

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

March 24, 2022

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

PSF No.:22OD-001

OAHU

Issuance of Revocable Permit to Gregory Fonseca, Waipahu Industrial Park, Hoaeae, Ewa, Oahu, Tax Map Key: (1) 9-4-049:062 por., Unit 202.

APPLICANT:

Gregory Fonseca, Tenant in Severalty.

LEGAL REFERENCE:

Section 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waipahu Industrial Park, Hoaeae, Ewa, Oahu, identified by Tax Map Key: (1) 9-4-049:062 por. Unit 202, as shown on the attached maps labeled Exhibit A-1 to A-3.

AREA:

1,350 sq. ft., more or less and the use of two (2) parking stalls as designated by the Administrator of the DLNR Land Division.

ZONING:

State Land Use District: Urban
City & County of Honolulu LUO: I-2 (Intensive Industrial)

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

The subject premises are currently vacant and unencumbered.

CHARACTER OF USE:

Industrial and/or commercial uses permitted under the City and County of Honolulu Land Use Ordinance, provided that residential uses shall not be permitted.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

In January 2018 the Hallstrom Group/CBRE put together a Portfolio Appraisal Report (“PAR”) for revocable permits statewide. In the report the gross annual rent calculated for Unit 202 was \$19,116 with an increase of two to three percent per annum depending on desirability of the premises. Staff believes the desirability is in the two percent range as there is deferred maintenance causing intermittent leaking in the roof and ponding on the upper parking level. Also, there is no security for the building such as perimeter fencing or motion sensing alarms.

If the market rent given for 2018 at \$19,119 is calculated for a two percent increase per annum (exception of 2021- no rent increases because of COVID related economic downturns), then for 2022 the market rent should be \$20,286.00 per annum or \$1690.50 per month. Therefore staff recommends a monthly rent of \$1690.50 for the subject unit. The applicant has been made aware of the proposed monthly rent and is willing to proceed with the subject request.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental

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 that 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.

DCCA VERIFICATION:

Individual. Not applicable.

JUSTIFICATION FOR THE PERMIT:

1. Site issues – Land Division’s previous long-term leases have been ground leases. The division does not have forms or procedures established for issuing long-term space leases by public auction and would need to create forms and procedures for such dispositions.
2. Truly short term use - The revocable permit is a short-term measure until staff is able to sell a long-term master lease for the property. Staff intends to fully tenant the property, thereby making a sandwich lease more attractive for a potential master lessee.
3. Testing market and operational issues, plan to go to lease later - see comments at 2 above.
4. Government uses - not applicable.
5. Non-profits - not applicable.
6. Staff is unaware of interest in long-term disposition – see comments at 2 above.
7. Other unusual circumstances – not applicable
8. Staff is not aware of any litigation involved in the subject parcel.

REMARKS:

The requested area, Unit #202 is a commercial/industrial unit in a two-story, nine-unit structure that has approximately 12,800 square feet gross leasable area. The property was obtained by the State through an exchange deed. On December 13, 2013, item D-32 the Board granted its final approval of the exchange and

authorized the issuance of revocable permits for the property's existing tenants.

Unit #202 has been vacant since December 2018. This is the only vacant unit in the commercial building with all other units held under revocable permits. The revocable permit requested by the applicant is a short-term measure until Land Division can go through the Public Auction Lease process to find a suitable Master Lessee for the commercial property. Staff believes having 100% occupancy for the building would make a sandwich lease more attractive for a potential Master Lessee.

The applicant proposes to utilize the 1350 sq. ft. unit mainly for office and classroom space for safety training classes to teach compliance with Occupational Safety and Health Administration (“OSHA”) regulations. The anticipated classrooms will have a capacity of up to 10 students and the planned classes will be held two to three days a week. Gregory Fonseca has seven (7) years' experience as an instructor focusing on OSHA compliance with professional accomplishments including OSHA General Industry Standards Outreach Trainer Certified, OSHA 10-hour General Industry Standards Outreach Trainer Certified, OSHA 10/30 Construction Outreach Trainer Certified, Powered Industrial Trucks Train to Trainer Certified (IAW OSHA standards), Home Building Curriculum Certified, Home Building Safety/Classroom certified.

In response for comments from other Government agencies, the Department of Planning and Permitting and the Department of Environmental Services had no objections/comments and concurs to the proposed EA exemption. The Board of Water Supply and the Office of Hawaiian Affairs have not responded to solicitation for comment as of this writing.

The applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION: That the Board:

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 as a de minimis activity.
2. Authorize the issuance of a revocable permit to Gregory Fonseca covering the subject area for commercial/industrial purposes 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 amendment document 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,

Darlene Bryant-Takamatsu

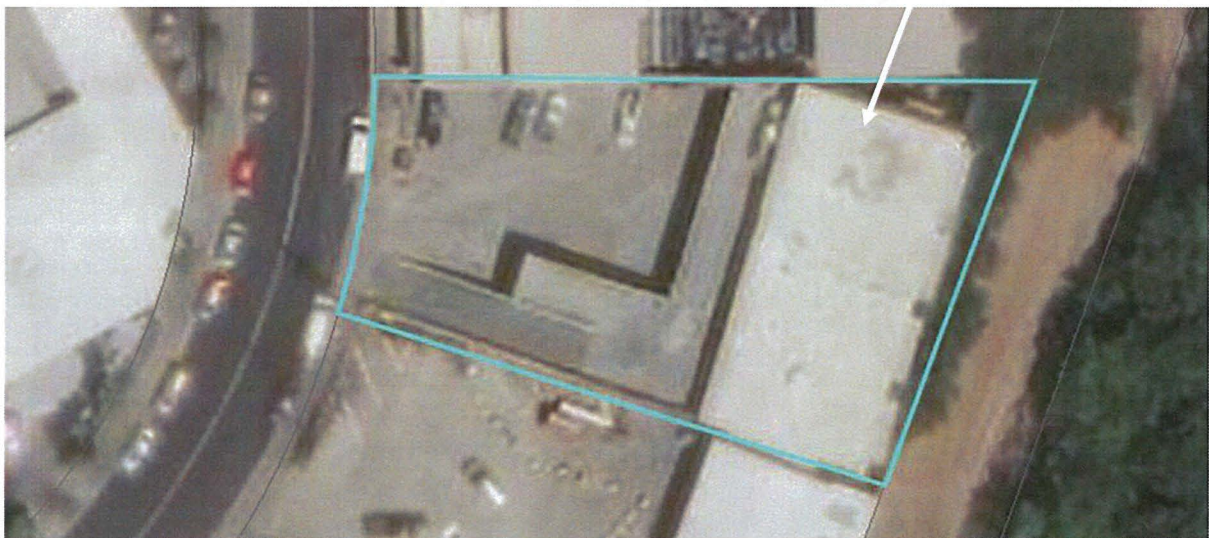
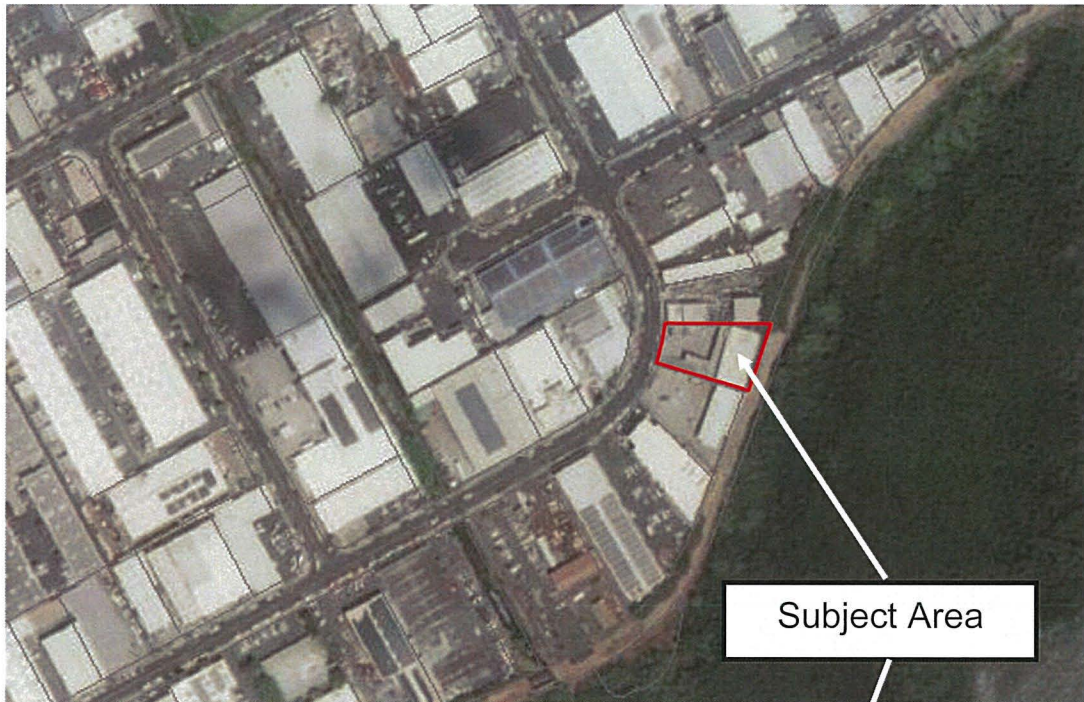
Darlene Bryant-Takamatsu
Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case

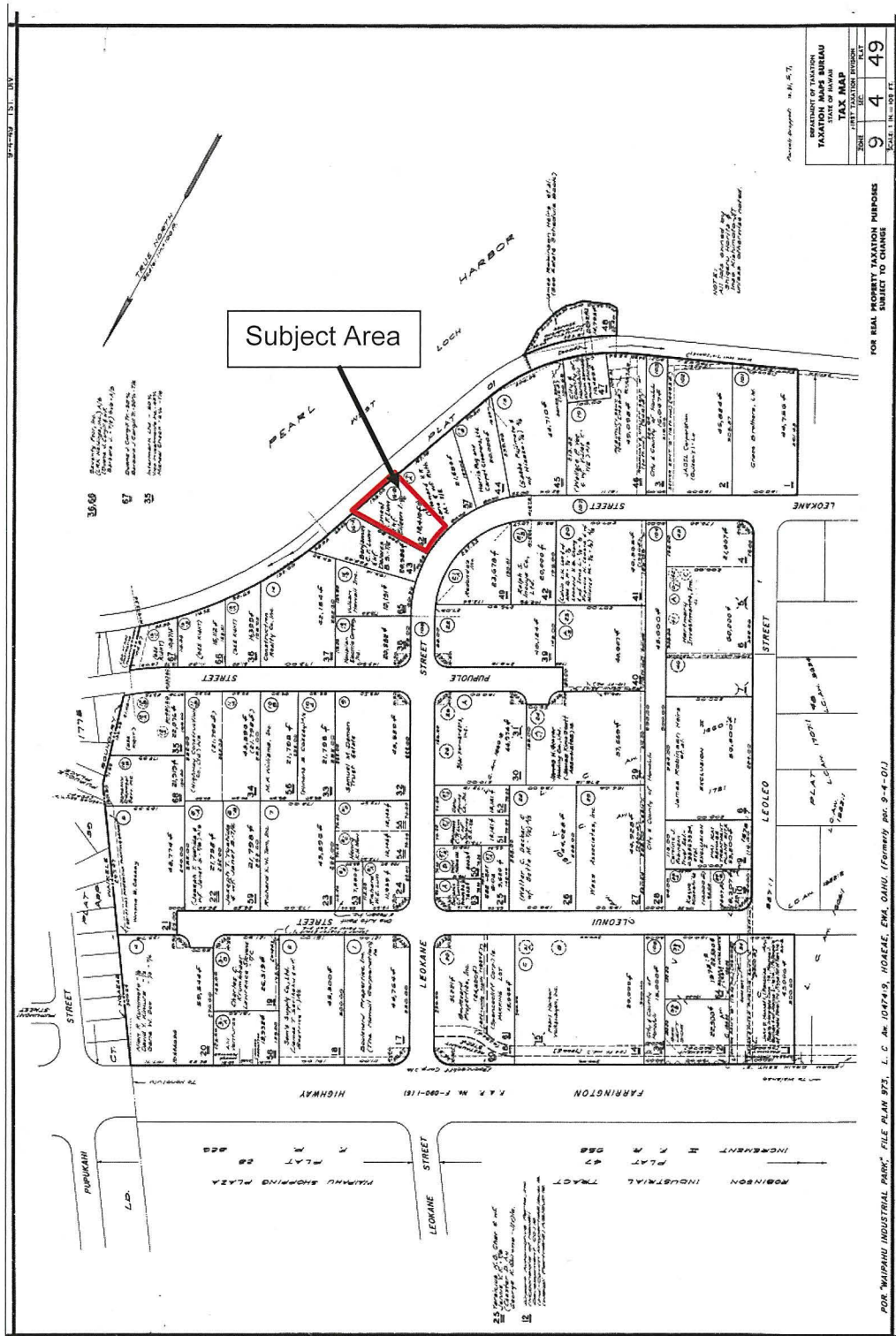
Suzanne D. Case, Chairperson

RT



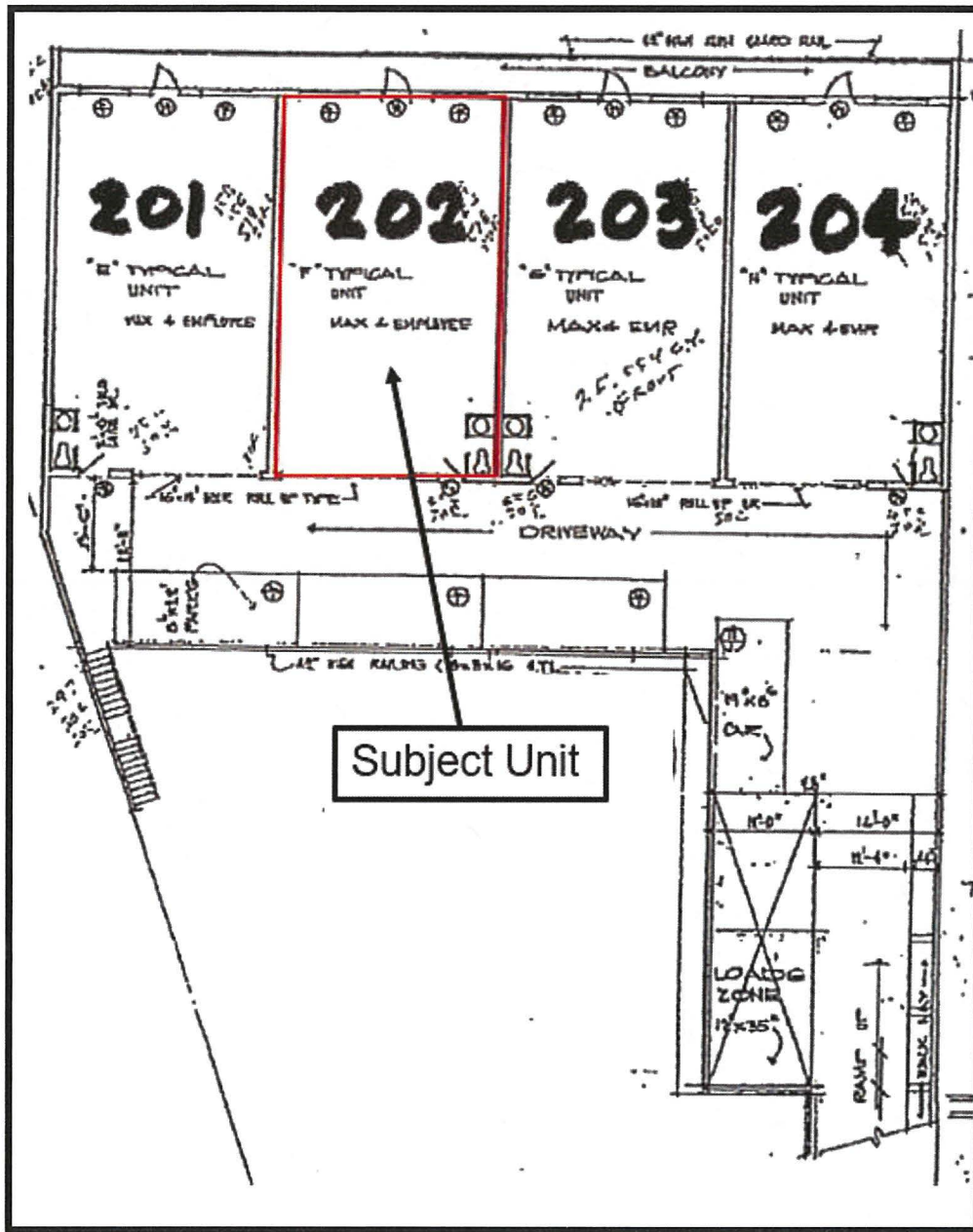
TMK: (1) 9-4-049:062por.

Exhibit A-1



TMK: (1) 9-4-049:062por.

Exhibit A-2



TMK: (1) 9-4-049:062por.

Exhibit A-3