

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

July 28, 2023

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

PSF No. 22KD-085

Kauai

Issuance of Revocable Permit to Angela Headley, Island Art LLC. For Business Purposes, Lot 11-B Hanapepe Town Lots, 1st Series, Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-9-005:053.

APPLICANT:

Angela Headley, Island Art LLC.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands of Lot 11-B, Hanapepe Town Lots, 1st Series, Hanapepe, Waimea, Kauai, identified by Tax Map Key: (4) 1-9-005:053, as shown on the attached map labeled Exhibit A.

AREA:

0.136 acre, more or less.

ZONING:

State Land Use District: Urban
County of Kauai CZO: Commercial

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Business purposes.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

\$1360.07 per month, based on the prior Revocable Permit (RP) 7897 monthly rent amount plus a 10% increase for 2023.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exemption Notification attached as Exhibit B.

DCCA VERIFICATION:

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

JUSTIFICATION FOR REVOCABLE PERMIT (IF APPLICABLE):

The property is currently vacant and is on the list to be auctioned. A revocable permit (RP) for the property would generate revenue until an auction can occur. The Applicant also leases the adjacent property and has been doing landscaping and maintenance for both properties.

REMARKS:

The subject State property is a 5,909 square foot lot in Hanapepe town, with a 960 square

foot State historic structure located on property. The property is commercially zoned and in close proximity to retail stores, art galleries, gift shops and cafes in the area. The subject property has been utilized as an art gallery and studio for the past fifteen years.

The subject parcel was previously leased via public auction under General Lease (GL) No. S-5822. The 10-year lease expired on September 30, 2015. Prior to the lease, the property had been vacant for extended periods, following three unsuccessful attempts at public auctions. The subject property has also been under several revocable permits, including RP6500 in July 1987 to Ralph Adamson for business purposes, RP7897 in January 2017 to Katherine Enoka for business purposes and GL5822 to Saim and Margaret Caglayan for business purposes. At its meeting on July, 7, 2022 item D-1, the Land Board approved cancellation of RP7897 effective 1/1/2022 and the Phase I ESA requirement was waived.

The Applicant intends to continue to utilize the property for business purposes and operation as a fine art gallery.

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.

A monthly rental rate of \$1,360.07 was derived from the prior RP 7897, 2022 monthly rent amount of 1236.43 plus a 10% increase for 2023.

The Land Board approved the sale of lease via public auction. It is staff's opinion that at current time, a month to-month tenancy to the Applicant is the most appropriate use of subject parcel, until such time that a lease can be awarded through public auction. It is also in the State's interest to keep the property occupied for maintenance purposes and to prevent break-ins and vandalism. The Applicant understands that the revocable permit is temporary, while Kauai District Land Office staff prepares the property for lease at public auction.

Comments were solicited from the agencies identified below with the results indicated.

State Agencies:

| | |
|-----------------------------------|------------------------------|
| Division of Forestry and Wildlife | No response by suspense date |
| Office of Hawaiian Affairs | No response by suspense date |

County Agencies:

| | |
|-----------------|------------------------------|
| County Planning | No objections |
| Public Works | No response by suspense date |

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.
 - a. Based on the testimony and facts presented, find that approving revocable permits, under the conditions and rent forth herein, would serve the best interests of the State.

2. Authorize the issuance of a revocable permit to Angela Headley, Island Art LLC. covering the subject area for business 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 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,

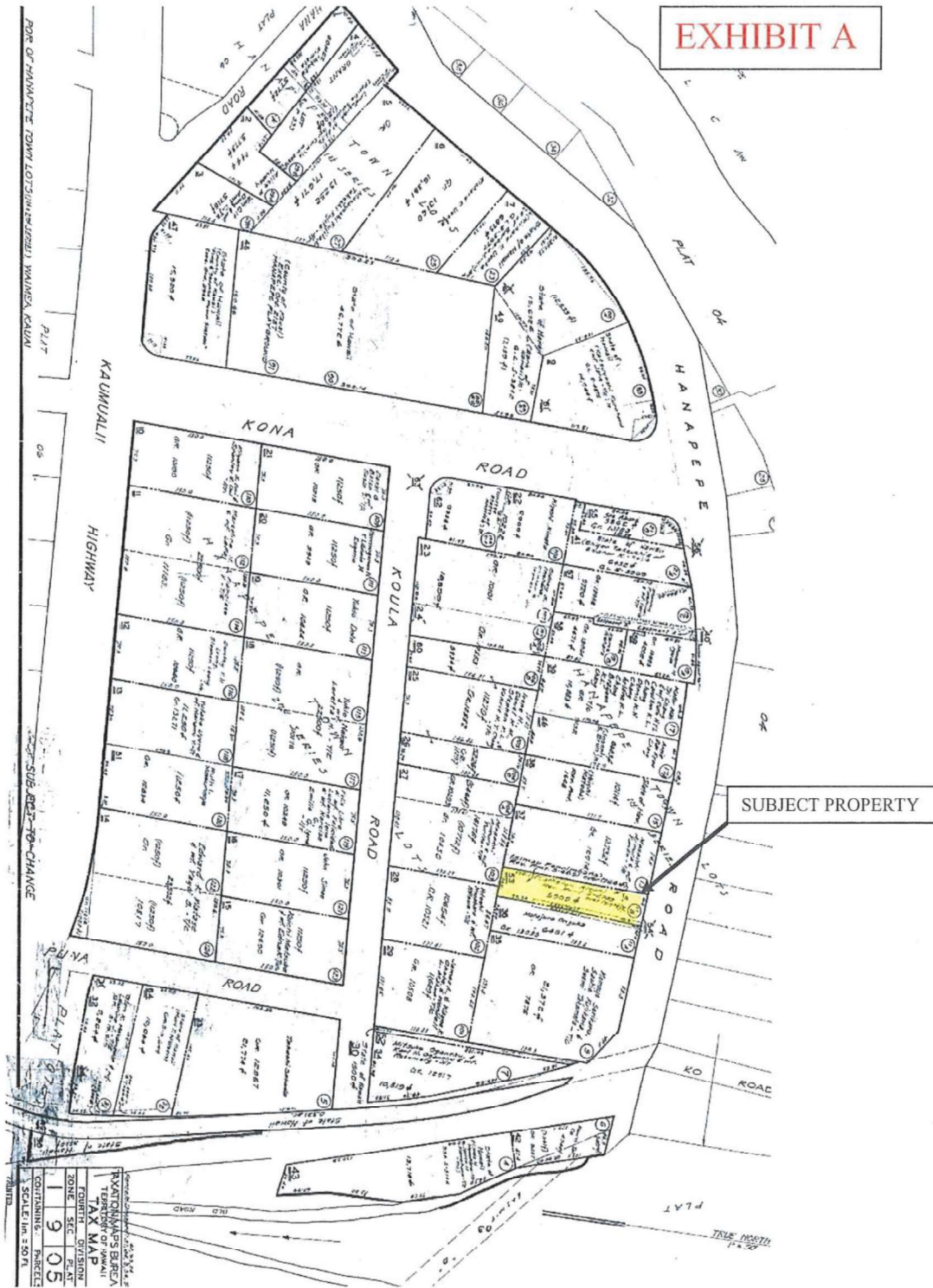
Reynold Lee

Reynold Lee
Land Agent

APPROVED FOR SUBMITTAL:



Dawn N.S. Chang, Chairperson *RT*



JOSH GREEN, M.D.
GOVERNOR | KE KA'ĀINA
SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KA'ĀINA



DAWN N. S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA
LAND DIVISION

P.O. BOX 621
HONOLULU, HAWAII 96809

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, Hawaii Revised Statutes (HRS), and Chapter 11-200.1-15, Hawaii Administrative Rules (HAR):

| | |
|--|---|
| Project Title: | Issuance of Revocable Permit to Angela Headley, Island Art LLC. For Business Purposes, Lot 11-B Hanapepe Town Lots, 1 st Series, Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-9-005:053. |
| Project / Reference No.: | PSF No. 22KD-085 |
| Project Location: | Hanapepe Town Lots, 1 st Series, Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-9-005:053. |
| Project Description: | Issuance of Revocable Permit to Angela Headley Island Art for Business Purposes. |
| Chap. 343 Trigger(s): | Use of State land. |
| Exemption Class No. and Item No.: | In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-16 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 1, that states "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." Part 1, Item 44 , which states, "Permits, licenses, registrations, and rights-of-entry issued by Department that are routine in nature, involving negligible impacts beyond that previously existing."

**Cumulative Impact of
Planned Successive
Actions in Same Place
Significant?**

No, the request is a single occurrence in the area.

**Action May Have
Significant Impact on
Particularly Sensitive
Environment?**

No, the action proposed will have no significant impact to any particularly sensitive environment.

Analysis:

Since at least 1981, the subject property has been used for business purposes. As such, staff believes that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties:

Comments from The State Office of Hawaiian Affairs, Division of Forestry and Wildlife, COK Public Works Department, and COK Planning were solicited. No agency had any objection by the suspense date to the proposed exemption.

Recommendation:

That the Board find the proposed project will probably have minimal or no significant effect on the environment and is therefore presumed to be exempt from the preparation of an environmental assessment.

EXHIBIT B