

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii 96819

February 23, 2024

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

Land Board Members:

SUBJECT: Cancellation of Revocable Permit No. 137 to Riddle Works LLC; Request for Waiver of Requirement for Conducting Phase I Environmental Site Assessment upon Cancellation of Revocable Permit No. 137; Issuance of a New Revocable Permit to Riddle Works LLC for an ice machine, located at the Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.).

And

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

APPLICANT:

RIDDLE WORKS LLC a Hawaii Limited Liability Corporation, whose mailing address is 74-5035 Queen Kaahumanu Highway, Suite 3101, Kailua-Kona, Hawaii 96740.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.). **Exhibit A.**

AREA:

Approximately 442 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii: Open

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act: Yes
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ___ NO X

CURRENT USE STATUS:

Unencumbered.

CHARACTER OF USE:

Retail operation of an automated ice machine.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

\$ 343.75 Per month, or 8% of gross receipt sales, whichever is greater.

SECURITY DEPOSIT:

Twice the Monthly Rental.

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 |

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15, Hawaii Administrative Rules (HAR) and the Exemption List for the Department of Land and Natural Resources, reviewed and 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 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 No. 44, which states, "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."

REMARKS:

At its meeting on October 28, 2022, under agenda Item J-2, the Board approved the Issuance of a Revocable Permit to Riddle Works LLC for an ice machine, located at Honokohau Small Boat Harbor, Kealeakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.). The approved submittal is attached as **Exhibit B**.

During the planning stages of the project, it was found that there would be a more suitable location for the ice machine as another tenant would be vacating their space. Riddle Works LLC then proceeded to revise their original plans for new location.

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.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, Hawaii Administrative Rules, 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, the Board finds that approving the RP under the conditions and rent set forth herein will serve the best interests of the state.
3. Waive the requirement of Additional Conditions No. 13 regarding conducting a Phase I Environmental Site Assessment upon cancellation of Revocable Permit No. 137.
4. Approve the cancellation of Revocable Permit No. 137 and the reissuance of a revocable permit to Riddle Works LLC at the Honokohau Small Boat Harbor 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,



EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:



Dawn N.S. Chang, Chairperson
Board of Land and Natural Resources

Attachment:

- A Site Location
- B Board approval date October 28, 2022, under agenda item J-2

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200.1, HAR

| | |
|--|--|
| Project Title: | Cancellation of Revocable Permit No. 137 to Riddle Works LLC. Issuance of a New Revocable Permit to Riddle Works LLC for an ice machine, located at the Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.). |
| Project / Reference No.: | |
| Project Location: | Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.). |
| Project Description: | Cancellation and Reissuance of Revocable Permit for Riddle Works LLC. |
| Chap. 343 Trigger(s): | Use of State lands |
| Exemption Class No(s).: | In accordance with Section 11-200.1-15, Hawaii Administrative Rules (HAR) and the Exemption List for the Department of Land and Natural Resources, reviewed and 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 Type 1, that states, "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 No. 44, which states, "Permits, licenses, registrations, and rights-of-entry issued by the 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 would involve no expansion or change in use of the subject area beyond that previously existing. |
| Action May have Significant Impact on Particularly Sensitive Environment? | Staff is not aware of any particularly sensitive environmental issues and use of the area would not change negligently from what is existing. |
| Analysis: | Based on the no expansion in the use of the subject area, staff believes there would be no significant impact to the environment. |
| 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. |

Exhibit A
Location of Riddle Works LLC Ice Machine
Honokohau Small Boat Harbor, Hawaii Island



Exhibit A
Location of Riddle Works LLC Ice Machine
Honokohau Small Boat Harbor, Hawaii Island

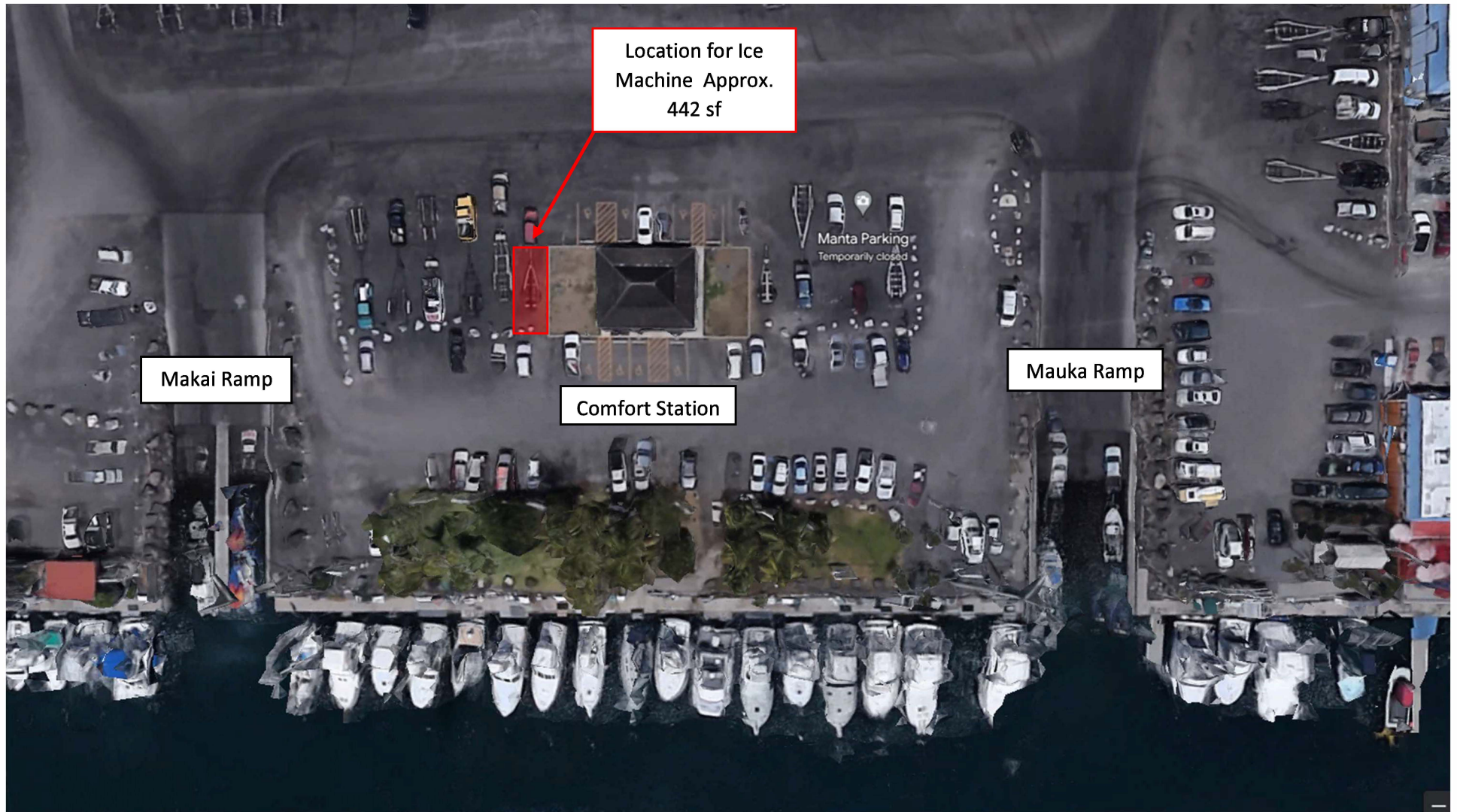


Exhibit B

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii 96819

October 28, 2022

APPROVED WITH AMENDMENTS
BY THE BOARD OF LAND AND
NATURAL RESOURCES AND ITS
MEETING HELD ON

OCTOBER 28, 2022

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

Land Board Members:

SUBJECT: Issuance of a Revocable Permit to Riddle Works LLC for an ice machine, located at Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por).

And

Declare Project Exempt from Requirements of Chapter 343, Hawaii Revised Statutes and Title 11, Chapter 200.1, Hawaii Administrative Rules.

APPLICANT:

Riddle Works LLC, a Domestic Limited Liability Company, whose mailing address is 74-5035 Queen Kaahumanu Highway, Suite 301, Kailua-Kona, HI 96740.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Honokohau Small Boat Harbor (Honokohau SBH), Kealakehe, North Kona, Hawaii, identified as Tax Map Key: (3) 7-4-008:003, hereinafter referred to as the "Premises" as shown on the map labeled **EXHIBIT A-1 and A-2** and attached hereto.

AREA:

Approximately 442 square feet, more or less.

Item J-2

Exhibit B

ZONING:

State Land Use District: Urban & Conservation

County of Hawaii: Open

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act: YES X NO __

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES __ NO X

CURRENT USE STATUS:

Unencumbered.

CHARACTER OF USE:

Retail operation of an automated ice machine.

COMMENCEMENT DATE:

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

MONTHLY RENTAL:

\$343.75 per month, or 8% of gross receipt sales, whichever is greater.

COLLATERAL SECURITY DEPOSIT:

Twice the Monthly Rental.

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 |

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15, Hawaii Administrative Rules (HAR) and the Exemption List for the Department of Land and Natural Resources, reviewed and 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 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," Item No. 44, which states, "Permits, licenses,

registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.”

REMARKS:

The applicant must obtain the necessary permits to bring power and water service to the location of the ice machine. All utilities must be buried below grade. The applicant will be responsible for installing separate meters for the power and water service and will be responsible for paying for the cost of water and electricity the machine consumes. The applicant must ensure there is a sufficient amount of room for vehicles to pull over to the side of the road and not obstruct any flow of traffic.

Staff recommends the Board approve to issuance of a revocable permit to Riddle Works LLC for the use of state lands for the purpose of operating an ice machine. 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.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, Hawaii Administrative Rules, 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, the Board finds that approving the RP under conditions and rent set forth herein will serve the best interests of the state.
3. Authorize issuance of a Revocable Permit to Riddle Works LLC, at Honokohau SBH 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; and
 - b. Review and approval by the Department of the Attorney General.
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Attachment:

- A-1 Location Map
- A-2 Location Map

BLNR Meeting, October 28, 2022, Item J-2 : Approved as amended.

Approved as Amended:

- Under the heading, "Chapter 343 Environmental Assessment" add a reference to the Part # from the applicable exemption list. "General Exemption Type 1, **Part 1**, Item No.44"

Exhibit A-1

Honokohau Small Boat Harbor



Exhibit A-1

Exhibit A-1

Exhibit A-2

Honokohau Small Boat Harbor



Exhibit A-2

Exhibit A-2