

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

January 14, 2022

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

Ref: RP 7570

Oahu

Annual Renewal of Revocable Permit 7570; Hawaii Motorsports Association Inc.,
Permittee; Kahuku, Koolauloa, Oahu, Tax Map Key: (1) 5-8-002:002.

BACKGROUND:

Hawaii Motorsports Association Inc. (HMA) has held a revocable permit (RP) over the State parcel designated as tax map key (1) 5-8-002:002 for motorcycle and trail bike riding purposes since 1972. The parcel covers an area of 449.720 acres, and its location is shown on the map attached as **Exhibit A**.

The same parcel is also encumbered by General Lease No. 3850 issued to the federal government as part of the training ground for the Army. A stipulation of the federal lease is that other than overriding military contingencies, the federal government will use the land on the weekdays until dusk at Friday. HMA will then use the same area until midnight Sunday, or from dawn to midnight on national holidays.

RFQ/RFP Status

On September 14, 2018, the Division of Forestry and Wildlife (DOFAW) and Land Division (LD) published a Request for Interest to solicit interest among prospective operators of the present park on a long-term basis. Two (2) entities responded before the deadline of October 15, 2018, and indicated they are interested in entering into a long-term disposition for the facility.

At its meeting on January 25, 2019, D-5, the Board authorized the issuance of a Request for Qualification/Request for Proposal. A draft bid packet was sent to the Department of Attorney General (AG) for review and approval.

As reported in a 2020 submittal requesting renewal for the subject RP, Section 171-36(a)(3), Hawaii Revised Statutes (HRS), which provides “[n]o lease shall be made for any land under a lease that has more than two years to run”, was an issue raised by the AG. Pursuant to recent discussion with AG, it was concluded that Section 171-36(a)(3), HRS, makes the issuance of a new lease infeasible as GL 3850 issued to the Army will not expire until 2029, i.e. more than two years to run.

Renewal of RP 7570

Since the long-term disposition for motorcycle and trail bike riding is not possible due to the above-mentioned restriction in the statutes, the renewal of RP 7570 for another year appears to be prudent in order to continue the provision of motorized recreational opportunities on Oahu for public benefit.

At its meeting of October 23, 2020, the Board authorized the addition of a few conditions regarding control measures on erosion, dust, and invasive species. In addition, the Board required a breakdown of fees and charges be provided to the Land Division. Based on the site inspection conducted on Saturday morning, November 20, 2021, the permittee is in compliance with the terms and conditions of the subject RP. Permittee also provided some of the required reports and staff has reviewed the reports. There are no violations of the RP's conditions.

Current monthly rent for RP 7570 is \$140.83. Staff recommends increasing the monthly rent by the same rate (3%) approved by the Board on most of the RPs. The new monthly rent is shown below:

$$\$140.83 \times 1.03 = \$145.05, \text{ say } \$145.$$

Staff recommends the Board renew the subject RP retroactively from January 1, 2022 through December 31, 2022 at the new monthly rent.

HRS 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 on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type No. 1, "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" under Part 1, item 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". The request is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of §11-200.1-17, HAR.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, Hawaii Revised Statutes, 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 as a de minimis action.

2. Approve the continuation of Revocable Permit No. 7570 at a monthly rent of \$145 on a month-to-month basis effective January 1, 2022 for another one-year period through December 31, 2022.
3. Reserve and delegate to the Chairperson the right and authority at any time to review and adjust the rental charges for Revocable Permit No. 7570 from and after January 1, 2022, where such adjustments will best serve the interests of the State.

Respectfully Submitted,

Barry Cheung

Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case

Suzanne D. Case, Chairperson *PCN*



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EXHIBIT A