



# Strategy for Converting Revocable Permits to Long-term Dispositions Statewide

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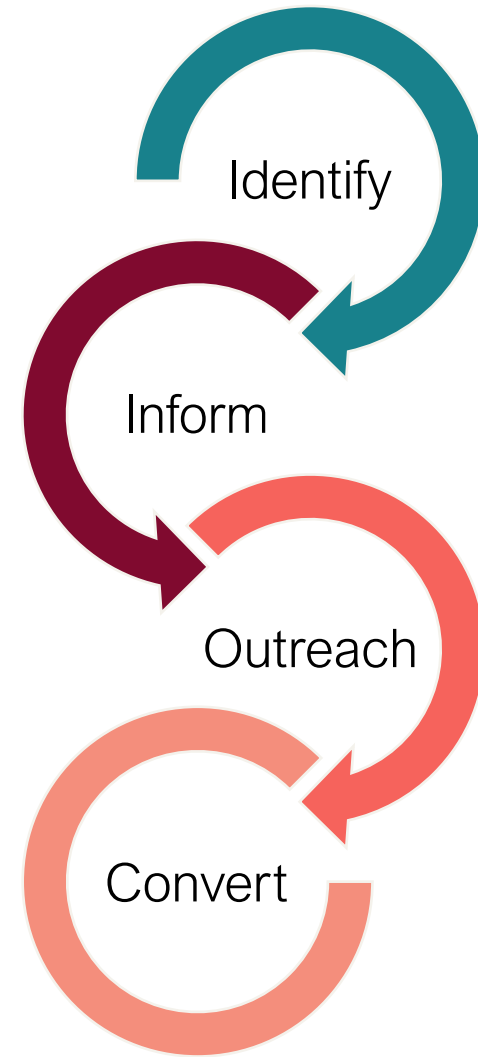
DIVISION OF BOATING AND OCEAN RECREATION (DOBOR)

# Overview

- Strategic Process
- DOBOR Current Revocable Permits
- Long-Term Dispositions
  - Concession Contracts
  - Directly Negotiated Leases
- 501(c)(3) Non-profit Permittees
- Subdivision
- Permittee-Owned Improvements

# Strategic Process

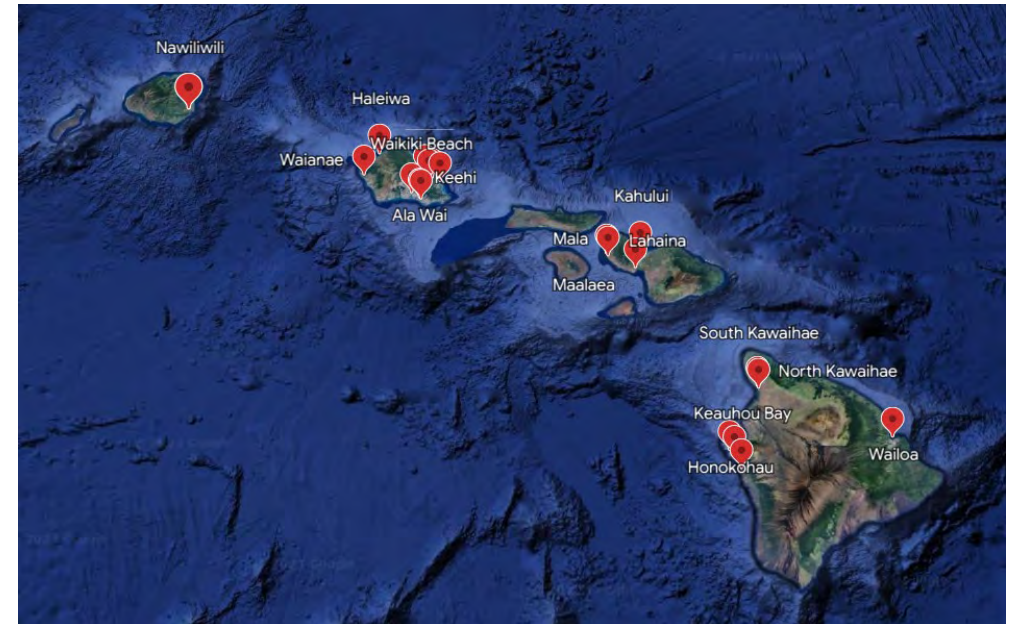
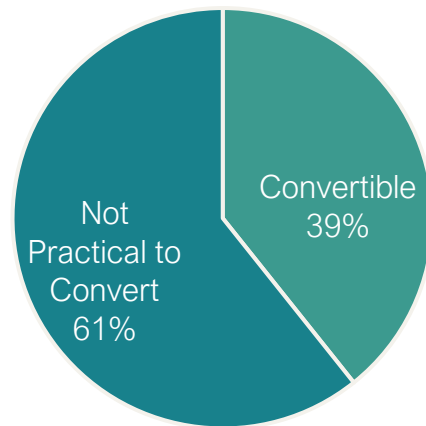
1. Identify which revocable permits (RP) can be converted.
2. Start the process of conversion.
  1. Inform the current tenant.
  2. Outreach to public, if applicable.



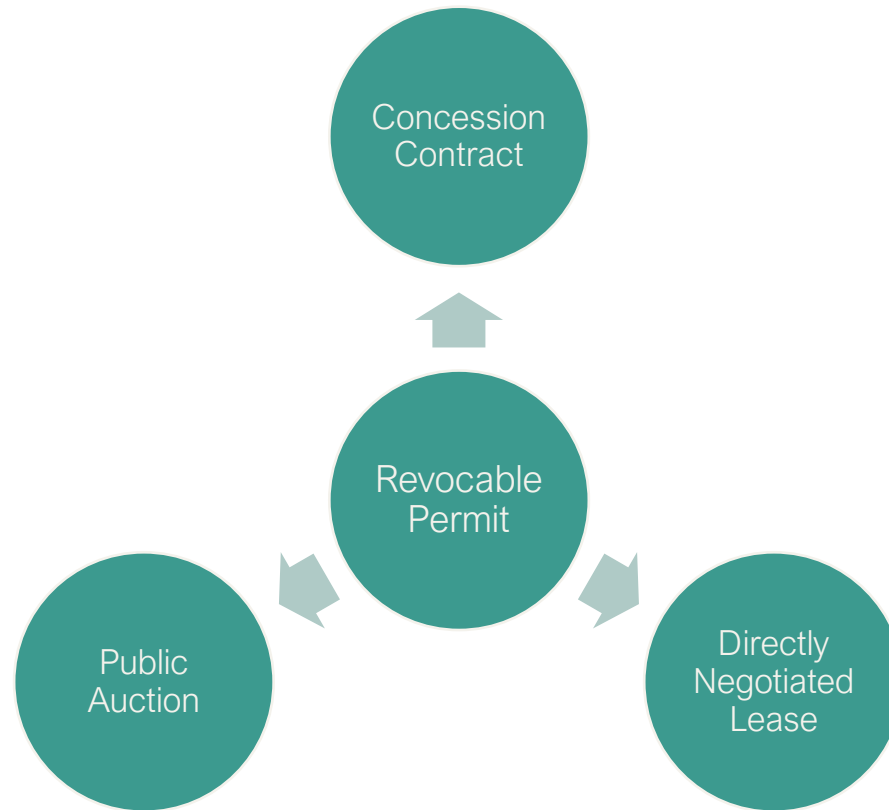
# DOBOR Revocable Permits

- DOBOR has 84 Revocable Permits Statewide
  - 33 of which staff has determined should not be converted to long-term dispositions.

Revocable Permits



# Long-Term Dispositions



# Concession Contracts

- Invitation for Bids (IFB) for Concession Contracts
  - 3–5-year contract
  - IFB Process:



- DOBOR plans to convert 8 RPs via the IFB process.

# DOBOR Concession Contracts

- Mobile Fuel Truck Concession Contracts
  - Hawaii Island
    - Diesel & Gasoline
    - Biodiesel
  - Maui
    - Biodiesel
    - Gasoline
    - Diesel
- Biodiesel Fueling Station Concession Contract
- Ice House Concession Contract
- Concierge Service Concession Contract

# Directly Negotiated Leases - Parking

- Pursuant to HRS 102-2(b)(1), parking lot operations at small boat harbors do not require an invitation for bids, therefore can undergo direct negotiations.
  - Secure Parking Hawaii LLC
    - Ala Wai Small Boat Harbor
    - Maalaea Small Boat Harbor
  - Lahaina Small Boat Harbor (Pending)
  - Honokohau Small Boat Harbor (Pending)



# Directly Negotiated Lease – Historic Area

- Pursuant to HRS 171-36.2(a), public lands for historic preservation and restoration, the board may lease public lands in the State for use in historic preservation and restoration projects; (1) through negotiations and (2) for a price which shall be determined by the board.
  - Surf N' Sea, Inc.



# 501(c)(3) Non-profit Permittees

- Pursuant to HRS 171-43.1, the board may lease, at nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3).
- Non-profit permittees requesting a direct lease, will be reviewed on a case-by-case basis.
  - Permittee must demonstrate a broad community involvement to receive the minimum allowable rent.
- Non-profit permittees interested in a direct lease.
  - Hawaii Big Game Fishing Club, Inc.
  - Hawaii Island Paddlesport Association
  - Kona Sailing Club

# Subdivision

- Most of DOBOR's properties are not subdivided.
- To subdivide individual parcels, it would be:
  1. Time Consuming
  2. A Large Cost
- DOBOR will work with various County Planning Departments.
- The County could facilitate the issuance of tax map key parcel numbers to proposed leased areas if a proposed subdivision map is submitted.
- Using former Hawaii Island Board member Chris Yuen's letter as a template, DOBOR plans on sending letters to the County regarding subdivision.

# Permittee-Owned Improvements

- Pursuant to the RP agreements:
  6. Any major improvements, including but not limited to buildings and fences, erected on or moved onto the Premises by the Permittee shall remain the property of the Permittee and the Permittee shall have the right, prior to the expiration, termination or revocation of this Permit, or within an additional period the Board in its discretion may allow, to remove the improvements from the Premises; provided, however, that in the event the Permittee shall fail to remove the improvements prior to the expiration, termination or revocation of this Permit or within an additional period the Board in its discretion may allow, the Board may, in its sole discretion, elect to retain the improvements or may remove the same and charge the cost of removal and storage, if any, to the Permittee.
- If improvements are functionally obsolete, they shall be removed from the premises at the landowner's request.



**Mahalo**