

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

May 14, 2021

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

PSF No.: 12OD-132

OAHU

Issuance of Revocable Permit to Sea Engineering, Inc. for Staging Area Purposes;  
Moanalua, Honolulu, Oahu, Tax Map Key: (1) 1-1-064:006.

APPLICANT:

Sea Engineering, Inc., a Hawaii profit corporation ("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:

Staging area purposes.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

At its meeting of November 8, 2019, under agenda item D-10, the Board approved a monthly rent of \$2,382 for a revocable permit for parking and open storage area purposes at the same location. Ultimately, the applicant did not sign the revocable permit approved in 2019. Staff recommends using the same monthly rent of \$2,382 for the subject request.

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 November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 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." 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 year rent waived. 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 focused 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. Public auction was subsequently scheduled in January 2017, but the Department did not receive any applications.

Another attempt to sell the 20-year 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 be the underlying factors for lack of interest in past auctions. Nevertheless, staff continues efforts to put the land to productive use.

#### Applicant

Applicant has an upcoming construction project for the City and County of Honolulu to work on the ditch canal in the vicinity. In addition to the layout of the project shown on Exhibit A-2, Applicant provided the following processes for the project:

- Use [subcontractor's] vacuum truck "King Vac" to remove sediment from basin, 42" drainpipe, and a portion of canal mauka side of Kilihau Street. Maximum amount of sediment to be removed is 134 cubic yards.
- Removed sediment will be pumped from King Vac to 21K FRAC tanks on proposed state land via PVC pipe.
- Sediment will be processed in [subcontractor's] dewatering system using pumps, compressors and sand filter. This process will separate solids from water, with solids remaining in the FRAC tanks.
- Water will be pumped back into the canal where water quality monitoring will take place to ensure discharge is within limits defined by our work permits.
- [Subcontractor] will demobilize the dewatering system and haul solid waste to [a legal disposal site] when sediment removal work is complete. Sea Engineering will remain in contractor area to install a new 42-inch duckbill check valve to finish the project.

In short, the requested State lands will be used to stage the tanks during the removal and dewatering process until all the solid waste is hauled to a legal disposal facility.

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. Conditions recommended by other agencies on the use of the subject parcel during previous disposition attempts were included in the Recommendation section.

Division of State Parks and Division of Boating and Ocean Recreation were consulted and both agencies concurred with the proposed environmental assessment exemption. There are no pertinent issues and concerns regarding the request.

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 Sea Engineering, Inc. covering the subject area for staging area 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. Permittee shall ensure no dirt or debris is tracked onto any public roadway;
  - C. Permittee shall not change the access point to the requested premises without prior approval from the Department of Transportation, Highways Division;
  - D. Review and approval by the Department of the Attorney General; and
  - E. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

*Barry Cheung*

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Barry Cheung  
District Land Agent

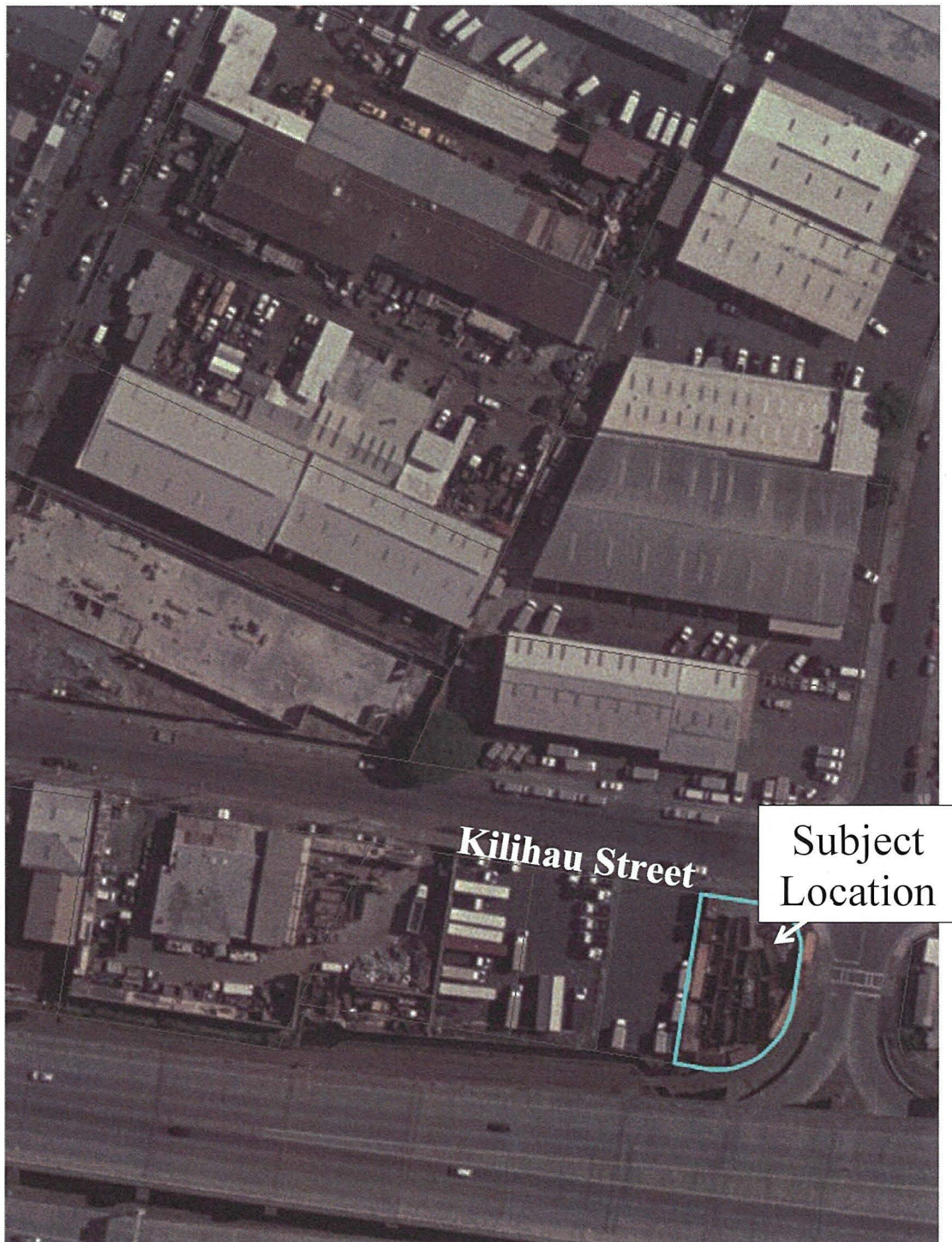
APPROVED FOR SUBMITTAL:

*Suzanne D. Case*

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Suzanne D. Case, Chairperson

RT



**TMK (1) 1-1-064:006**

**EXHIBIT A-1**



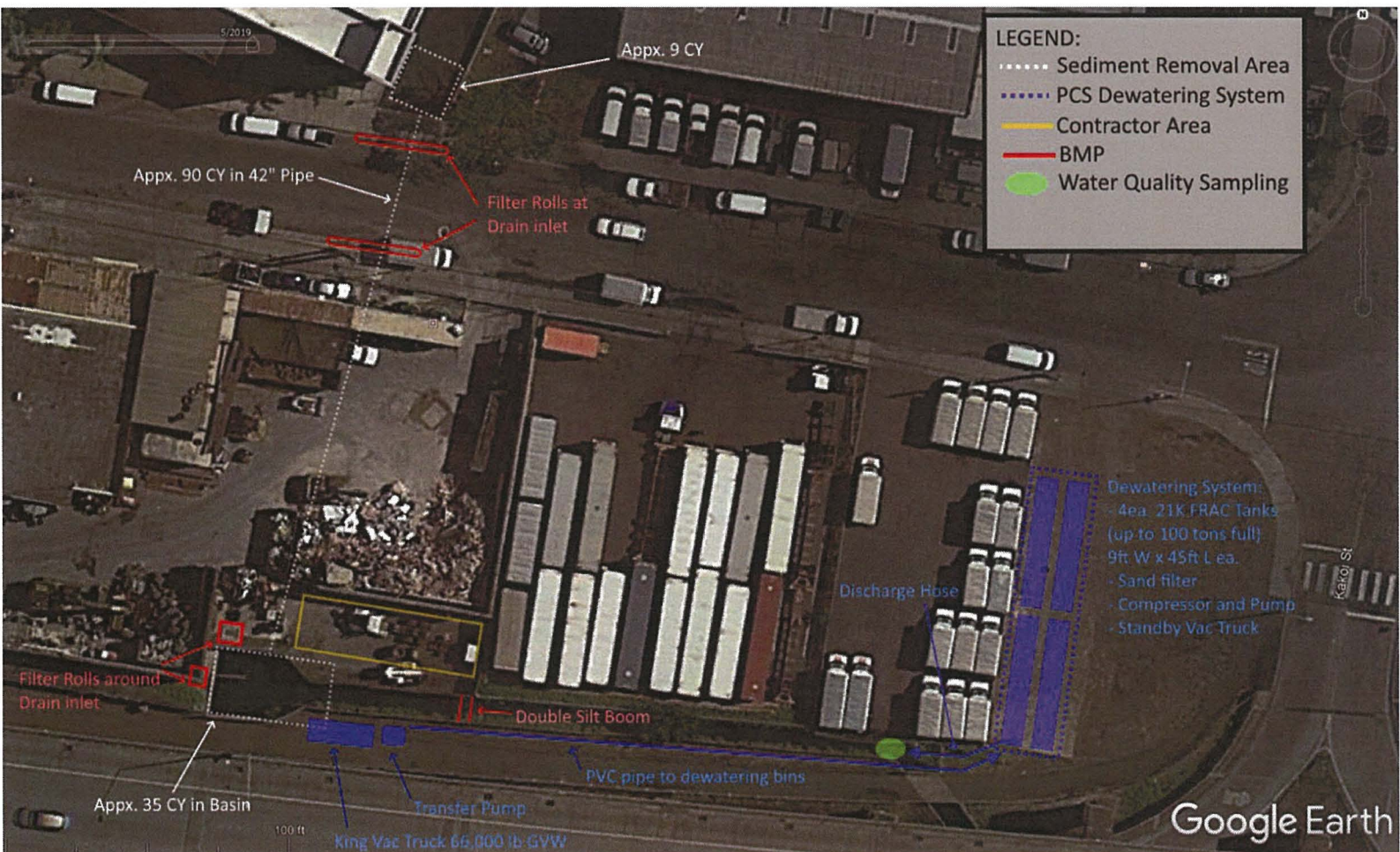


EXHIBIT A-2

### 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 staging area 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 staging area 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 November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 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 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:	Agencies 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 will be placed on the premises. Therefore, staff believes the

**EXHIBIT B**

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.