

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

April 12, 2024

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

Land Board Members:

SUBJECT: Direct Issuance of a Parking Concession to Secure Parking Hawaii LLC, in the Designated Areas Located Within the Maalaea Small Boat Harbor, Wailuku, Maui, Hawaii, Identified by Tax Map Keys: (2) 3-6-001:002 (por.) and (2) 3-8-014:028 (por.)

And

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

APPLICANT:

Secure Parking Hawaii LLC, a Hawaii limited liability company, whose mailing address is 529 Koula Street Bay 2, Honolulu, HI 96813.

LEGAL REFERENCE:

Sections Chapter 171-13, -55, Hawaii Revised Statutes, as amended and SLH 2022, Act 163.

LOCATION:

Portions of Government lands situated at Maalaea Small Boat Harbor, Wailuku, Maui, Hawaii, Identified by Tax Map Keys: (2) 3-6-001:002 (por.) and (2) 3-8-014:028 (por.), as shown on the attached map labeled (see **Exhibit A-1 and A-2**).

AREA:

Maalaea Small Boat Harbor vehicle parking areas containing stalls.

ZONING:

State Land Use District: Urban
County of Maui CZO: Business-Resort, M1-Light Industrial, Park, Public Use

TRUST LAND STATUS:

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

CURRENT USE STATUS:

The Premises is presently encumbered by Secure Parking Hawaii LLC, Revocable Permit No. 125.

CHARACTER OF USE:

Vehicle Parking Concession for vehicle parking management, including, but not limited to, managing DOBOR's parking plan, issuing parking permits, parking violation enforcement, towing vehicles when necessary and participating in the required post-tow hearings.

CONCESSION FEE:

All gross receipts generated by the parking operation shall be collected by the concessionaire. The concessionaire shall pay the Division of Boating and Ocean Recreation ("DOBOR") an amount equal to Fifteen Thousand and 00/100 Dollars (\$15,000.00) or Seventy Six Percent (76%) of gross receipts monthly, whichever is greater. Said payment shall be due ten (10) calendar days after the end of each month.

Term:

Five (5) years, commencing on July 1, 2024 and continues through June 30, 2029.

DCCA VERIFICATION FOR PROPOSED REVOCABLE PERMITEE:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Applicant in good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

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.”

BASIS OF AWARD:

Chapter 102, HRS, provides in relevant part:

§102-1 Definition. The word “concession” as used in this chapter means the grant to a person of the privilege to:

* * *

(2) Operate a parking lot on property owned or controlled by the State with the exception of buildings, facilities, and grounds operated by or otherwise under the jurisdiction of the department of education; . . .

§102-2 Contracts for concessions; bid required, exception.

(a) Except as otherwise specifically provided by law, no concession or concession space shall be leased, let, licensed, rented out, or otherwise disposed of either by contract, lease, license, permit, or any other arrangement, except under contract let after public notice for sealed bids in the manner provided by law; provided that the duration of the grant of the concession or concession space shall be related to the investment required but in no event to exceed twenty-five years for the initial term, and if amended, any then remaining term plus any agreed extension thereof awarded or granted by the government agency making a lease or contract or other arrangement relating to a concession; provided further that and subject to approval by county council resolution, the twenty-five-year limit shall not apply to nonprofit corporations organized pursuant to chapter 414D.

(b) The bidding requirements of subsection (a) shall not apply to concessions or space on public property set aside for the following purposes:

(1) For operation of ground transportation services and parking lot operations at airports and small boat harbors, except for motor vehicle rental operations under chapter 437D; . . .

BACKGROUND:

At its meeting on February 25, 2022, under agenda Item J-2, the Board approved the issuance of a revocable permit (“RP”) to Secure Parking Hawaii LLC for management of vehicle parking at the Maalaea Small Boat Harbor from March 1, 2022, through February 28, 2023.

On June 27, 2022, Act.163 (2022) was enacted.

Act 163 (2022) states, in relevant part, “exempts certain operations of ground transportation services and parking lot operations at small boat harbors from the sealed bid requirements.” This allows DOBOR to negotiate directly with a parking management company to run the parking operation at the Maalaea Small Boat Harbor (see **Exhibit B**).

At its meeting on January 26, 2024, under agenda Item J-1, the Board approved the continuation of the revocable permit (“RP”) to Secure Parking Hawaii LLC for management of vehicle parking at the Maalaea Small Boat Harbor from March 1, 2023 through June 30, 2024.

Staff published a Request for Interest (“RFI”) on February 2, 2024 February 3, 2024 & February 4, 2024 in the Honolulu Star Advertiser and in the Maui News (see **Exhibit B**). In addition to the published legal notice, the RFI was posted on DOBOR’s website (see **Exhibit C**).

Three (3) vendors, Elite Parking Services, Diamond Parking and Secure Parking Hawaii LLC, completed and submitted qualification questionnaires, which were evaluated by staff. Staff determined all three to be qualified and invited each to submit a proposal for the parking concession.

Of the three, Secure Parking Hawaii LLC and Elite Parking Services, submitted proposals by the deadline contained in the RFI.

Staff reviewed the two (2) proposals, and unanimously selected Secure Parking Hawaii LLC’s. A summary of each proposal is shown below and the proposals themselves have been provided to the Board for review.

	Elite Parking Services	Secure Parking Hawaii LLC
Revenue Split	2024 Guarantee \$15,000 or 70% of the total gross revenue, whichever is greater	A minimum concession of \$15,000 per month OR the Revenue Share detailed below, whichever is greater
	2025 - Guarantee \$15,000 or 71% of the total gross revenue, whichever is greater	76% of Gross Revenue to the State
	2026 - Guarantee \$15,000 or 72% of the total gross revenue, whichever is greater	24% of Gross Revenue to the Operator
	2027 - Guarantee \$15,000 or 73% of the total gross revenue, whichever is greater	

	2028 - Guarantee \$15,000 or 74% of the total gross revenue, whichever is greater	
Cancellation	Requesting that the provision on section 2. Scope of Parking Concession Contract as stated "In addition to any provisions for early termination, BLNR with approval of the Chairperson may terminate the Parking Concession Contract without cause and in the best interest of the State by providing sixty (60) days prior written notice to the Concessionaire with approval of the Chairperson."	DLNR may terminate the contract without cause by providing sixty (60) days notice.
	be revised to include a 60 day termination period for the Concessionaire.	
Reports	Monthly report detailing gross receipts and remit DOBOR's corresponding share for the parking revenue.	Monthly report detailing gross receipts and remit DOBOR's corresponding share for the parking revenue.
Enforcement & Compliance	Not specified	Will contract with a towing company to tow vehicles from the parking concession area
		Shall oversee and enforce all parking rules within the Harbor and shall be authorized, on behalf of DLNR, DOBOR, to enforce vehicle parking regulations, as well as work closely with all State and County enforcement agencies. All vehicles parked contrary to posted signs, may be towed.
		Shall provide if necessary, additional security patrols throughout the harbor for the purpose of enforcing vehicle parking regulations. Will notify the appropriate authority should any illegal activity be taking place within the harbor

		Will add additional personnel to address expected increase in demand for parking and may be required to administer parking control during special events.
		Will ensure that parking signage, compliant with the Americans with Disabilities Act of 1990, is displayed sufficiently throughout the harbor. Will participate in any post-tow hearings.
Security Deposit	\$30,000.00	\$30,000.00
Community Engagement	Not Specified	Regarding the future parking rate adjustment from \$1.00 to \$2.00:
		Since implementing such a change necessitates a comprehensive community engagement and awareness campaign, a process that can be resource-intensive
		Secure Parking Hawaii LLC recognizes this and is committed to managing this extensive outreach at no additional cost to the State.
		In its introduction of Biki into Honolulu gave the company experience in extensive community outreach, nuanced stakeholder engagement, and public education.
		That endeavor cultivated the company's proficiency in promoting open dialogue, receiving and implementing feedback, and championing

		initiatives that might initially be met with caution
		Has developed and implemented communication strategies to preempt potential concerns, instill understanding, and foster trust.

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, 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. Approve the direct issuance of a parking concession to Secure Parking Hawaii LLC under the terms and conditions contained in Request for Interest with a concession fee payable monthly to the State of Hawaii in an amount equal to Fifteen Thousand and 00/100 Dollars (\$15,000.00) or Seventy Six Percent (76%) of gross receipts monthly, whichever is greater.

Respectfully Submitted,



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

APPROVED FOR SUBMITTAL:



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

Attachments:

A-1 AWSBH Location on Oahu

- A-2 AWSBH Parking Plan
- B Notice of Request for Interest
- C Request for Interest

EXEMPTION NOTIFICATION

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

Project Title:	Direct Issuance of a Parking Concession to Secure Parking Hawaii LLC, in the Designated Areas Located Within the Ala Wai Small Boat Harbor, Honolulu, Oahu, Hawaii, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037; and Continuation of Revocable Permit Issued to Secure Parking Hawaii LLC, for Management of Vehicular Parking in the Designated Areas Located Within the Ala Wai Small Boat Harbor, Honolulu, Oahu, Hawaii, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037
Project / Reference No.:	N/A
Project Location:	Ala Wai Small Boat Harbor, Honolulu, Oahu, Hawaii, Identified by Tax Map Keys: (1) 2-6-010:003 (Portion), (1) 2-3-037:012 (Portion), :024, :027, :033, :035 and :037
Project Description:	Direct Issuance of a Parking Concession to Secure Parking Hawaii LLC and Continuation of Revocable Permit Issued to Secure Parking Hawaii LLC, for Management of Vehicular Parking in the Designated Areas Located Within the Ala Wai Small Boat Harbor.
Chap. 343 Trigger(s):	Use of State Land
Exemption Class No(s).:	In accordance with Section 11-200.1-15, Hawaii Administrative Rules 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."
Cumulative Impact of Planned Successive Actions in Same Place Significant?	None. The actions will not be different from what is already existing.
Action May have Significant Impact on Particularly Sensitive Environment?	The requested area is a portion of the Ala Wai Small Boat Harbor that is visited by the community, tourists, and commercial operators and is impacted by human activity. Staff believes there

	would be no significant impact to sensitive environmental or ecological receptors.
Analysis:	The Board of Land and Natural Resources has previously issued a revocable permit for this use in the past. The proposed activity is of a similar type and scope to that previously approved. Such activities have resulted in no known significant impacts, whether immediate or cumulative to the natural, environmental and/or cultural resources in the area. 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:	None
Recommendation:	It is recommended that the Board find that 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-1

Maalaea Small Boat Harbor



Exhibit A-2

Maalaea Small Boat Harbor

