

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
State Parks Division  
Honolulu, Hawaii'i 96813

December 10, 2021

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

Statewide

Annual Renewal of Revocable Permits Statewide. See Exhibit A for list of Revocable Permits.

HRS CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii'i Administrative Rules (HAR) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources concurred by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Class No. 1, "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing"; Part 1; Item 40, which applies to "Leases of State land involving negligible or no expansion or change of use beyond that previously existing."

LEGAL REFERENCE:

Hawaii'i Revised Statutes (HRS) § 171-13, 171.55 as amended

BACKGROUND:

Prior to the inception of the Revocable Permit Task Force and the findings presented and approved by the Board on June 24, 2016, Division of State Parks (DSP) would annually request the Board of Land and Natural Resources' (Board) approval to continue the pertinent existing month-to-month revocable permits (RP) throughout the state. In certain cases, however, continuation of the RP is not necessarily pursued. Examples of this would include RP's where the purpose has ended (such as transitional RP's) or in cases of non-compliance with the RP terms and it has been allowed to lapse.

Pursuant to § 171-55, HRS, the Board may allow revocable permits to continue on a month-to-month basis for additional one-year periods. The prior purpose of seeking the Board's approval collectively has been to synchronize the terms of all revocable permits to a single calendar year period. Now, after the findings and recommendations of the RP Task Force, this annual Board submittal has been amended to include a more detailed explanation on the nature and necessity to either continue the RP or prepare a different disposition as authorized by the Board. Additionally,

**ITEM E-1**

the recommendations of the RP Task Force included a request to note any non-compliance issues or pending litigation in the renewal template.

#### DISCUSSION:

DSP currently administers 5 general categories of RP's:

1. Commercial tours and recreational activities (12)
2. Commercial partnerships (9)
3. Non-Commercial recreational activity (1)
4. Eleemosynary – non-profit camp activity (3)
5. Agricultural (1)

Some RP's have been established to test the commercial viability of service and establish a baseline income generating opportunity, such as the parking and entry fee collection RP's. There are other RP's where staff is working on establishing a competitive process – or provide a value added but fiscally intangible public recreational service.

There are currently 26 RP's DSP is asking to be renewed. Of the attached RP list, there are nine commercial partnerships that DSP intends to place out for either an Invitation to Bid or a Request for Proposals – notably 7 of our parking/entry fee collection dispositions going out to IFB were approved at the last BLNR meeting in November. These RP's are to be terminated upon execution of new goods and services contracts. Two of the non-profit camps are being reviewed for long term leases, and a third is on this month's agenda for authorization to negotiate a 15-year lease. No changes are proposed for the agricultural and non-commercial recreational RP's. DSP intends the nine long-standing commercial tour RP's to also be transitional. The uncertainty of COVID has negated a competitive atmosphere for bidding out most of these opportunities over the last two years.

#### Kaua'i

**Nāpali Coast State Wilderness Park and Polihale State Park** (Commercial tour and recreational activities): These RPs include three inflatable boat and three kayak landing permits for commercial guided tours at Nu'alolo Kai and Miloli'i in Nāpali Coast State Wilderness Park and Polihale State Park. These RP's were approved in 2005 but have a much more complex and long-standing use related to permits that were initiated in the 1980's. DSP is considering a process to determine how to establish a competitive process for commercial tours without having to determine the arbitrary criteria associated with capacity for the transitory use of the ocean and park land areas.

**Kōke'e and Waimea Canyon State Parks** (Commercial and Eleemosynary – non-profit camp activity):

Republic Parking Northwest, Inc. furnishes attendants and management services for the parking lot area. Subject to 2022 competitive bid process.

There are three permits for non-profit use of recreational residence and group camp facilities. The Board previously approved the issuance of long-term leases for five non-profit organizations. One of those organizations relinquished its use of the property, and a new long-term lease has been issued. A lease extension for Camp Hale Koa has been approved. Authorization of a long term lease with Hawaii Conference Foundation is on today's BLNR agenda. All of these include replacement of closed large capacity cesspools (LCC's) with new, compliant septic systems.

Staff continues to work with Ka Imi Na'auauo Hawai'i Nei Institute and Kauai Christian Fellowship on lease options, and DSP expects to bring those to the Board soon.

### O'ahu

**Malaekahana Beach Campground, LLC** (Commercial campground activity): Operation of a Commercial Campground and Public Day Use Beach Park. Subject to future competitive bid process, pending large CIP infrastructure improvement project anticipated for 2022.

**Ahupua'a 'O Kahana State Park** (Agricultural): A relatively small agricultural RP is issued to Erlinda Villanueva as a continuation of traditional practices and is related to the cultivation and sale of ti leaf.

**Ka'ena Point State Park** (Commercial recreational activity): The YMCA operates outdoor recreational activities under its RP which covers land adjacent to Camp Erdman. This is a portion of the State Park and other than the use of the land for the YMCA programs, there is no other recreational use considered for this portion of the park in the near future.

**The Hawai'i Climbing Coalition** (Non-Commercial recreational activity): The coalition manages a series of vertical climbing routes on unencumbered State land with access through DSP land at Ka'ena Point State Park. This RP was crafted as an agreement between the Attorney General and a coalition of rock climbers during the previous Administration. The coalition manages the climbing routes and carries liability insurance, one of the conditions of the RP. This is a unique and adaptive method to allow for recreational rock climbing on State land.

**Diamond Head State Monument** (Commercial partnerships):

The Bottling Group operates beverage vending machines near the main comfort station. Subject to future competitive bid process.

ProPark, Inc. manages commercial transport (taxi/trolley/rideshare) for Diamond Head State Monument. Subject to future competitive bid process or may be subsumed by a planned online reservation system in 2022.

**Nu'uuanu Pali State Wayside** (Commercial partnerships): Diamond Parking Service provides attendants, who collects fees, monitors vehicles and provides management services for the parking lot area. Subject to 2022 competitive bid process.

Maui

**‘Iao Valley State Monument (Commercial partnerships):** Republic Parking Northwest, Inc. furnishes attendants and management services for the parking lot area. Subject to 2022 competitive bid process.

**Wai‘ānapanapa (Commercial partnerships):** Republic Parking Northwest, Inc. furnishes Reservation System for Parking and Entry Management; Collection of Entrance and Parking Fees. Subject to 2022 competitive bid process.

**Mākena State Park (Commercial partnerships):** Diamond Parking Services, LLC furnishes attendants and management services for the parking lot area. Subject to 2022 competitive bid process.

Hawai‘i

**Hāpuna Beach State Recreation Area (Commercial partnerships):** Republic Parking Northwest, Inc. operates a parking concession. Subject to 2022 competitive bid process.

**‘Akaka Falls State Park (Commercial partnerships):** Diamond Parking Service provides parking attendants and fee collection management services. Subject to future competitive bid process.

**Kealakekua Bay State Historical Park (Commercial tour and recreational activities):** Three commercial kayak tour companies are authorized to launch from Napo‘opo‘o Landing and to transit Kealakekua Bay and then land at ‘Awili Landing at Ka‘awaloa with patrons and time and gear conditions. Hanalike ‘Ohana, LLC is authorized to moor a vessel within the bay, and operate commercial tours and embark/disembark passengers from Napo‘opo‘o Landing. DSP is almost complete with the Master Planning, (EIS has been completed) that includes a provision to have the Napo‘opo‘o landing and the rental of kayaks and managing launching and landing at Ka‘awaloa be outsourced for management via a request for proposal process.

DSP critically relies on special fund revenue to supplement allocations of general funds. Currently special funds make up over 50% of total funding. RP’s are one of the elements DSP uses to help determine monetary value of assets, to collect data for better management, to collect revenue and to allow for value added recreational use. DSP will continue to apply adaptive management methods to determine long-term revenue streams while generating revenue to offset rising operating costs.

Staff is recommending that the Board approve the continuation of the revocable permits as described in this submittal.

RECOMMENDATION: That the Board:

1. Authorize the continuation of Twenty-six (26) revocable permits listed in Exhibit A and the titles, pursuant to the terms above which, by this reference, are incorporated herein, on a month-to-month basis and for a one-year period

ending December 31, 2022, except for permits that are in arrears of rental payments for more than 60 days.

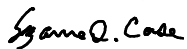
2. Approve such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

Respectfully submitted,



Curt A. Cottrell  
Administrator  
Division of State Parks

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE  
Chairperson  
Board of Land and Natural Resources

ATTACHMENTS:  
Exhibit A – DSP Revocable Permit Master List 2021  
Exhibit B – Exemption Notification

DIVISION OF STATE PARKS  
Revocable Permit Master List 2021

Doc. No.	Location	Permittee Name	TMK	Character of Use	Current Rent Base	Comments
O'ahu						
SP0531	Diamond Head State Monument	(Pepsi) Bottling Group, LLC	(1) 3-1-042:006 (portion)	Beverage sales	45% of gross sales	Considering rebidding as part of an effort to require more environmentally friendly packaging in parks.
SP0470	Diamond Head State Monument	ProPark, Inc. (Taxi/Trolley/Rideshare)	(1) 3-1-042:006 (portion)	Management of Commercial Transport	\$500 per month	May be precluded by the completion of a new online reservation system anticipated to roll out in early-mid 2022.
SP0509	Ka'ena State Park / Mokuleia (Nonprofit)	YMCA (Metropolitan Offices)	(1) 6-9-004:005	Outdoor Recreational Activities	\$150 per month	
SP0530	Ka'ena State Park / Mokuleia (Nonprofit)	Hawaii Climbing Coalition	(1) 6-9-001:004	Public Rock Climbing	Gratis	
SP0058	Ahupua'a o Kahana SP	Erlinda Villanueva	(1) 5-2-02: Por 1 (6 acres)	Agriculture	\$90 per month	
SP0556	Malaekahana State Rec Area, Kahuku	Malaekahana Beach Campground, LLC	(1) 5-6-001:024, 025,045,046, 047,049, 051, 053 - 065	Operation of a Commercial Campground and Public Day Use Beach Park.	As of 4/1/21: \$1,250.00 per month or 7% of gross (whichever is greater)	RFP process for new long term lease to be initiated following significant CIP infrastructure upgrade, anticipated to break ground in 2022.
Hawai'i						
SP0517	Kealakekua Bay State Historical Park	Adventures in Paradise	(3) 8-1-011:006, 010, 011 & (3) 8-2-004:015 (portion)	Commercial Tour and Recreational Activities	\$5 per passenger or 5% of gross (whichever is greater)	To be re-evaluated upon finalization of Kealakekua Bay SHP Master Plan, likely to be subsumed by a master concession.
SP0518	Kealakekua Bay State Historical Park	Kona Boys, Inc.	(3) 8-1-011:006, 010, 011 & (3) 8-2-004:015 (portion)	Commercial Tour and Recreational Activities	\$5 per passenger or 5% of gross (whichever is greater)	To be re-evaluated upon finalization of Kealakekua Bay SHP Master Plan, likely to be subsumed by a master concession.
SP0519	Kealakekua Bay State Historical Park	Aloha Kayak Company	(3) 8-1-011:006, 010, 011 & (3) 8-2-004:015 (portion)	Commercial tour and recreational activities	\$5 per passenger or 5% of gross (whichever is greater)	To be re-evaluated upon finalization of Kealakekua Bay SHP Master Plan, likely to be subsumed by a master concession.

DIVISION OF STATE PARKS  
Revocable Permit Master List 2021

SP0553	Kealahou Bay State Historical Park	Hanalihe Ohana, LLC	TMK: (3) 8-2-004:015	Mooring, Commercial tour and cultural activities	\$252/mo (\$6.00 per linear foot - 42' canoe) or 5% gross (whichever is greater)	To be re-evaluated upon finalization of Kealahou Bay SHP Master Plan, may be integrated into a master concession.
SP0004	Nāpali Coast SWP/ Nu'alolo Kai	Na Pali Zodiac / Na Pali Eco Adventures, Inc.	(4) 1-4-001:07	Commercial tour and recreational activities	\$5 per passenger or 5% of gross (whichever is greater)	
SP0005	Nāpali Coast SWP/ Nu'alolo Kai	Na Pali Sea Tours, Inc. / Kauai Sea Tours	(4) 1-4-001:07	Commercial tour and recreational activities	\$5 per passenger or 5% of gross (whichever is greater)	
SP0044	Nāpali Coast SWP/ Miloli'i	Na Pali Kayak, Inc.	(4) 1-4-001:07	Commercial Kayak Landings	\$5 per passenger or 5% of gross (whichever is greater)	
SP0045	Nāpali Coast SWP/ Miloli'i	Kayak Kaua'i / Napali Outfitters	(4) 1-4-001:07	Commercial Kayak Landings	\$5 per passenger or 5% of gross (whichever is greater)	
SP0046	Nāpali Coast SWP/ Miloli'i	Rick Haviland dba Outfitters Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	\$5 per passenger or 5% of gross (whichever is greater)	
SP8701	Nāpali Coast SWP/Nu'alolo Kai	Lady Ann Cruises, Inc./Na Pali Explorers	(4) 1-4-001:07	Commercial tour and recreational activities	\$5 per passenger or 5% of gross (whichever is greater)	
SP0189	Waimea Canyon SP/ Pu'u Ka Pele Lot 13 - (Nonprofit)	Ka Imi Na'auao O Hawaii Nei Institute	(4)1-4-002:020	Recreation-Residence	\$6,800 (per annum)	Rental set by appraisal for recreational-residence use. Negotiations for long term lease ongoing.
SP0191	Koke'e SP/ Lot 56 Waimea (Kona) - (Nonprofit)	Hawaii Conference Foundation/ United Church of Christ	(4)1-4-004:027 A, B (portion)	Recreation-Residence	\$6,800 (per annum)	Rental set by appraisal for recreational-residence use. Request for approval of long term lease in progress.
SP0193	Waimea Canyon SP/Pu'u Ka Pele Lot 10 (Nonprofit)	Kauai Christian Fellowship	(4)1-4-002:041 (portion)	Recreation-Residence	\$5,500 (per annum)	Rental set by appraisal for recreational-residence use. Negotiations for long term lease ongoing.

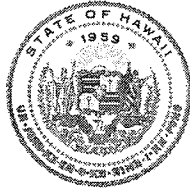
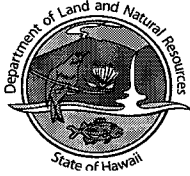


DIVISION OF STATE PARKS  
Revocable Permit Master List 2021

Doc. No.	Location	Permittee Name	TMK	Character of Use	Current Rent Base	Comments
<b>Oahu</b>						
SP0544	Nuuanu Pali Lookout	Diamond Parking Services, LLC	(1) 1-9-007 (por)	Fee collection and visitor management	11/1/20 - Amendment 99% of NOI after deducting vendor expenses; previous rent 70% of gross receipts	Subject to approved IFB process, anticipated early 2022
<b>Hawaii</b>						
SP0545	Akaka Falls	Diamond Parking Services, LLC.	(3)2-8-011:018 (por)	Fee collection and visitor management	11/1/20 - Amendment 99% of NOI after deducting vendor expenses; previous rent 70.5% of gross receipts	Subject to approved IFB process, anticipated early 2022
SP0408	Hapuna Beach	Republic Parking Northwest, Inc.	(3)6-6-002:031, 035 (portion)	Fee collection and visitor management	11/1/20 99% of NOI; \$16,100/mo or sum equal to 8.1% of food and non-alcohol beverages and retail times	Subject to approved IFB process, anticipated early 2022
<b>Maui</b>						
SP0500	Iao Valley	Republic Parking Northwest, Inc.	(2)3-3-003: 012,013 (por)	Fee collection and visitor management	11/1/20 99% of NOI; \$19,100 every month or 71% of the gross receipts	Subject to approved IFB process, anticipated early 2022
SP0471	Waianapanapa	Republic Parking Northwest, Inc.	(2) 1-3-005:009 (2) 1-3-006:009 (por)	Fee collection and visitor management	99% of NOI	Subject to approved IFB process, anticipated early 2022
SP0467	Makena	Diamond Parking Services, LLC.	(2)2-1-006:030 (portion)	Fee collection and visitor management	11/1/20 - Amendment 99% of NOI after deducting vendor expenses; previous rent \$10,000/mo. plus 75% of monthly gross revenue over \$21,000	Subject to approved IFB process, anticipated early 2022
<b>Kauai</b>						
SP0555	Kokee State Park Waimea Canyon State Park	Republic Parking Northwest, Inc.	(4)1-4-001:013, 004, 003 and 002 (por.)	Fee collection and visitor management	11/1/20 - Amendment 99% of NOI after deducting vendor expenses; previous rent \$2,000/mo. plus 60% of monthly gross revenue over \$18,000	Subject to approved IFB process, anticipated early 2022



DAVID Y. IGE  
GOVERNOR OF HAWAII



SUZANNE D. CASE  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA  
FIRST DEPUTY

M. KALEO MANUEL  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
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KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**STATE OF HAWAII**  
**DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809  
**EXEMPTION NOTIFICATION**

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200.1, HAR.

Project Title: Annual Renewal of Revocable Permits Statewide

Project/Reference No.: Not applicable

Project Location: Various locations statewide

Project Description: Renew existing revocable permits for a term of one year; parking and entry fee collection permits renewed until Goods and Services contracts executed

Chapter 343 Trigger(s): Use of State Land

In accordance with Hawai'i Administrative Rules (HAR) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources concurred by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Class No. 1, "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing"; Part 1; Item 40, which applies to "Leases of State land involving negligible or no expansion or change of use beyond that previously existing."

The annual renewal of the existing revocable permits on State lands involves the continuation of existing uses on the lands. No change in use is authorized by the renewal.

Cumulative Impact Of Planned Successive Action in Same Place Significant? No, the requested locations have been used for same uses since the permits were granted.

Action May Have Significant Impact on Particularly Sensitive Environment? No

**EXHIBIT B**

**Analysis:** The request pertains to renewing the revocable permits for O'ahu. Staff believes that the request would involve negligible or no expansion or change in use of the subject location beyond that previously existing.

**Consulted Parties:** Division of Boating and Ocean Recreation (DOBOR), Division of Forestry and Wildlife (DOFAW), Office of Hawaiian Affairs (OHA)

**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.