

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

September 10, 2021

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

Land Board Members:

SUBJECT: Issuance of a Revocable Permit to Secure Parking LLC, for Management of Vehicular Parking in the Designated Areas Located Within the 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

APPLICANT:

Secure Parking LLC

LEGAL REFERENCE:

Sections Chapter 171-55 and 102-1, Hawaii Revised Statutes, as amended.

LOCATION:

Portions of Government lands situated at Ala Wai Small Boat Harbor ("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**.

Item J-1

AREA:

8.5 acres, more or less. The parking management area includes 329 paid and 312 monthly permit parking stalls. The permittee will also be responsible for managing the 300 free public parking stalls set aside for by the public in the designated free parking areas.

ZONING:

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

TRUST LAND STATUS:

Section 5(a) 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 Management
See **Exhibit B**

MONTHLY RENTAL:

All gross receipts generated by the parking operation shall be collected by the permittee. The permittee shall pay the Division of Boating and Ocean Recreation (“DOBOR”) an amount equal to Eighty Percent (80%) of gross receipts monthly. Said payment shall be due ten (10) calendar days after the end of each month.

SURETY BOND:

\$42,800.00

COMMENCEMENT DATE:

September 15, 2021, through September 14, 2022

DCCA VERIFICATION FOR PROPOSED REVOCABLE PERMITEE:

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>

JUSTIFICATION FOR A REVOCABLE PERMIT:

Staff would like time to confirm if a concession agreement under HRS 102 is feasible.

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 permit purposes, effective November 1, 2008. On December 27, 2009, Diamond was awarded Parking Permit 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 permit 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 Permit 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 management concession at AWSBH.

At its meeting on September 11, 2020, under agenda item J-4, the Board approved the sale of concession by sealed bid for a five (5) year parking contract to operate a parking concession at AWSBH. In order to ensure the continuity of future parking operations, the board also approved the installation of state-owned parking equipment. Terms were revised from a concessionaire that pays rent and 70.369% of gross receipts to a vendor who is paid a monthly management fee (not more than \$10,000/month) and a 5% bonus for revenue in excess of \$30,000/month.

As a housekeeping matter, at its meeting on January 8, 2021, under agenda item J-4, the Board approved a correction of statutes from 102-2 to 103D-302(h), HRS in the legal reference section of the September 11, 2020, item J-4, board submittal.

The Invitation for Bid (IFB) was posted on HlePro March 10, 2021. Three (3) bidders were qualified to bid. On July 21, 2021, Secure Parking Hawaii LLC was sent a notice of award.

At its meeting on May 14, 2021, under agenda item J-2, the Board gave approval to amend the prior board action to authorize the purchase of parking equipment and enter into a maintenance agreement with the winning bidder.

In reviewing the parking contract, the Department of the Attorney General (“AG”) identified conflicts with HRS 103D, in the parking contract, and advised staff to redo its procurement. Therefore, the IFB was cancelled on August 18, 2021, and Secure Parking Hawaii LLC was sent a formal notification that the IFB had been cancelled.

The pay parking equipment, procured by DOBOR, has been installed at AWSBH. Staff is requesting the issuance of a revocable permit, to Secure Parking LLC, to ensure the maximum collection of parking fees, as the harbor office is short-staffed and unable to adequately monitor the parking operations in addition to its other responsibilities.

The revocable permit would also allow staff time to redo the IFB to address the AG’s concerns.

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 issuance of a revocable permit to Secure Parking LLC covering the subject area for management of vehicular parking 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,



MEGHAN L. STATTS, Assistant Administrator
Division of Boating and Ocean Recreation

APPROVED FOR SUBMITTAL:



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

Attachments:

A-1 AWSBH Location on Oahu

A-2 AWSBH Parking Plan

B Minimum Duties

Exhibit A-1

Island of Oahu



Ala Wai Small Boat Harbor

Exhibit A-1

Exhibit A-2

Parking Plan



Exhibit B

Minimum Duties of the Parking Concessionaire at AWSBH:

- Manage the Division of Boating and Ocean Recreation's ("DOBOR") parking operations at the harbor.
- Issue monthly parking permits and collect parking fees assessed in accordance with Hawaii Administrative Rules, Section 13-233.
- Collect the fees for the hourly parking.
- Submit monthly gross receipt revenue and report to DOBOR within Ten (10) calendar days of the end of the preceding month.
- Work with DOBOR's parking equipment supplier to maintain and repair the parking equipment.
- Ensure parking compliance throughout the facility and work directly with the DOBOR staff, DOCARE and DOBOR's towing contractor.
- Ensure that proper parking signage is displayed throughout the facility.
- Monitor the 6-hour time limit within the free parking area to ensure compliance.
- Monitor free parking area to ensure no overnight parking. Closure times will be from 10:30 p.m. to 4:30 a.m.
- Participate in any and all post-tow hearings.