

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

October 8, 2021

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

Hawai'i

Resubmittal - Forfeiture of Revocable Permit No. S-6931, Kent S. Kaneko, Sr.  
dba Kent's Auto Repair, Permittee, Waiakea, South Hilo, Hawaii, Tax Map Key:  
(3) 2-2-050:080

BACKGROUND:

At its meeting of February 12, 2021 under agenda item D-1(Exhibit A), the Board deferred taking action on the forfeiture of Revocable Permit S-6931 for a period of four (4) months to allow the permittee to bring the delinquent rent account current or come up with a payment plan acceptable to the Board.

REMARKS:

At the time of the Board meeting, the permittee had a rental delinquency in the amount of \$13,262.67 through January 31, 2021. Subsequent to the Land Board meeting, the permittee has made payments of \$500.00 towards the delinquent rent on three separate dates<sup>1</sup>. An additional payment of \$1,200.00 received on 8/25/21. As of September 30, 2021, the current outstanding balance is \$20,174.45. This amount includes late fees of \$50.00 per month and interest charges of 1% per month. In addition to the delinquent rent, the permittee has not provided a current certificate of liability and fire insurance.

Staff has made site inspections on several occasions and spoken with permittee regarding the outstanding rental owed and expired insurance. The permittee explained to staff that he was unable to secure sufficient funds to cure the default. He explained that he applied through various agencies for COVID-19 relief funding to cure the outstanding rental fee owed. However, he was unsuccessful in obtaining the necessary capital. No explanation was given regarding the expired liability and property insurance.

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<sup>1</sup> Payments of \$500 were received on 3/19/21, 6/01/21 and 6/16/21

Staff is recommending the Board proceed with the cancellation of Revocable Permit No. S-6931 along with the recommendations outlined in the submittal presented to the Board at its meeting of February 12, 2021 under agenda item D-1.

RECOMMENDATION: That the Board:

1. Authorize the cancellation of Revocable Permit No. S-6931 in the manner specified by law;
2. Require the permittee conduct a Phase1 Environmental Site Assessment (ESA) and perform any remediation resulting from the ESA;
3. Authorize the retention of all sums heretofore paid or pledged under Revocable Permit No. S-6931 to be applied to any past due amounts;
4. Terminate the permit and all rights of permittee and all obligations of the permittee effective as of October 31, 2021 provided that any and all obligations of the permittee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that permittee reserves all other rights and claims allowed by law; and
5. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under Revocable Permit No. S-6931 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,

*Gordon C. Heit*

*for*  
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Gordon C. Heit  
District Land Agent

APPROVED FOR SUBMITTAL:

*Suzanne D. Case*

\_\_\_\_\_  
Suzanne D. Case, Chairperson

RT

# EXHIBIT A

D-1

**DEFERRED**

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

February 12, 2021

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

Hawaii

Forfeiture of Revocable Permit No. S-6931, Kent S. Kaneko, Sr. dba Kent's  
Auto Repair, Permittee, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-  
050:080

PURPOSE:

Forfeiture of Revocable Permit No. S-6931, Kent S. Kaneko, Sr. dba Kent's Auto  
Repair, Permittee.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Lot 12, Kanoiehua Industrial Lots, situated at Waiakea,  
South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-050:080, as shown on the  
attached map labeled Exhibit A.

AREA:

11,250 square feet, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

Automotive parts, sales and service purposes.

Deferred for 4 months  
~~APPROVED~~ BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON  
February 12, 2021 Go.

D-1

COMMENCEMENT DATE OF PERMIT:

April 16, 1994

MONTHLY RENTAL:

\$1,145.07.

REMARKS:

Pursuant to the provisions contained in Revocable Permit S-6931, Kent S. Kaneko, Sr. dba Kent's Auto Repair, Permittee, was mailed three default notification letters dated 2/28/20, 9/10/20 and 11/05/20 for:

X     **Failure to keep lease rental payments current**

\_\_\_     Failure to post required security deposit

X     **Failure to post required fire insurance policy**

X     **Failure to post required liability insurance policy**

\_\_\_     Other: \_\_\_\_\_

The last notice was for rent owed for the month of September 2020. The last payment submitted by Permittee was on 11/06/20 in the amount of \$500.00.

As of 1/12/21, the current status of all permit compliance items is as follows:

RENT:             The Permittee has a rental delinquency in the amount of **\$13,262.67** through 1/31/21.

INSURANCE:

The permittee is required to provide both liability and property insurance. However, the permittee **has not** provided the required insurance policies since 5/10/19.

SECURITY DEPOSIT:

The Permittee has posted a cash security deposit in the amount of \$1,526.76

The permittee was notified of the current delinquencies by certified mail sent 12/24/20.

**BACKGROUND:**

This property was previously encumbered by General Lease No. S-3718 to Hilo Electric & Carburetor Service by direct lease as a result of Act 4, First Special Session of 1960, First State Legislature for Victims of Natural Disasters.

At its meeting of June 24, 1994, under Agenda Item F-13, as amended, the Board approved the cancellation and forfeiture of General Lease No. S-3718 and approved the issuance of Revocable Permit No. S-6931 to Kent Kaneko Sr., dba Kent's Auto Repair. The character of use for this permit is for "Automotive parts, sales and service purposes".

The permittee, Kent S. Kaneko Sr. passed away in November 2012. His son, Kent S. Kaneko, Jr. continues to operate the business under the same name.

Permittee has been served notice of non-compliance for rent and insurance due on several occasions;

DEFAULT	DATE
Insurance	09/10/20
Rent	02/28/20
Rent	01/10/20
Rent	11/15/19
Rent	09/13/19

An inspection of the property on December 22, 2020 revealed assorted automotive parts, engines, transmissions, mechanical equipment, along with oil drums, and other possible petroleum contaminants (Exhibit B). Although it is not a condition in the revocable permit agreement, staff is recommending the permittee provide a Phase I Environmental Site Assessment to determine the current environmental status of the property. Should remediation be required, the permittee will be responsible for the clean-up, to be carried out by a licensed, environmental contractor. The permittee shall then submit a certified report upon completion to the Hawaii District Land Office (HDLO).

As a result of the continued non-compliance with rent and insurance requirements and the possible environmental violations on the State land, staff is recommending that the Board cancel Revocable Permit No. S-6931 and proceed with the collection of all monies owed to the State.

**RECOMMENDATION:** That the Board:

1. Authorize the cancellation of Revocable Permit No. S-6931 in the manner specified by law;



2. Require the permittee conduct a Phase I Environmental Site Assessment (ESA) and perform any remediation resulting from the ESA;
3. Authorize the retention of all sums heretofore paid or pledged under Revocable Permit No. S-6931 to be applied to any past due amounts;
4. Terminate the permit and all rights of permittee and all obligations of the permittee effective as of January 31, 2021 provided that any and all obligations of the permittee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that permittee reserves all other rights and claims allowed by law; and
5. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under Revocable Permit No. S-6931 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,

*Gordon C. Heit*

KEM

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Gordon C. Heit  
District Land Agent

APPROVED FOR SUBMITTAL:

*Suzanne D. Case*

RT

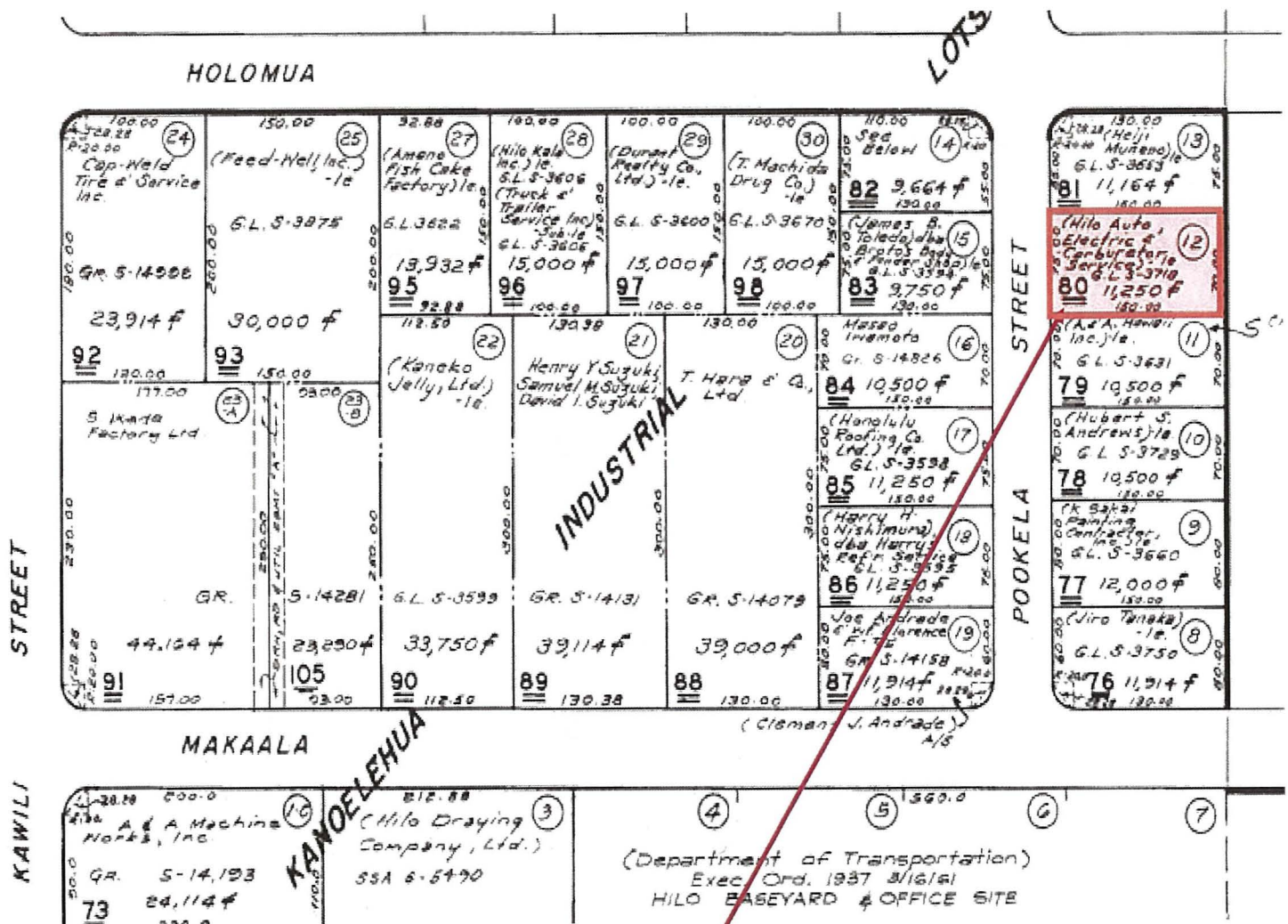
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Suzanne D. Case, Chairperson

Land Board Meeting: February 12, 2021, D-1: Deferred for 4 months.

Deferred for 4 months.

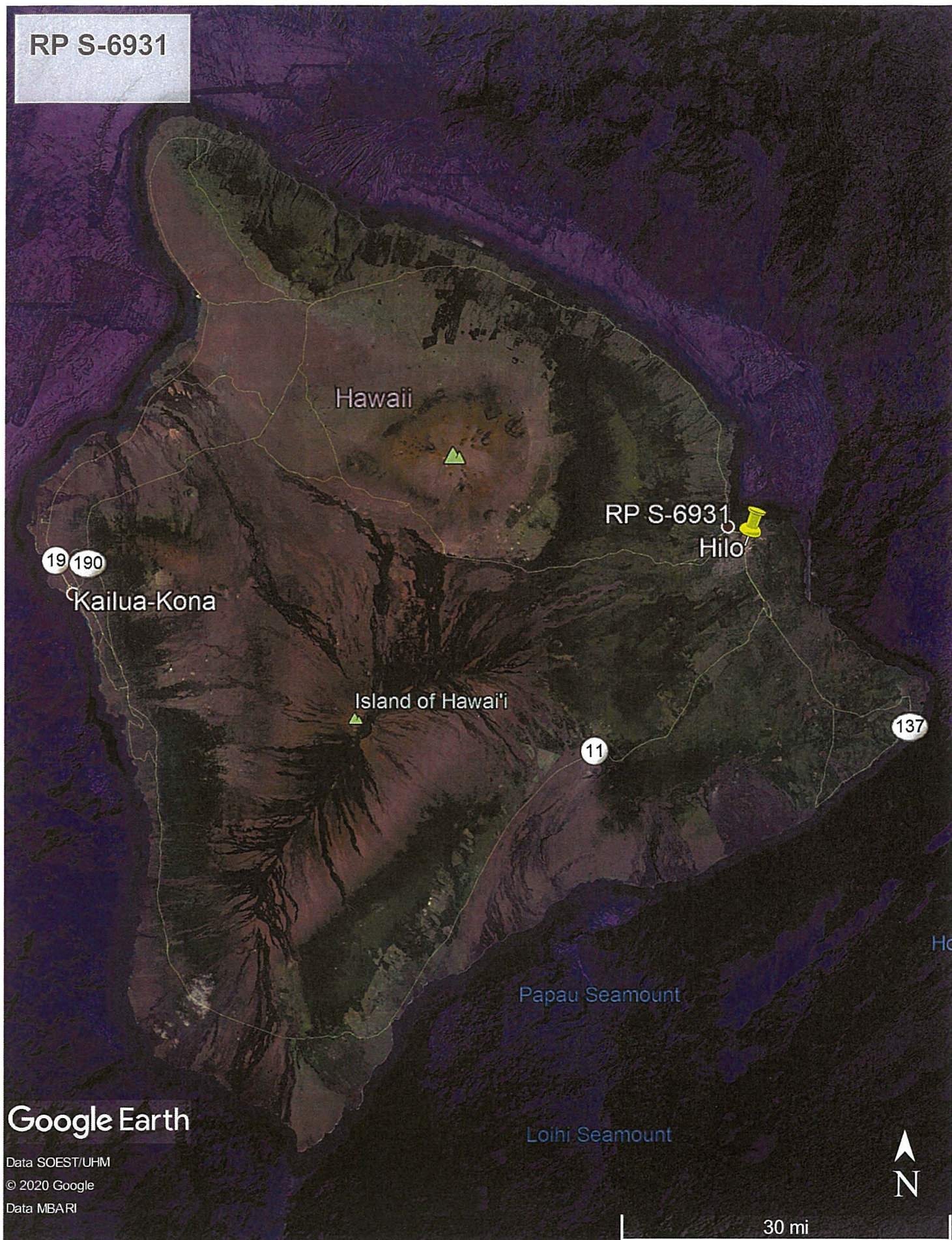
TMK: (3) 2-2-050:080







RP S-6931





(3) 2-2-050:080

34 Po'okela Street



**EXHIBIT B**



(3) 2-2-050:080

34 Po'okela Street



**EXHIBIT B**