

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

October 27, 2023

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

Statewide

Annual Continuance of Revocable Permits Statewide (See **Exhibit A** for list of Revocable Permits)

and

Declare Projects Exempt from Requirements of 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 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 Class No. 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 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:

DSP currently administers 5 general categories of RP's:

1. Commercial tours and recreational activities (10)
2. Commercial partnerships (9)
3. Non-Commercial recreational activity (1)
4. Eleemosynary – non-profit camp activity (2)
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 23 RPs DSP is asking to be renewed. Of the attached RP list, there are 6 commercial partnerships that DSP intends to continue and place out for either an Invitation for Bid or a Request for Proposals – notably 4 of our parking/entry fee collection dispositions going out to IFB were approved last November. 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 been provided a copy of the lease for signature. No changes are proposed for the agricultural and non-commercial recreational RP's. DSP intends the nine long-standing commercial tour RP's to also be transitional.

Kaua'i

Nāpali 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 management service for the parking lot areas. Subject to 2024 competitive bid process.

(Eleemosynary – non-profit camp activity): There are two permits for non-profit use of recreational residence. The Board previously approved the issuance of long-term leases for five non-profit organizations. Staff continues to work with Ka Imi Na'auauo Hawai'i Nei Institute and Kaua'i Christian Fellowship on lease options, and DSP expects to bring those to the Board soon.

O'ahu

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 Service provides attendants, assists visitors with answering questions on pay stations and fees, monitors vehicles and provides management services for the parking lot area. Subject to 2024 competitive bid process. Consideration is also being given to forgoing this agreement and allowing free parking for independent visitors.

Maui

'Iao Valley State Monument (Commercial partnership): Republic Parking Northwest, Inc. furnishes attendants and management services for the parking lot area. Intended to remain on a revocable permit due to economic uncertainty in the wake of Maui wildfires.

Mākena State Park (Commercial partnership): Diamond Parking Services, LLC furnishes attendants and management services for the parking lot area. Intended to remain on a revocable permit due to economic uncertainty in the wake of Maui wildfires.

Wai‘ānapanapa State Park (Commercial partnership): Republic Parking Northwest, Inc. manages a reservation system, furnishes attendants and management services for the parking lot areas. Intended to remain on a revocable permit due to economic uncertainty in the wake of Maui wildfires.

Hawai‘i

Hāpuna Beach State Recreation Area (Commercial partnership): Republic Parking Northwest, Inc. operates a parking concession. Subject to 2024 competitive bid process.

‘Akaka Falls State Park (Commercial partnership): Diamond Parking Service provides parking attendants and fee collection management services. Subject to 20234 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. DSP is almost complete with the Master Planning (EIS has been completed) that includes a provision to have the Napo‘opo‘o landing and 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. Two of the permittees have already closed on Sundays. We are suggesting closure for all three permittees on Sundays.

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. The Board finds that approving the revocable permits, including its conditions and rent, will serve the best interests of the State.

Approve the continuation of twenty-three (23) 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, 2024, except for four parking management permits that will be offered as an Invitation for Bid, and permits that are in arrears of rental payments for more than 60 days; all three permittees will close on Sundays at Kealakekua Bay for a second year.

3. 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, 2024, where such adjustments will best serve the interests of the State.

Respectfully submitted,

Curt Cottrell

Curt A. Cottrell
Administrator
Division of State Parks

APPROVED FOR SUBMITTAL:



DAWN N.S. CHANG
Chairperson
Board of Land and Natural Resources

ATTACHMENTS:

Exhibit A – DSP Revocable Permit Master List 2024
Exhibit B – Exemption Notification

DIVISION OF STATE PARKS
Revocable Permit Master List 2023

Doc. No.	Location	Permittee Name	Tax Map Key	Character of Use	Current Rent	Comments
O'ahu						
SP0531	Diamond Head State Monument	(Pepsi) Bottling Group, LLC	(1) 3-1-042:006 (portion)	Beverage sales	45% of gross sales	Projected IFB in 2024
SP0470	Diamond Head State Monument	Pro Park, Inc. (Taxi/Trolley/Rideshare)	(1) 3-1-042:006 (portion)	Management of commercial transport	\$500 per month	Projected IFB in 2024
SP0509	Ka'ena Point State Park/Mokuleia (Nonprofit)	YMCA (Metropolitan Offices)	(1) 6-9-004:005	Outdoor recreational activities	\$150 per month	
SP0530	Ka'ena Point State Park/Mokuleia (Nonprofit)	Hawai'i Climbing Coalition	(1) 6-9-004	Public rock climbing	Gratis	
SP0058	Ahupua'a o Kahana SP	Erlinda Villanueva	(1) 5-2-002 por. 1 (6 acres)	Agriculture	\$90 per month	
Hawai'i						
SP0517	Kealakekua 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)	To be reevaluated upon finalization of Kealakekua Bay SHP Master Plan, likely to be subsumed by a master concession.
SP0518	Kealakekua 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)	To be reevaluated upon finalization of Kealakekua Bay SHP Master Plan, likely to be subsumed by a master concession.
SP0519	Kealakekua 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)	To be reevaluated upon finalization of Kealakekua Bay SHP Master Plan, likely to be subsumed by a master concession.

DIVISION OF STATE PARKS
Revocable Permit Master List 2023

Doc. No.	Location	Permittee Name	Tax Map Key	Character of Use	Current Rent	Comment
Kaua'i						
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 (which ever is greater)	
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 (which ever is greater)	
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 (which ever is greater)	
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 (which ever is greater)	
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 (which ever is greater)	
SP8701	Nāpali Coast SWP - Nu'alolo Kai	Lady Ann Cruises, Inc. / Na Pali Explorers	(4) 1-4-001:07	Commercial tour and recreational activities	\$5 per person or 5% of gross (which ever is greater)	
Doc. No.	Location	Permittee Name	Tax Map Key	Character of Use	Current Rent	Comment
SP0189	Waimea Canyon SP/ Pu'u ka Pele Lot 13 - Nonprofit	Ka Imi Naauao O Hawaii Nei	(4) 1-4-002:20	Recreation-Residence	\$6,800 per annum	Rental set by appraisal for recreation-residence use. Negotiating long term lease.
SP0193	Waimea Canyon SP/ Pu'u ka Pele Lot 10 - Nonprofit	Kaua'i Christian Fellowship	(4) 1-4-002:041 (portion)	Recreation-Residence	\$5,500 per annum	Rental set by appraisal for recreation-residence use. Negotiating long term lease.

DIVISION OF STATE PARKS
Revocable Permit Master List 2023

Doc. No.	Location	Permittee Name	Tax Map Key	Character of Use	Current Rent	Comment
O'ahu						
SP0544	Nu'uuanu Pali Lookout	Diamond Parking Services, LLC	(1) 1-9-007 (portion)	Fee collection and visitor management	70% of gross	Projected IFB in 2024
Hawai'i						
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	Projected IFB in 2024
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	Projected IFB in 2024
Maui						
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	Reopening date 5/1/23; No Projected IFB
SP0467	Mākena State Park	Diamond Parking Services, LLC) 2-1-006:030 (portion)	Fee collection and visitor management	80% of gross	No Projected IFB
SP0471	Wai'anapanapa 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	No Projected IFB
Kaua'i						
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	Projected IFB in 2024

Commercial tours and recreational activities (10)

Commercial partnerships (9)

Non-Commercial recreational activity (1)

Eleemosynary - non-profit camp activity (2)

Agricultural (1)

Renewal for 2024

Adventures in Paradise

Kona Boys

Aloha Kayak

Nā Pali Zodiac / A Nā Pali Eco Adventures, Inc.

Nā Pali Sea Tours, Inc.

Nā Pali Kayak, Inc.

Kayak Kaua'i / Napali Outfitters

Rick Haviland dba Outfitters Kaua'i

Lady Ann Cruises, Inc. / Na Pali Explorers

YMCA

Nuuanu Pali Lookout

Akaka Falls

Hapuna Beach

Iao Valley

Makena

Waianapanapa

Kokee/Waimea Canyon

Pepsi

Pro Park - Taxi

Hawaii Climbing Coalition

Ka Imi

Kauai Christian

Erlinda V

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
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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 excluding the island of Maui

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.

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.