

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

December 10, 2021

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

Land Board Members:

SUBJECT: Sale of Concession by Sealed Bid for a Three-Year Mobile Food Concession Situated at Ala Wai Small Boat Harbor Honolulu, Island of Oahu, Hawaii, Identified by Tax Map Key: (1) 2-3-037:012 (Portion)

And

Declare Project Exempt from Requirements of Chapter 343, HRS and Title 11, Chapter 200.1, Hawaii Administrative Rules

REQUEST:

Authorization to issue an Invitation for Bids (“IFB”) for a Three-year Mobile Food concession contract situated at Ala Wai Small Boat Harbor (AWSBH).

LEGAL REFERENCE:

Sections 171-56 and Chapter 102 Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government fast lands at Ala Wai Small Boat Harbor (“AWSBH”) situated at 1651 Ala Moana Boulevard, Honolulu, Island of Oahu, Hawaii, identified by Tax Map Key: (1) 2-3-037:012 (Portion) and as shown on the attached maps labeled **Exhibits A-1 thru A-4**. Said premises are on a portion of Governor’s Executive Order No. 4604.

ITEM J-1

AREA:

Approximately 300 square feet, more or less.

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

CURRENT USE STATUS:

The Premises is presently encumbered by Extension of Concession Contract IFB No. AWSBH-201201 to Galley Foods LLC that expires February 28, 2023.

CHARACTER OF USE:

Vehicle Mobile Food Concession

CONCESSION CONTRACT TERM:

Three (3) Years from the commencement date of the concession contract.

MOBILE FOOD CONCESSION COMMENCEMENT DATE:

March 1, 2023, thru February 29, 2026, or as determined by the Chairperson

MINIMUM UPSET MONTHLY RENT:

The minimum upset monthly rental shall be three thousand dollars (\$3,000) or ten percent (10%) of gross receipts, whichever is greater.

METHOD OF PAYMENT:

The base rent shall be paid monthly in advance on or before the 1st of each month. The gross receipts report and associated payment shall be paid no later than 15 calendar days following the end of the billable month.

PERFORMANCE BOND:

Four (4) times the monthly rent.

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 November 10, 2020, the subject request is exempt from the preparation of an Environmental Assessment pursuant to General Exemption Type 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,” Item No. 44, which states, “Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.”

PROPERTY CHARACTERISTICS:

Utilities: None available in the concession area. Concessionaire to provide own water and power.

Existing Improvements: Paved parking lot.

Legal Access to Property: Staff has verified that there is legal access to the premises from Ala Moana Blvd.

BACKGROUND:

At its meeting on May 11, 2012, under agenda Item J-1, the Board approved the Sale of Concession by Sealed Bid for a Mobile Concession located at AWSBH. The concession was awarded to Galley Foods LLC (“Concessionaire”). The initial five-year concession commenced March 1, 2013, and ended on February 28, 2018. The concessionaire elected to extend the term of the concession for an additional five-years, from March 1, 2018, thru February 28, 2023, per the terms of the contract.

The concessionaire pays the greater of \$1,705 per month or 10% of gross receipts. Staff is recommending an increase of the upset minimum monthly rent due to the concessionaire consistently hitting percentage rent, pre-pandemic. In addition, there has been a great deal of interest in this location from other food truck operators.

Staff is making this request in anticipation of the existing concession’s expiration date of February 28, 2023. Staff would like to have ample time to process the necessary documents and to perform the Bid prior to the expiration of the existing concession.

RECOMMENDATION:

That the Board of Land and Natural Resources:

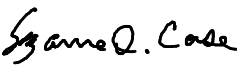
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1-15, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the sale of concession by sealed bid for Mobile Food services 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 concession contract 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,



EDWARD R. UNDERWOOD, Administrator
Division of Boating and Ocean Recreation

APPROVED FOR SUBMITTAL:



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

Attachments:

- A-1 Ala Wai Small Boat Harbor on Island of Oahu
- A-2 Concession Location at Ala Wai Small Boat Harbor
- A-3 Concession Location in Parking Lot
- A-4 Concession Area

Exhibit A-1

Mobile Food Concession at Ala Wai Small Boat Harbor



Exhibit A-1

Exhibit A-2

Ala Wai Small Boat Harbor

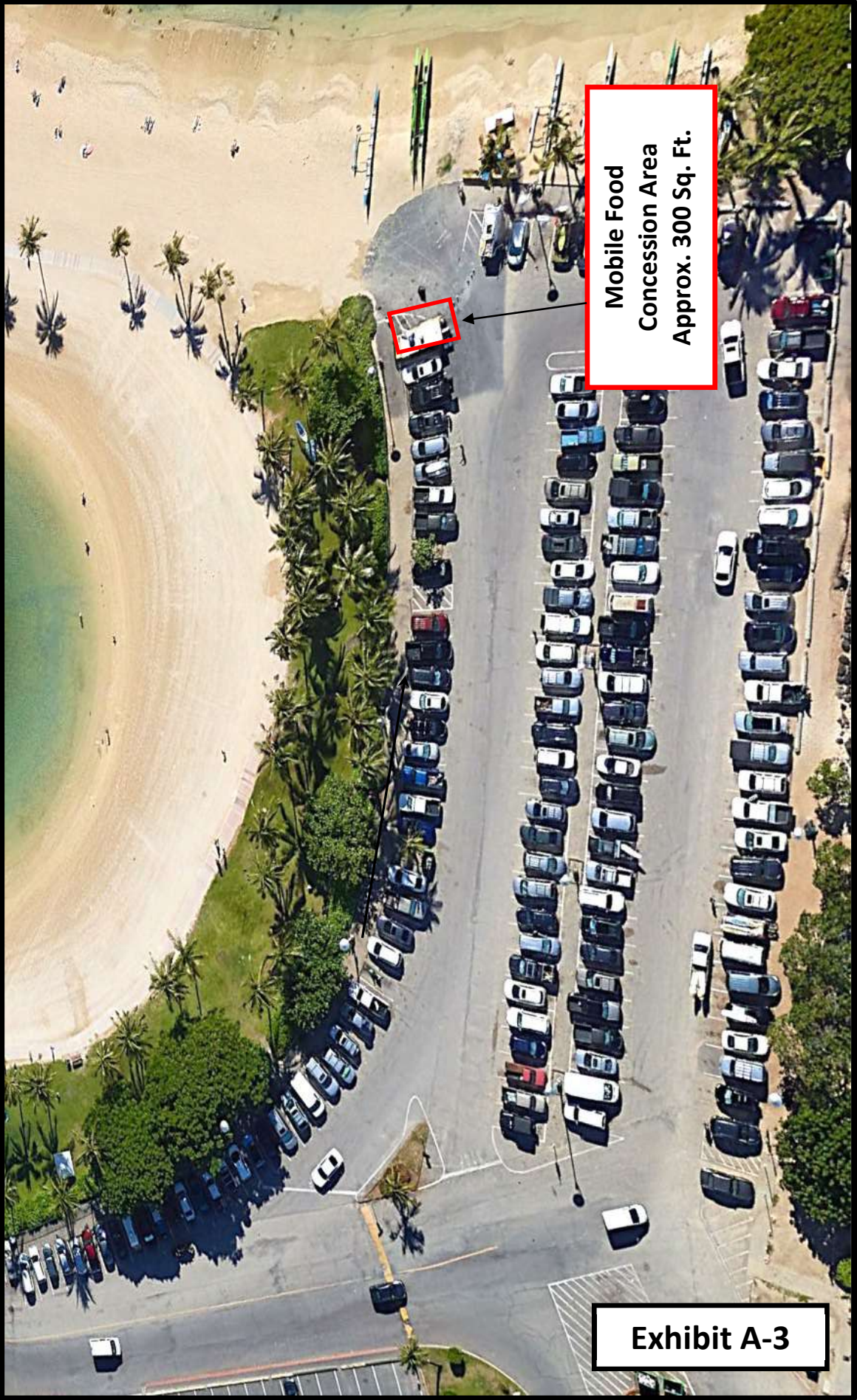


**Mobile Food
Concession Area
Approx. 300 Sq. Ft.**

Exhibit A-2

Ala Wai Small Boat Harbor

Exhibit A-3



**Mobile Food
Concession Area
Approx. 300 Sq. Ft.**

Exhibit A-3

Ala Wai Small Boat Harbor

Exhibit A-4



**Mobile Food
Concession Area
Approx. 300 Sq. Ft.**