2-058:004

November 13, 2020

JUSTIFICATION FOR REVOCABLE PERMIT:

The Marine Toys for Tots Foundation (MTTF) is in immediate need for warehousing space while it seeks a more permanent location. The subject parcel is being prepared for public auction, however, it is still approximately one year away. The interim presence of a tenant will prevent vandalism and vagrancy on the presence, in addition to reducing costs to the State associated with continuing maintenance which will be performed by the tenant.

REMARKS:

On June 30, 1970, a 40-year lease on the subject property was sold at public auction to Hacker and Scheiderich, a partnership, as the highest bidder. General Lease No. S-4306 was executed in September 1970. The lessee thereafter constructed a 4,512 sf. Warehouse building on the property in accordance with plans approved by the Chairperson of the Board. Land Division files indicate that construction of the warehouse was completed as of January 1973.

Through mesne assignments with Board consent, the lease was assigned to Sears, Roebuck and Co. pursuant to an assignment of lease dated May 10, 1993, and approved by the Board at its meeting of May 28, 1993, item F-1-b. In accordance with plans approved by the Chairperson, the new lessee renovated the interior of the building to meet its needs and added a covered carport with an area of 1,702 sf. From 1993, the lessee occupied and used the premises as Sears Service Center, which provided small engine repair services and parts.

At its meeting of May 13, 2010, agenda item D-6, the Board approved lessee’s request for a 5-year extension of the lease to allow it to amortize the cost of roof replacement completed in 2008, the proposed painting of the warehouse exterior and the addition of striping to the parking lot at a total cost of $38,700.

At its meeting of March 15, 2015, agenda item D-6, the Board approved another 5-year lease extension to allow lessee to amortize the costs of installation of a central air conditioning unit and the replacement of the sliding door entrance with a combined cost $59,161. This extension set the lease expiration date as June 29, 2020.

Further, at its meeting of June 12, 2020, agenda item D-4, the Board approved the sale of a new lease at public auction. Staff is working on the auction package and is currently awaiting the appraisal report. Staff estimates public auction of a new lease to occur mid to late next year.

Due to urgent need, the Chairperson approved a right-of-entry for the temporary use of the property to Marine Toys for Tots Foundation on August 13, 2020 (see Exhibit C). MTTF has paid the nominal rent and obtained the liability insurance coverage required in the right-of-entry.

MTTF is an IRS recognized 501(c)(3) not-for-profit public charity and the fund raising,
funding and support organization for the U.S. Marine Corps Reserve Toys for Tots Program (refer to Exhibit D). The Foundation was created at the behest of the U.S. Marine Corps and provides support in accordance with a Memorandum of Understanding with the Commander, Marine Forces Reserve, who directs the U.S. Marine Corps Reserve Toys for Tots Program. The Foundation has supported Toys for Tots since 1991.

The mission of the U.S. Marine Corps Reserve Toys for Tots Program is to collect new, unwrapped toys during October, November and December each year, and distribute toys as Christmas gifts to needy children in the community in which the campaign is conducted.

The Toys for Tots Program on Hawaii island has been helping agencies for over 20 years. The agencies vary depending on the need. Though it assists these agencies, it also receives numerous calls from families who don’t belong to these agencies but are struggling in the community and require its help.

In 2019, the Toys for Tots Program, distributed over 7,000 toys to children across the Big Island of Hawaii and to the agencies noted below (which are only a few of the agencies listed, whom it works with):

- Aloha Independent Living
- Bay Clinic
- Catholic Charities
- Child & Family Services
- Child Protective Serv.
- Deaf Mental Health Services
- DHS Child Welfare Serv.
- DOH Family Guidance
- Family Programs Hawaii
- Family Support Services
- Foster Family Agency
- Friends of Children’s Justice Ctr.
- Ha’e Na’au Pono East HI
- Hale Kipa
- Hawaii Affordable Properties
- Hawaii Public Housing
- Hawaii Behavioral Health
- HI Island HIV/AIDS Foundation
- Hookena School
- Kalanihale (Milolii)
- King’s Daughters Ministry
- Ka’uhane Hemolele O Ka Malamalama
- Kuaokala Public Charter School
- Keiki O Ka Aina Family Learning Center
- Lanakila Housing
- Na Wai Ola Public Charter School
- Parents & Children Together
- Public Health Nursing
- Queen Liliuokalani Children’s Ctr
- Sacred Hearts Church
- Salvation Army
- YWCA Family Supports Serv.

In addition, MTTF helps homeless families, working families, single parent households, and any families who may have had struggles and cannot afford to buy toys for their children.

For 2020, MTTF’s goal is to meet all toy request from all social agencies and churches and it is currently prepared to distribute more 7,000 toys island-wide.

MTTF’s proposed use of the premises is for warehousing of donated toys for needy children. This use is in compliance with county zoning. Additionally, there are no onsite sales or daily interactions with the public, which will minimize normal use wear and tear on the premises.
A request for comments was sent to the County of Hawaii Planning Department and the Department of Public Works, which provided responses of no comments and no objections. Request for comments was also sent to the Office of Hawaiian Affairs with no response being received by the suspense date.

MTTF 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.

The proposed use has continued since 1970 and will continue. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

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 Marine Toys for Tots Foundation covering the subject area for warehousing 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;

   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,

Candace Martin

Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson
EXEMPTION NOTIFICATION

November 13, 2020

Regarding the preparation of an environmental assessment pursuant to Chapter 343, Hawaii Revised Statutes (HRS), and Chapter 11-200.1, Hawaii Administrative Rules (HAR):

Project Title: Revocable Permit to Marine Toys for Tots Foundation for Warehousing Activity Purposes on State Unencumbered Land.

Project / Reference No.: PSF No. 20HD-051.

Project Location: Kanoelua Industrial Lots, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-058:004.

Project Description: Marine Toys for Tots Foundation is in immediate need of warehousing space for its inventory. It is part of a larger not-for-profit organization that accepts donations of toys from the public and other organizations for distribution to disadvantaged children at Christmas. Donations are accepted throughout the year and are stored until the holidays when distribution takes place. Utilization of this location is proposed to be temporary until another suitable location is found. This use of the property also benefits the State as the property will be utilized while the processing of preparing the property for public auction of long-term lease is in progress. This process will take approximately a year.

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

Exemption Class No. and Description: In accordance with HAR § 11-200.1-16(a)(1) and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on 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 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 44 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 applicant has applied for a revocable permit to continue using the premises for its stated purpose which will have negligible impacts beyond that previously existing.

Action May Have Significant Impact on Particularly Sensitive Environment?:
No. There are no particularly sensitive environmental issues involved with the proposed use of the property. The proposed use will involve negligible or no expansion or change of use beyond that previously existing.

Consulted Parties:
County of Hawaii – Planning Department and Department of Public Works; Office of Hawaiian Affairs.

Recommendation:
That the Board find 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.
Marine Toys for Tots Foundation  
C/O Josie Kiyana  
Hilo, HI 96721-1027  

Subject: Right-of-Entry Permit to Marine Toys for Tots Foundation for Warehousing Activities Purposes on State Unencumbered Land located at Kanoelehua Industrial Lots, Waiakea, South Hilo, Hawaii, TMK (3) 2-2-058:004.

We are in receipt of your request for a right-of-entry permit to utilize the former Sears Repair building located at 50 Pohaku Street in Hilo. You are seeking a right-of-entry permit because you need to temporarily relocate your operations immediately. You are currently utilizing space provided by the County of Hawaii and it has notified you that you will need to vacate by August 15, 2020 as the County requires the space for another use.

Your use of the warehouse located at 50 Pohaku Street in Hilo will be for the temporary warehousing activities associated with the Marine Toys for Tots Foundation (Toys for Tots) a non-profit 501(c)(3) public charity. This activity is passive and does not entail maintaining a storefront for interaction with the general public. All activities are conducted by Toys for Tots volunteers and their families.

You have also requested the issuance of month-to-month revocable permit, which is currently being prepared for approval by the Board of Land and Natural Resources. You are aware that the revocable permit may not be approved and as such you are actively seeking a more permanent operational solution.

Therefore, pursuant to the authority granted by the Board of Land and Natural Resources at its meeting of June 14, 2013 (Item D-11), Marine Toys for Tots Foundation, is hereby granted a right-of-entry permit to utilize the former Sears Repair building located at 50 Pohaku Street, Hilo, Hawaii, and identified as TMK: (3) 2-2-058:004 as shown on the attached map labeled Exhibit "A", subject to the following terms and conditions:

1. This right-of-entry shall be effective from 8/15/2020 to 10/31/2020.

2. Payment of $100.00 rental fee, based on: Two and one half times the minimum rent of $40/month as established by the Board of Land and Natural Resources at its meeting of May 13, 2005, agenda item D-19.

3. This right-of-entry is revocable and terminable at any time for any reason in the sole and absolute discretion of the Chairperson. As long as the revocation or termination is not as a result of any fault of, or default by Marine Toys for Tots Foundation of any provision of this right-of-entry, then Marine Toys for Tots Foundation may apply for a refund of any
advanced rental payment made based upon the percentage of use denied by the revocation or termination.

4. Marine Toys for Tots Foundation shall procure at its own expense, and maintain during the entire period of this right-of-entry, from an insurance company or companies licensed or authorized to do business in the State of Hawaii with an AM Best rating of not less than "A- VIII" or other comparable and equivalent industry rating, a policy or policies of general liability insurance or its equivalent, in an amount of at least $1,000,000 for each occurrence and $2,000,000 aggregate, and with coverage terms acceptable to the Chairperson of the Board of Land and Natural Resources (Board). The policy or policies of insurance shall name the State of Hawaii as an additional insured and a copy shall be filed with the State of Hawaii, Department of Land and Natural Resources (Department). The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of Marine Toys for Tots Foundation. Marine Toys for Tots Foundation shall furnish the Department with a certificate(s) showing the policy(s) to be initially in force, keep certificate(s) on deposit during the entire period and furnish a like certificate(s) upon each renewal of the policy(s). This insurance shall not be cancelled, limited to scope of coverage, or nonrenewed until written notice has been given to the Department. The Department shall retain the right at any time to review the coverage, form, and amount of the insurance required. If, in the opinion of the Department, the insurance provisions in this right-of-entry do not provide adequate protection for the Department, the Department may require Marine Toys for Tots Foundation to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Department's requirements shall be reasonable but be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Department shall notify Marine Toys for Tots Foundation in writing of changes in the insurance requirements and Marine Toys for Tots Foundation shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with the Department incorporating the changes within receipt of the notice. The procuring of the required policy(s) of insurance shall not be construed to limit Marine Toys for Tots Foundation's liability under this right-of-entry nor to release or relieve Marine Toys for Tots Foundation of the indemnification provisions and requirements of this right-of-entry. Notwithstanding the policy(s) of insurance, Marine Toys for Tots Foundation shall be obligated for the full and total amount of any damage, injury, or loss caused by Marine Toys for Tots Foundation's negligence or neglect connected with this right-of-entry.

5. Marine Toys for Tots Foundation shall keep the right-of-entry area or premises in a strictly clean, sanitary and orderly condition including landscaping maintenance activities.

6. Marine Toys for Tots Foundation shall be responsible for cleaning and restoring the area or premises to its original condition or a condition satisfactory to the Department upon the expiration of this right-of-entry. All trash shall be removed from the area or premises.

7. Marine Toys for Tots Foundation shall comply with all of the requirements of all municipal, state, and federal authorities and observe all municipal, state and federal laws applicable to the right-of-entry area or premises, now in force or which may be in force.

8. Marine Toys for Tots Foundation shall indemnify, defend, and hold the State of Hawaii, Department of Land and Natural Resources harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: (1) any act or omission on the part of Marine Toys for Tots Foundation relating to the use, occupancy, maintenance, or
enjoyment of the right-of-entry area or premises by Marine Toys for Tots Foundation; (2) any failure on the part of Marine Toys for Tots Foundation to maintain the right-of-entry area or premises and areas adjacent thereto in the use and control of Marine Toys for Tots Foundation, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of Marine Toys for Tots Foundation to maintain the area or premises in a safe condition; and (3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance by Marine Toys for Tots Foundation of any of the terms, covenants, and conditions of this right-of-entry or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.

9. Marine Toys for Tots Foundation shall supply to Land Division a name and local telephone number of the contact person who can be reached at any time around the clock during this event.

10. Marine Toys for Tots Foundation shall not cause or permit the escape, disposal or release of any hazardous materials except as permitted by law. Marine Toys for Tots Foundation shall not allow the storage or use of such materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such materials, nor allow to be brought onto the right-of-entry area or premises any such materials except to use in the ordinary course of Marine Toys for Tots Foundation’s business, and then only after written notice is given to the Department of the identity of such materials and upon the Department’s consent which consent may be withheld at the Department’s sole and absolute discretion. If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials by Marine Toys for Tots Foundation, then the Marine Toys for Tots Foundation shall be responsible for the cost thereof. In addition, Marine Toys for Tots Foundation shall execute affidavits, representations and the like from time to time at the Department’s request concerning Marine Toys for Tots Foundation’s best knowledge and belief regarding the presence of hazardous materials on the right-of-entry area or premises placed or released by Marine Toys for Tots Foundation.

11. Marine Toys for Tots Foundation agree to indemnify, defend and hold the State of Hawaii, Department of Land and Natural Resources harmless, from any damages and claims resulting from the release of hazardous materials on the right-of-entry area or premises occurring while Marine Toys for Tots Foundation is in possession, or elsewhere if caused by Marine Toys for Tots Foundation. These covenants shall survive the expiration or earlier termination of this right-of-entry.

For purposes of this right-of-entry, "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

12. Marine Toys for Tots Foundation in the exercise of this right-of-entry shall use appropriate precautions and measures to minimize inconveniences to surrounding residents, landowners, and the public in general.
13. All costs associated with the construction within the right-of-entry area or premises shall be the sole responsibility of the Marine Toys for Tots Foundation and its consultants, contractors and/or persons acting for or on its behalf.

14. In the event any historic properties or burial sites, as defined in section 6E-2, Hawaii Revised Statutes, are found on the premises, the Marine Toys for Tots Foundation and the Marine Toys for Tots Foundation’s agents, employees and representatives shall immediately stop all land utilization or work or both and contact the Historic Preservation Office in compliance with chapter 6E, Hawaii Revised Statutes.

15. All disputes or questions arising under this right-of-entry shall be referred to the Chairperson of the Board of Land and Natural Resources for a determination and resolution of the dispute or question. The Chairperson’s decision shall be final and binding on the parties herein.

16. This right-of-entry or any rights hereunder shall not be sold, assigned, conveyed, leased, let, mortgaged or otherwise transferred or disposed.

17. The Department of Land and Natural Resources reserves the right to impose additional, but responsible terms and conditions as it deems necessary while this right-of-entry is in force.

Should you agree to the above terms and conditions, sign in the space provided below and submit the following to the Land Division Office:

1. Copy of the signed acceptance below;

2. Payment of the $100.00 rental fee for the permit area. (Checks should be made payable to the “Department of Land and Natural Resources”);

3. Copy of your Certificate of Liability Insurance naming the State of Hawaii as additionally insured.

Should you have any questions, please contact Candace Martin of our Hawaii District Land Office, at 961-9590 or by email at Candace.M.Martin@hawaii.gov.

Sincerely,

Suzanne D. Case
Chairperson, BLNR

ACCEPTED:

[Signature]

Marine Toys for Tots Foundation

By Its: LCO
Date: 8/25/2020

cc: Land Board Member
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.
We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension
Our records indicate that you were issued an advance ruling letter that treated you as a public charity, rather than a private foundation, during an advance ruling period that ends on the date indicated above. That letter required you to file IRS Form 8734 at the end of your advance ruling period to establish that you qualify as a public charity.

New IRS regulations changed the procedures governing your public charity status. You are no longer required to file Form 8734 at the end of the ruling period. The regulations also provide that donors can rely on your advance ruling letter with respect to your public charity status unless the IRS changes that status, based on the organization no longer meeting an applicable public support test, and publishes notice of the change.

If you have received Form 8734 from the IRS, please do not file it. Please keep your advance ruling letter along with this letter for your permanent records.

The regulations also changed the rules for computing public support, consistent with the redesigned Form 990, Return of Organization Exempt from Income Tax. For more information regarding those rules and the redesigned Form 990, please see the IRS website at www.irs.gov/eo.