

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

April 26, 2024

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

24HD-036

Hawaii

Cancellation of Revocable Permit No. S-7895, by Request of the Parties, Kyle Sakaitani, Permittee, with Issuance of New Revocable Permit to Leonard Kent Bollinger and Susan Marie Ravenscroft for Residential Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-1-007:028.

APPLICANTS:

Kyle Sakaitani, an individual, in severalty,; and
Leonard Kent Bollinger and Susan Marie Ravenscroft, individuals, as joint tenants.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands of Waiakea, South Hilo, Hawaii identified by Tax Map Keys: (3) 2-1-007:028 as shown on the attached map labeled Exhibit A.

AREA:

7,749 square feet, more or less

ZONING:

State Land Use District: Urban
County of Hawaii CZO: MG-1a (General Industrial, minimum 1 acre)

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:

Encumbered by Revocable Permit No. S-7895, Kyle Sakatani, Permittee, for residential purposes.

CHARACTER OF USE:

Residential purposes.

CANCELLATION & COMMENCEMENT DATES:

Cancellation effective 3/31/2024 and commencement of new revocable permit 4/01/2024.

MONTHLY RENTAL:

\$466.08 per month for the 2024 calendar year, as approved by the Board at its September 22, 2023 meeting.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

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," and 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." Refer to attached Exhibit B.

DCCA VERIFICATION:

Not applicable as all parties, as individuals, are not required to register with the DCCA.

JUSTIFICATION FOR REVOCABLE PERMIT:

The proposed revocable permit is for interim use until the Department of Transportation – Harbor Division is ready to take over the property for its expansion of Hilo Harbor. As explained below, having the property occupied by a responsible permittee will assist in preventing illegal occupation and vandalism.

REMARKS:

During the 1940's, the Territory of Hawaii issued residential leases on sixteen (16) bayfront properties along Ocean View Drive in Hilo, known as Ocean View Lease Lots (OVLL). The term of these leases was 21 years.

After the 1960 tsunami that devastated many homes and businesses in the bayfront area of Hilo, these lessees qualified as disaster victims under Section 87 of Act 32, Session Laws of Hawaii 1962.¹ Consequently, each of the OVLL leases had the expiration date extended to March 14, 2015.

In 2001, the Department of Transportation, Harbors Division (DOTHAR) requested inclusion of the lands of the OVLL into the Hilo Commercial Harbor upon the expiration of the leases in 2015.

In a letter dated June 10, 2011, DOTHAR informed DLNR that the Hawaii Island Commercial Harbors 2035 Master Plan was almost complete and identified the need for the OVLL properties for future expansion of Hilo Harbor. The estimated development window was between 2020 and 2030. DOTHAR requested that in the interim period (from 2015 to 2020), DLNR would “keep the lots in short term usage only until DOTHAR is ready to secure funding and proceed with its development plans”.

A letter dated July 15, 2011 from DLNR notified all OVLL lessees of the situation. The letter offered all current lessees who met certain qualifications that the DLNR's Land Division would recommend to the Board a one-year holdover and thereafter issuance of a revocable permit to the lessee for the interim period of March 15, 2015 to at least December 31, 2019. The permittees were required to purchase the improvements on the land and the permits were issued for land

¹ “Where a person has an unexpired lease, including a residential lease, of public land damaged by a natural disaster and rebuilding on such land is not prohibited, the board may negotiate an extension of such lease to make it economically feasible to rebuild”

only.

The Board approved these actions for the Sakaitani lease at its meeting of February 13, 2015 and as a result, Revocable Permit S-7895 (RP7895) was issued to Kyle Sakaitani on the subject parcel of land.

Since that time Mr. Sakaitani has maintained the property well and kept up with his obligations under the terms of the revocable permit. However, changing circumstances have caused Mr. Sakaitani to seek a replacement permittee for the property. Mr. Bollinger and his mother, Haunani Henry, are neighboring permittees. Mr. Bollinger and Ms. Ravenscroft have offered to purchase the improvements from Mr. Sakaitani and continue to maintain them in a well kept fashion under a new revocable permit from the Board.

With respect to ownership of improvements, RP7895 provides at paragraph B.6. as follows:

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 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 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.

(Emphasis added.)

In view of the DOTHAR's plans for harbor expansion at OVLL, staff is recommending the State retain the improvements on the premises but not assume ownership of them upon the termination or RP7895. At some point, the improvements will need to be removed to accommodate the harbor expansion and it makes sense for the area permittees to own the improvements so that they can remove and possibly relocate them when the time comes, which would also avoid the State having to spend public funds on demolition. Accordingly, staff recommends that the Board elect to retain the improvements on the premises without assuming ownership of or title to them since Mr. Sakaitani intends to transfer title to Mr. Bollinger and Ms. Ravenscroft, as the new permittees

It has been nine (9) years since the OVLL leases expired and it is unclear just when DOTHAR will be ready to take over the properties for inclusion into the

harbor plan.

During this time some permittees have cancelled their permits leaving the homes vacant, which has proven to be a magnet for squatters, vandals, and other illegal activities. The Hawaii District Land Office and Hilo DOCARE officers have spent a large amount of time and money trying to maintain these vacant properties. Due to the situation, staff recommends to have the subject property occupied.

Mr. Bollinger is one of the original permittees and has an excellent track record regarding maintenance and permit obligations.

Staff is recommending that the current revocable permit be cancelled effective March 31, 2024 and the new revocable permit be issued to Leonard Kent Bollinger and Susan Marie Ravenscroft effective April 1, 2024.

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.

The proposed use has continued since the 1940's and will continue. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

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.
2. Based on the testimony and facts presented, find that approving the revocable permit, under the conditions and rent set forth herein, would serve the best interest of the State.
3. Authorize cancellation of Revocable Permit No. S-7895 to Kyle Sakaitani and the issuance of a new revocable permit to Leonard Kent Bollinger and Susan Marie Ravenscroft covering the subject area for residential 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. The Board exercises its discretion to retain the improvements on the premises of Revocable Permit No. S-7895 beyond its termination without assuming ownership of or title to them;
- 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,

Candace Martin

KEM

Candace Martin
Land Agent

APPROVED FOR SUBMITTAL:

JCH



Dawn N. S. Chang, Chairperson

RT

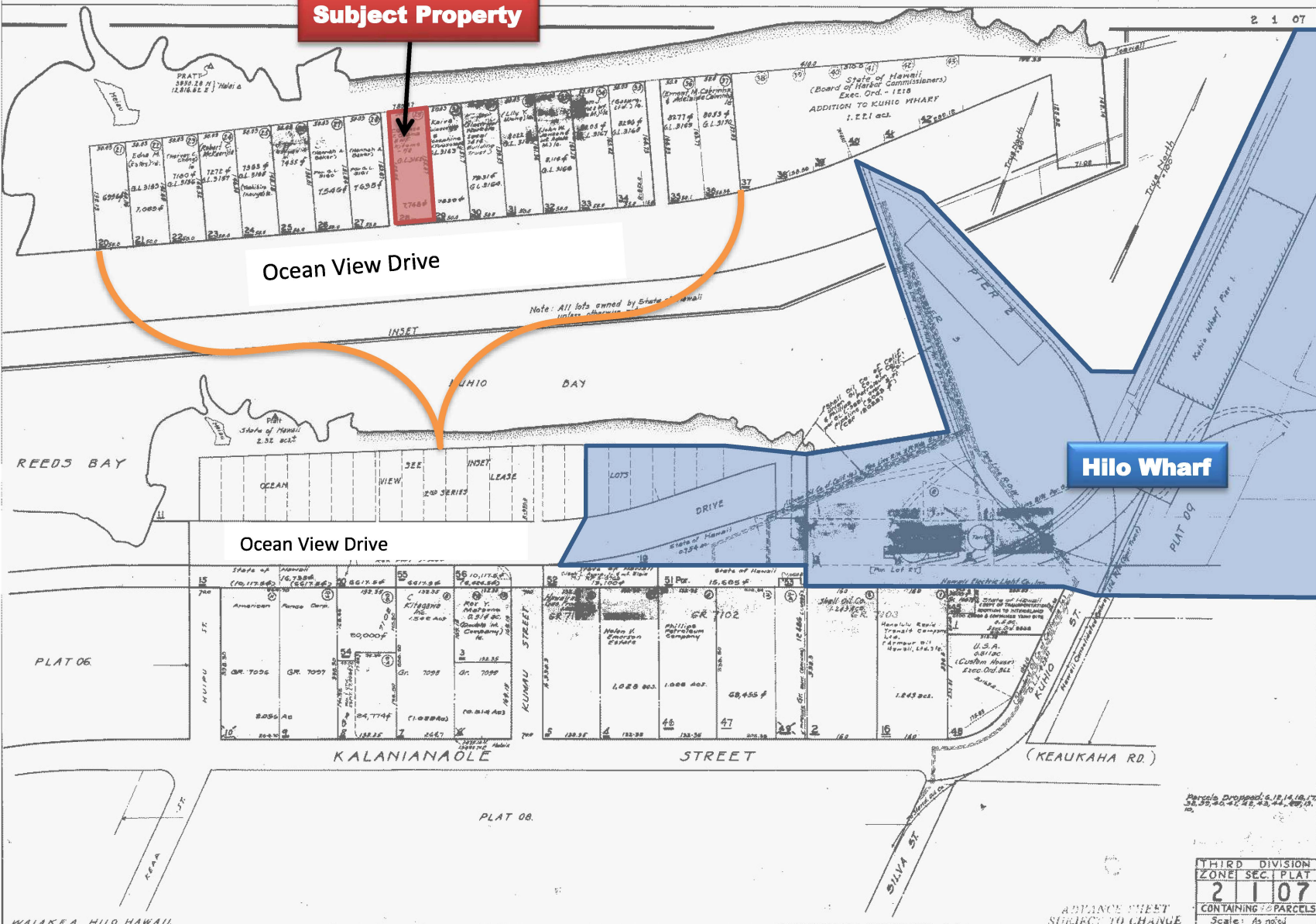
EXHIBIT A

2 1 07

Subject Property

Ocean View Drive

Hilo Wharf



Parcels Dropped: 6, 10, 14, 16, 17, 33, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

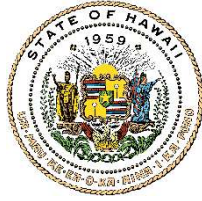
THIRD DIVISION
ZONE SEC. PLAT
2 1 07
CONTAINING 100 PARCELS
Scale: As noted

ABNANCE SHEET
SUBJECT TO CHANGE

WAIKOA, HILO, HAWAII

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

EXHIBIT B

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

April 26, 2024

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. S-7895, Kyle Sakaitani, Permittee, with Issuance of New Revocable Permit to Leonard Kent Bollinger and Susan Marie Ravenscroft for Residential Purposes.

Project / Reference No.: PSF 24HD-036

Project Location: Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-1-007:028.

Project Description: Continued use of State land for residential purposes.

Chap. 343 Trigger(s): Use of State Land.

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200.1-16 and the Exemption List for the Department of Land and Natural Resources concurred with by the Environmental Council and dated 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," and PART 1 Item 44, "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 area is currently in residential use and no further actions are planned for this action.

Action may have
Significant Impact on
Particularly Sensitive
Environment?:

No. This action will not change a use that has been ongoing since the 1940's and has not impacted a particularly sensitive environment.

Consulted Parties:

State of Hawaii:

Department of Transportation – Harbor Division
Office of Conservation and Coastal Lands

County of Hawaii:

Planning Department

These agencies were consulted on the propriety of the HRS Chapter 343 exemption and expressed no comments in opposition to the exemption.

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.