

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

December 8, 2022

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

Statewide

Continuation of Revocable Permits Statewide and Amend some Revocable Permits to include an Update in Terms and Conditions (**See Exhibit A for list of Revocable Permits**); and

Request Approval of Environmental Compliance by Declaring Actions to Issue Permits as Exempt from Requirements of Preparation of Environmental Assessment under Chapter 343, Hawaii Revised Statutes and Title 11, Chapter 200.1, Hawaii Administrative Rules

HRS CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Hawaii Administrative Rules (HAR) § 11-200.1 and the Exemption List for the Department of Land and Natural Resources (DLNR) concurred by the Environmental Council on November 20, 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,"; "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." An Exemption Notice is attached as **Exhibit B**.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS) § 171-13, 171-55 as amended

BACKGROUND:

Pursuant to §171-55, HRS, the Board may allow revocable permits (RP) 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.

DISCUSSION:

Division of State Parks (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 RPs 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 RPs. There are other RPs where staff is working on establishing a competitive process – or provide a value added but fiscally intangible public recreational service.

There are currently 26 RPs 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 in 2023. These RPs are to be terminated upon execution of new competitively bid concession contracts. Two of the non-profit camps are being reviewed for long term leases, and the third has a lease that is being finalized for signature. No changes are proposed for the agricultural and non-commercial recreational RP's. DSP intends that the nine long-standing commercial tour RP's to also be transitional.

Kaua'i

**Nāpail 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, within Nāpali Coast State Wilderness Park and Polihale State Park. These RPs 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 partnership): Republic Parking Northwest, Inc. furnishes attendants and provides fee collection management service for the parking lot areas. Subject to 2023 competitive bid process.

(Eleemosynary – non-profit camp activity): There are three revocable permits for non-profit use of recreational residence and group camp facilities. One has been offered a lease, with two still in negotiations. Authorization of a long term lease with Hawai'i Conference Foundation was approved and the lease is currently being drafted for consumation. As part of the lease, Hawai'i Conference Foundation will replace the closed large capacity cesspool (LCC) with a new, compliant septic system.

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

## O'ahu

**Mālaekahana State Recreation Area** (Commercial campground activity): Mālaekahana Beach Campground, LLC operates a commercial campground and public day use beach park in the Kahuku park section. Subject to future competitive bid process, pending large CIP infrastructure improvement project anticipated to begin in 2023.

**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 consideration for adding public camping within this area in the future.

(Non-Commercial recreational activity) The Hawai'i Climbing Coalition manages a series of vertical climbing routes on unencumbered State land with access through DSP land at Ka'ena Point State Park. 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 partnership): The Bottling Group, LLC operates beverage vending machines near the main comfort station. Subject to future competitive bid process.

Pro Park, Inc. manages commercial transport (taxi/trolley/rideshare) for Diamond Head State Monument under an RP, in addition to their parking and entry management concession agreement. Subject to future competitive bid process or may be subsumed by current parking and entry concession to same vendor.

**Nu'uuanu Pali State Wayside** (Commercial partnership): Diamond Parking Services, LLC furnishes attendants and provides fee collection management services for the parking lot area. Subject to 2023 competitive bid process.

## Maui

**'Iao Valley State Monument** (Commercial partnership): (Currently 'Iao Valley State Monument is closed for slope stabilization. Anticipated opening date March 1, 2023) Republic Parking Northwest, Inc. furnishes attendants and provides fee collection management services for the parking lot area. Subject to 2023 competitive bid process.

**Mākena State Park** (Commercial partnership): Diamond Parking Services, LLC furnishes attendants and provides fee collection management services for the parking lot area. Subject to 2023 competitive bid process.

**Wai‘ānapanapa State Park** (Commercial partnership): Republic Parking Northwest, Inc. manages a reservation system, furnishes attendants and provides fee collection management services for the parking lot areas. Subject to 2023 competitive bid process.

### Hawai‘i

**Hāpuna Beach State Recreation Area** (Commercial partnership): Republic Parking Northwest, Inc. furnishes attendants and provides fee collection management services for the parking lot areas. Subject to 2023 competitive bid process.

**‘Akaka Falls State Park** (Commercial partnership): Diamond Parking Services, LLC furnishes parking attendants and provides fee collection management services for the parking lot. Subject to 2023 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 Wharf, provide guided transit across Kealakekua Bay and then land at Awili Landing at Ka‘awaloa with patrons. Hanalike ‘Ohana, LLC is authorized to moor a vessel within the bay, and operate commercial tours and embark/disembark passengers from Napo‘opo‘o Wharf. DSP is almost complete with the Master Plan (EIS has been completed) that includes a provision to have the Napo‘opo‘o landing, the rental of kayaks, and managing launching and landing at Ka‘awaloa be outsourced for management via a request for proposal process. We previously discussed the idea of closing on the weekends with the permittees at Kealakekua Bay. DSP is planning on phasing in commercial kayak restrictions in 2023.

DSP critically relies on special fund revenue to supplement allocations of general funds. Currently, special funds make up over 50% of total funding. RPs 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 recommends that the Board approve the continuation of the revocable permits as described in this submittal.

### RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed dispositions as provided by Chapter 343, Hawai‘i Revised Statutes and Chapter 11-200.1-15, Hawai‘i Administrative Rules, the dispositions will probably have minimal or

no significant effect on the environment and are therefore exempt from the preparation of an environmental assessment.

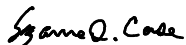
2. Approve the continuation of twenty-six (26) revocable permits listed in Exhibit A, including amendments for some of the revocable permits and the titles, pursuant to the terms above which, by this reference, are incorporated herein, on a month-to-month basis and for a one-year period ending December 31, 2023, except for permits that are in arrears of rental payments for more than 60 days; all four permittees will close on Sundays at Kealakekua Bay.
3. Based on the testimony and facts presented, find that approving the revocable permits, including its conditions and rent set forth herein, would serve the best interests of the State.
4. Reserve and delegate to the Chairperson the right and authority at any time to review and adjust the rental charges for any of the revocable permits listed in Exhibit A any time from and after January 1, 2023, where such adjustments will best serve the interests 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 2022  
Exhibit B – Exemption Notification



DIVISION OF STATE PARKS  
Revocable Permit Master List 2022

Doc. No.	Location	Permittee Name	Tax Map Key	Character of Use	Current Rent	Proposed Rent	Comments
<b>O'ahu</b>							
SP0531	Diamond Head State Monument	(Pepsi) Bottling Group, LLC	(1) 3-1-042:006 (portion)	Beverage sales	45% of gross sales	No change	Considering rebidding as part of an effort to require more environmentally friendly packaging in parks.
SP0470	Diamond Head State Monument	Pro Park, Inc. (Taxi/Trolley/Rideshare)	(1) 3-1-042:006 (portion)	Management of commercial transport	\$500 per month	78.5% of gross	
SP0509	Ka'ena Point State Park/Mokuleia (Nonprofit)	YMCA (Metropolitan Offices)	(1) 6-9-004:005	Outdoor recreational activities	\$150 per month	No change	
SP0530	Ka'ena Point State Park/Mokuleia (Nonprofit)	Hawai'i Climbing Coalition	(1) 6-9-004	Public rock climbing	Gratis	No change	
SP0058	Ahupua'a o Kahana SP	Erlinda Villanueva	(1) 5-2-002 por. 1 (6 acres)	Agriculture	\$90 per month	No change	
SP0524	Malaekahana SRA	Malaekahana Beach Campground, LLC	(1) 5-6-001:024-025, 045-047, 049, 051, 053-065	Operation of commercial campground and public day use beach park	\$1,250 per month or 7% of gross (whichever is greater)	No change	RFP process for long term lease to be initiated following significant CIP infrastructure upgrade, anticipated to break ground in 2023.
<b>Hawai'i</b>							
SP0517	Kealahakua Bay State Historical Park	Adventures in Paradise, 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)	No change	To be reevaluated upon finalization of Kealahakua Bay SHP Master Plan, likely to be subsumed by a master concession.
SP0518	Kealahakua 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)	No change	To be reevaluated upon finalization of Kealahakua Bay SHP Master Plan, likely to be subsumed by a master concession.

DIVISION OF STATE PARKS  
Revocable Permit Master List 2022

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SP0519	Kealahou Bay State Historical Park	Iwa Kalua dba Aloha Kayak Co.	(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)	No change	To be reevaluated upon finalization of Kealahou Bay SHP Master Plan, likely to be subsumed by a master concession.
SP0553	Kealahou Bay State Historical Park	Hanalihe Ohana, LLC	(3) 8-3-004:015	Mooring, commercial tour and cultural activities	\$252 per month (\$6.00 per linear ft.-42' canoe) or 5% gross (whichever is greater)	No change	To be reevaluated upon finalization of Kealahou Bay SHP Master Plan, likely to be subsumed by a master concession.
<b>Kaua'i</b>							
SP0004	Nāpali Coast SWP - Nu'alolo Kai	Nā Pali Zodiac / A Nā Pali Eco Adventures, Inc.	(4) 1-4-001:07	Commercial tour and recreational activities	\$5 per person or 5% of gross (whichever is greater)	No change	
SP0005	Nāpali Coast SWP - Nu'alolo Kai	Nā Pali Sea Tours, Inc.	(4) 1-4-001:07	Commercial tour and recreational activities	\$5 per person or 5% of gross (whichever is greater)	No change	
SP0044	Nāpali Coast SWP - Miloli'i	Nā Pali Kayak, Inc.	(4) 1-4-001:07	Commercial Kayak Landings	\$5 per person or 5% of gross (whichever is greater)	No change	
SP0045	Nāpali Coast SWP - Miloli'i	Kayak Kaua'i / Napali Outfitters	(4) 1-4-001:07	Commercial Kayak Landings	\$5 per person or 5% of gross (whichever is greater)	No change	
SP0046	Nāpali Coast SWP - Miloli'i	Rick Haviland dba Outfitters Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	\$5 per person or 5% of gross (whichever is greater)	No change	
SP8701	Nāpali Coast SWP - Nu'alolo Kai	Lady Ann Cruises, Inc. / Na Pali Explorers	(4) 1-4-001:07	Commercial tour and recreational activities	Commercial tour and recreational activities	No change	



DIVISION OF STATE PARKS  
Revocable Permit Master List 2022

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SP0189	Waimea Canyon SP/ Pu'u ka Pele Lot 13 - Nonprofit	Ka Imi Naaupo O Hawaii Nei	(4) 1-4-002:20	Recreation-Residence	\$6,800 per annum	No change	Rental set by appraisal for recreation-residence use. Negotiating long term lease.
SP0191	Kōke'e SP/ Kōke'e Lot 56 - Nonprofit	Hawai'i Conference Foundation/United Church of Christ	(4) 1-4-004:027 (portion)	Non-profit camp	\$6,800 per annum	No change	15 year lease approved by BLNR and being drafted.
SP0193	Waimea Canyon SP/ Pu'u ka Pele Lot 10 - Nonprofit	Kauai'i Christian Fellowship	(4) 1-4-002:041 (portion)	Recreation-Residence	\$5,500 per annum	No change	Rental set by appraisal for recreation-residence use. Negotiating long term lease.

DIVISION OF STATE PARKS  
Revocable Permit Master List 2022

Doc. No.	Location	Permittee Name	Tax Map Key	Character of Use	Current Rent	Proposed Rent	Comment
<b>O'ahu</b>							
SP0544	Nu'uuanu Pali Lookout	Diamond Parking Services, LLC	(1) 1-9-007 (portion)	Fee collection and visitor management	90% of net operating income	70% of gross	Projected IFB in 2023
<b>Hawaii'i</b>							
SP0545	'Akaka Falls State Park	Diamond Parking Services, LLC	(3) 2-8-011:018 (portion)	Fee collection and visitor management	90% of net operating income	82% of gross	Projected IFB in 2023
SP0408	Hāpuna Beach SRA	Republic Parking Northwest, Inc.	(3) 6-6-002:031, 035 (portion)	Fee collection and visitor management	99% of net operating income	82% of gross	Projected IFB in 2023
<b>Maui</b>							
SP0500	'Iāo Valley State Park	Republic Parking Northwest, Inc.	(2) 3-3-003:012, 013 (portion)	Fee collection and visitor management	99% of net operating income	85% of gross	(Currently closed for slope stabilization. Anticipated reopening date 2/15/23)Projected IFB in 2023
SP0467	Mākena State Park	Diamond Parking Services, LLC	) 2-1-006:030 (portion)	Fee collection and visitor management	90% of net operating income	80% of gross	Projected IFB in 2023
SP0471	Wai'ānapanapa State Park	Republic Parking Northwest, Inc.	(2) 1-3-005:009; (2) 1-3-006:009 (portion)	Reservation system, fee collection and visitor management	99% of net operating income	80% of gross	Projected IFB in 2023
<b>Kaua'i</b>							
SP0555	Kōke'e State Park and Waimea Canyon State Park	Republic Parking Northwest, Inc.	(4) 1-4-001:013, 004-002 (portion)	Fee collection and visitor management	99% of net operating income	87% of gross	Projected IFB in 2023

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

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**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  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**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 Title:** 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 competitive bid process and 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 and 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 or 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.

**EXHIBIT B**

Action may have significant impact on particularly sensitive environment?

No

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.