

State of Hawai'i
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawai'i 96813

December 8, 2023

Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

O'ahu

Issuance of Revocable Permit to Pro Park, Inc. for Visitor Parking and Entry Management at Diamond Head State Monument, Kapahulu, Waikīkī, Honolulu, O'ahu, Tax Map Key: (1) 3-1-042:006 portion

and

Request for Delegation of Authority to the Chairperson of the Board of Land and Natural Resources to: 1) Solicit an Invitation for Bids for a three (3) year Service Contract through Chapter 103D, HRS via HlePRO with a three (3) year option to renew; 2) Award Bid; 3) Enter into a Service Contract, 4) Issue a Notice to Proceed to Manage Visitors at Diamond Head State Monument

and

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

REQUEST:

Issuance of Revocable Permit to Pro Park, Inc. until the three (3) year Service Contract with a three (3) option to renew is executed from the winning Invitation for Bids (IFB) via HlePRO for the purpose of visitor parking and entry management.

APPLICANT FOR REVOCABLE PERMIT ONLY:

Pro Park, Inc. (Pro Park)

LEGAL REFERENCE:

Sections 171-6, 171-13, 171-16, 171-55, Chapter 103D, and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kapahulu, Waikīkī, O‘ahu, situated at Kapahulu, Waikīkī, O‘ahu, identified by Tax Map Key: (1) 3-1-042:006 portion, as shown on the attached map in **EXHIBIT A**.

AREA:

Two (2) acres, more or less

ZONING:

State Land Use District: Conservation, Urban
County of Honolulu CZO: P-1 Restricted Preservation District, P-2 General Preservation District, R-5 Residential District

TRUST LAND STATUS:

Section 5(b) lands of the Hawai‘i Admission Act
DHHL 30% entitlement lands pursuant to the Hawai‘i State Constitution: NO

CURRENT USE STATUS:

SP0543 Concession contract issued to Pro Park, Inc. to expire on December 31, 2023.

Encumbered by Governor’s Executive Order 2000 setting aside land for state park purposes or be under the control and management of the State of Hawai‘i, Department of Land and Natural Resources, Division of State Parks.

CHARACTER OF USE:

For the management of visitors, parking and validation of parking and entry reservation codes.

COMMENCEMENT DATE:

January 1, 2024 for the revocable permit, and the first day of the month to be determined by the Chairperson for the Service Contract.

MONTHLY RENTAL FOR REVOCABLE PERMIT ONLY:

Per a cost-reimbursement contract, Ninety-nine percent (99%) of Net Operating Income (NOI) to the Division of State Parks and One percent (1%) of Net Operating Income (NOI) to Pro Park, Inc.

SECURITY DEPOSIT:

Five thousand Four Hundred Seventy-six Dollars (\$5,476.00) security deposit on file.

CHAPTER 343 ENVIRONMENTAL ASSESSEMENT:

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."

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES
Applicant in good standing confirmed:	YES

REMARKS:

Pro Park, Inc. is currently operating and managing the public visitor parking lot and pedestrian visitors at Diamond Head State Monument. The concession contract expires on December 31, 2023, and State Parks is requesting a revocable permit to be issued to Pro Park, Inc. to begin after the lease expires to ensure a continuity of visitor access and revenue generation until the Invitation for Bid can be approved, processed, and a service contract executed.

Tyler Technologies, Inc. formerly NIC is a third party who manages the reservation website and collects the revenue generated from entry and parking fees at Diamond Head State Monument. Tyler Technologies, Inc. pays State Parks for the 99% of net operating income and 1% to Pro Park, Inc. each month until the Service Contract is executed.

State Parks further recommends the Board delegate to the Chairperson the authority to negotiate any other specific terms or additional time necessary to effectuate the revocable permit.

Pro Park, Inc. has not had a lease, permit, easement, or other disposition of State lands terminated within the last five year due to non-compliance with such terms and conditions. The applicant would need to be in compliance with all county, state and federal laws and ordinances pertaining to this permit.

Staff recommends that the Board approve the issuance of a revocable permit to Pro Park, Inc. for visitor management and validation of parking and entry reservations at Diamond Head State Monument until an IFB is ready to be processed for solicitation and the contract executed.

RECOMMENDATION: That the Board:

REVOCABLE PERMIT:

1. Declare that, after considering the potential effect 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. Based on the testimony and facts presented, find that approving the issuance of a revocable permit, under the conditions and rent forth herein, would serve the best interests of the State.
3. Authorize the issuance of a Revocable Permit to Pro Park, Inc. throughout the Invitation for Bid process via HlePRO and until Chairperson authorizes termination of revocable permit, covering the subject area for management of visitors, parking, and validation of parking and entry reservation codes 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. Per a cost-reimbursement contract, (99%) of Net Operating Income (NOI) from parking and entry revenue per month pending the sale of service contract through Invitation for Bid. Rental payment will be paid by third party Tyler Technologies, Inc. to State Parks.
 - c. Review and approval by the Department of the Attorney General; and,
 - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

PROCUREMENT:

1. Declare that, after considering the potential effect 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. Request for Delegation of Authority to the Chairperson to: 1) solicit an Invitation for Bid for a three (3) year Service Contract through Chapter 103D Procurement, Hawaii Revised Statutes, via HlePRO with a three (3) year option to renew 2) Award bid, 3) Enter into Service Contract, 4) Give Notice to Proceed to Manage Visitors and Parking at Diamond Head State Monument
3. Authorize the sale of a three (3) year service contract via Invitation for Bid through HlePRO with a three (3) year option to renew covering the subject area for the management of visitors, parking, and validation of parking and entry reservation codes 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 service contract form, as may be amended from time to time;
 - b. The successful bidder shall be required to reimburse State Parks for any advertisement cost.
 - c. Review and approval by the Department of the Attorney General; and
 - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



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 – Map
Exhibit B – Exemption from Chapter 343



Diamond Head State Monument - Parking Lot

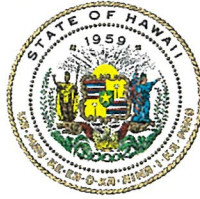
EXHIBIT A

Navigation controls: a vertical stack of five circular buttons. From top to bottom: a plus sign (+), a minus sign (-), a compass icon, a 3D icon, and a person icon.

Layers

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

P.O. BOX 621
HONOLULU, HAWAII 96809

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

LAURA H.E. KAAKUA
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:** Issuance of Revocable Permit to Pro Park, Inc. and Service Contract from a Solicitation for an Invitation for Bids for a Reservation System for Parking and Entry Management at Diamond Head State Monument, Kapahulu, Waikīkī, Honolulu, O'ahu, Tax Map Key: (1) 3-1-042:006 portion
- Project Location:** Diamond Head State Monument, Kapahulu, Waikīkī, Honolulu, O'ahu, Tax Map Key: (1) 3-1-042:006 portion
- Project Description:** Issuance of a revocable permit for a term of one year or until the competitive bid process and service contract executed for management of parking visitors and parking lot and collection of parking and entry fee reservations.
- 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."

Pro Park, Inc. under a Concession Agreement is currently operating and managing the visitors and parking lot at Diamond Head State Monument and validation of parking and entry reservations.

EXHIBIT B

Cumulative impact of planned successive action in same Place significant?

No, the requested location has been used for same uses since the lease was granted.

Action may have significant impact on particularly sensitive environment?

No

Analysis:

The request pertains to issuance of a revocable permit and service contract. 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:

Land Division (LAND), 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.