

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

September 9, 2022

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

Land Board Members:

SUBJECT: Issuance of a Revocable Permit to Frank V. Coluccio Construction Company, Inc., for Purposes of Trailer Office, Boat and Marine Equipment Storage, Situated at Kalihi-Kai, Island of Oahu, Hawaii, Identified by Tax Map Key: (1) 1-2-023:037

And

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

APPLICANT:

Frank V. Coluccio Construction Company, Inc. whose mailing address is, 91-051 Kaomi Loop, Kapolei, Hawaii 96707, in the care of Frank V. Coluccio.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated adjacent to Ke'ehi Small Boat Harbor ("KSBH") Kalihi-Kai, Honolulu, Oahu, identified by Tax Map Key: (1) 1-2-023:037, as shown on the attached maps labeled **Exhibits A-1 thru A-3**.

AREA:

9,890 square feet, more or less.

**Item J-3**

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: I-2 Intensive Industrial District

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_ NO X

CURRENT USE STATUS:

Vacant and unencumbered. The proposed 9,890 Sq. Ft. area, TMK (1) 1-2-023:037, along with parcels, :053, :054, 057 and :059, was withdrawn from E.O. 3708, issued to the Department of Transportation Harbors Division and Reset-Aside to DLNR Division of Boating and Ocean Recreation by Board Action December 14, 2018, under agenda item D-6. E.O. 4653 withdrew the lot from E.O. 3708, effective April 27, 2021. E.O. 4654 formally set aside these lands for public use to the Division of Boating and Ocean Recreation, effective April 27, 2021.

CHARACTER OF USE:

Trailer Office, Boat and Marine Equipment Storage for marine related construction work.

COMMENCEMENT DATE:

To be determined by the Board chairperson.

MONTHLY RENTAL:

\$2,570.00 per month

Staff prepared an in-house valuation using Alan Conboy's (Hastings, Conboy and Associates, Ltd.) appraisal report for La Mariana Sailing Club, Inc.'s (TMK: (1) 1-2-023:052) rental reopening as a benchmark. La Mariana Sailing Club, Inc. (La Mariana) is located, across the street, Makai of the subject parcel. The La Mariana appraisal report concluded an annual rental of \$5.60/ Sq. Ft./yr. for the fast lands, effective as of May 1, 2019. In discussions with Appraisers regarding the commercial rent properties during the pandemic, they've indicated that rents are in line with the "K" shaped economic recovery. Office and retails space rents have gone down, but residential and industrial prices have gone up. Since the subject property is on I-2 Industrial land, staff applied a rate of 3% per year for years 2020, 2021 and 2022. This resulted in a rate of \$6.12/Sq. Ft./yr.

Due to utilities not being readily available in the area or on the premises, the annual \$6.12/Sq. Ft. rental rate was discounted by 50%, which resulted in a rate of \$3.06/Sq. Ft./yr. or \$.26/Sq. Ft./mo. This rate times the 9,890 Sq. Ft. results in a rent of \$2,570 per month (rounded).

The La Mariana appraisal was also used to determine the rents for revocable permits issued to Cate's Marine Services, LLC, PF Marine and H2O Sports Hawaii, LLC located on the adjacent parcels.

**METHOD OF PAYMENT:**

The rent shall be paid monthly, in advance on or before the 1<sup>st</sup> of each month.

**COLLATERAL SECURITY DEPOSIT:**

Twice the monthly rental.

**DCCA VERIFICATION:**

Place of business registration confirmed:	YES <u>X</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>  </u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u>  </u>

**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 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."

**AGENCY CONSULTATION:**

The following agencies were consulted regarding concurrence with the proposed Chapter 343 Exemption on this action with the results indicated as follows:

Consulted Agency	Comments
Land Division Oahu District (LD)	Concur
Dept. of Transportation Harbors Div. (DOT-HAR)	Concur

JUSTIFICATION FOR REVOCABLE PERMIT:

The subject revocable permit is temporary in nature.

Staff is working to lease, at public auction, the lands underlying this and the adjacent revocable permits.

The Department of the Attorney General has advised staff that the entire 1.307 lease area, of which this permit is a part, must be subdivided prior to the preparation of an auction lease. Staff is working with its Deputy AG to resolve this issue.

For the reasons stated above, staff believes that a revocable permit is the proper disposition for the applicant's proposed use.

REMARKS:

Parcels :053, :054, :057 and :059 are currently occupied by 4 DOBOR permittees. The proposed 9,890 Sq. Ft. area, TMK (1) 1-2-023:037, is the only parcel in this area that is currently not occupied. See **Exhibit A-3**.

Coluccio does small and difficult to access marine work. Their marine equipment include portable modular floats, work boats, cranes, pile drivers, and drill rigs for piling work suitable to small boat harbor work. Coluccio has done marine projects including, but not limited to repairs to the sewer line on Sand Island Bridge; removal of the sewer bypass pipe from the Ala Wai Canal; repairs to the Pier 34 sewer line; repairs to Pier 36; installation of a new sewer line and water line to Coconut Island. Coluccio would like a staging area closer to town for their Honolulu projects. Coluccio often does work with CMS, LLC currently occupying the adjacent parcel TMK: (1) 1-2-023:057. The proposed permit area would be used for staging materials, a field office trailer, marine equipment and boat storage.

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.

The parcel was previously occupied by a marine related business that built and repaired fiberglass boats under a revocable permit with the State Department of Transportation Harbors Division. The proposed use is allowable in the county zoning ordinance and compatible with surrounding existing uses.

Another applicant was interested in this area. However, they have withdrawn their application.

RECOMMENDATION:

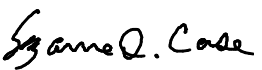
That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, 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 issuance of a revocable permit to Frank V. Coluccio Construction Company Inc. covering the subject area 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 revocable permit 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 Ke'ehi Small Boat Harbor Location on Oahu
- A-2 Proposed Location in relation to Ke'ehi Small Boat Harbor
- A-3 Proposed Revocable Permit Area Map and Tax Map (1) 1-2-023:037



## Exhibit A-1

Frank V. Coluccio Construction Company, Inc. at Ke'ehi Small Boat Harbor



Exhibit A-1

**Ke'ehi Small Boat Harbor**

**Exhibit A-2**





Frank V. Coluccio Construction Company, Inc.

9,890 sq. ft.

TMK: (1) 1-2-023:037

Exhibit A-3



Exhibit A-3

