

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

May 10, 2024

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

Request Approval for a FY24 State-Funded Project Agreement Between the Department of Land and Natural Resources and Williams Scotsman, Inc. for Procurement and Installation of a Portable Modular Office in Support of the Division of Aquatic Resources' Operations in West Hawai'i

Submitted for your consideration and approval is a request to enter into a project agreement (PA or Agreement) between the Department of Land and Natural Resources (DLNR or Department) and William Scotsman, Inc. The PA is entitled "Kona Modular Office" and is estimated to run from June 30, 2024 through December 31, 2025. The PA provides \$1,521,757.00 in State General funds and allows the Division of Aquatic Resources (DAR), through DLNR, to secure assistance from William Scotsman, Inc. on the project objectives listed below to obtain new office space for DAR staff at Honokōhau Harbor in North Kona.

PROJECT BACKGROUND

DAR's West Hawai'i District is composed of ten staff members who carry out the Division's management objectives along the West coast of Hawai'i Island from 'Upolu Point in North Kohala to Ka Lae in Ka'ū. District staff currently operate out of two mobile office trailers located at Honokōhau Harbor in North Kona, providing approximately 1020 square feet of office space and storage. While this location is ideal, both for providing the public easy access to DAR resources as well as providing DAR staff with rapid access to harbor facilities in support of our marine operations, the office trailers themselves are highly limiting for DAR Kona's ongoing programs. This is primarily due to the trailers' age, size, and layout as described below.

- 1. Current Office Trailers are Aging and in a State of Increasing Disrepair**
 - The current office trailers are around 20 years old and in dire need of replacement as leaky windows, rotted door frames and flooring, broken air conditioner units, and other issues are leading to costly repair work.

- 2. Current Office Space is Inadequate to House DAR Kona Team**

- DAR Kona's ten staff are already struggling to have sufficient work space for ongoing projects. Further, DAR hopes to add an additional four staff to this office over the next year. Present space available is far too small to accommodate this number of staff, supplies, and project equipment while also serving as a public-facing office.
 - The current office trailers split the overall work space into two open office environments with little to no separation between work areas. As such, staff are rarely afforded a quiet work environment free from distractions.
- 3. Repair Issues Have Led to Decreased Energy Efficiency**
- Old insulation, broken window panes, and non-functional air conditioning units have reduced the energy efficiency of the current trailer offices.

These varied issues have had noticeable effects on staff efficiency and morale. Further, they have led to difficulties in hiring new staff as prospective employees have cited some of these factors as reasons for declining employment offers.

PROJECT OBJECTIVES

- 1. Remove Two Existing Mobile Office Trailers and One Storage Container from DAR's Baseyard at Honokōhau Harbor**
 - William Scotsman, Inc. will remove two existing office trailers and a 20-foot storage container to a nearby site within the harbor to provide space for a new mobile modular office space. DAR staff can then work to properly dispose of the existing office trailers and storage container.
- 2. Provide a New, Larger, Modular DAR Kona Office on Site**
 - William Scotsman, Inc. will provide a new office fabricated from multiple trailer-based modules that can be assembled together into a single customized workspace. The new office will provide between 3,200 and 4,000 square feet of usable area, greatly improving staff work accommodations and allowing for future growth.
- 3. Improve DAR Kona Office Layout and Facilities**
 - The new office will provide a range of work spaces and common areas including enclosed offices, open work areas, a conference room, ample public reception space, storage space, restrooms, and a small kitchenette.
- 4. Improve DAR Kona Facilities' Energy Efficiency**
 - The office will be designed and fabricated for increased energy efficiency. The build will include double-paned windows, insulation, and an efficient air conditioning system. Additionally, once the office is constructed, DAR will be seeking additional funding to add solar photovoltaic energy production.

5. Modernize DAR Kona Facilities' IT Capacity

- The design accommodates fully modernized IT infrastructure to better support data intensive processes associated with DAR's marine monitoring program including 3D reef health surveys, mapping, and data analysis.

DURATION

This PA, entitled "Kona Modular Office" is estimated to run from June 30, 2024 through December 31, 2025.

FUNDING SOURCE

State funds in the total amount of \$1,521,757.00 from the General Fund.

EXEMPTION FROM ENVIRONMENTAL REVIEW REQUIREMENTS

This PA involves the use of state lands and the use of state funds. The Department has determined that the actions undertaken by this project will have little or no significant effect on the environment and are exempt from the preparation of an environmental assessment. See Agency's Determination of Exemption (attached) from preparation of an environmental assessment.

REMARKS

DAR's office facilities in Kona are in need of a substantial upgrade. This project will replace the current aging mobile office trailers with a new modular office space that will provide increased work space, an efficient layout, and numerous amenities conducive to a safe and comfortable work environment.

The Project Agreement is being prepared for submission to the Office of the Attorney General for approval as to form. DAR is aware that implementation of this Project Agreement is dependent upon receipt of all required approvals as well as the availability of funds and that funding restrictions may occur at any time.

RECOMMENDATIONS

Based on the above discussion, the Division of Aquatic Resources requests that the Board:

1. Find that the actions of the Agreement will have little or no significant effect on the environment and are therefore exempt from the preparation of an environmental

assessment;

2. Upon making the requested findings in recommendation one above, delegate to the Chairperson to sign the attached Declaration of Exemption from the environmental review requirements Chapter 343, Hawaii Revised Statutes, and Chapter 11-200, Hawaii Administrative Rules; and
3. Delegate to the Chairperson the authority to negotiate and approve the Division of Aquatic Resources' and William Scotsman, Inc.'s project agreement entitled "Kona Modular Office" and to amend the aforesaid Agreement, including any extensions, as necessary.

Respectfully submitted,



BRIAN J. NEILSON
Administrator

APPROVED FOR SUBMITTAL:



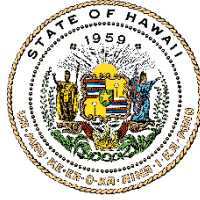
DAWN N.S. CHANG
Chairperson

Attachment(s)

- Declaration of Exemption

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

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May 10, 2024

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

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FIRST DEPUTY

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ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

TO: Division of Aquatic Resources File

THROUGH: Dawn N.S. Chang, Chairperson

FROM: Brian J. Neilson, Administrator
Division of Aquatic Resources

SUBJECT: Declaration of Exemption from the Preparation of an Environmental Assessment under the Authority of Chapter 343, Hawaii Revised Statutes, and Chapter 11-200.1, Hawaii Administrative Rules, for a FY24 State-Funded Project Agreement, Entitled "Kona Modular Office," Between the Department of Land and Natural Resources and William Scotsman, Inc.

Anticipated activities relating to the project agreement (Agreement) entitled "Kona Modular Office" and its subsequent project objectives are found to be exempted from preparation of an environmental assessment under the authority of Chapter 343, Hawaii Revised Statutes (HRS) and Chapter 11-200.1, Hawaii Administrative Rules (HAR).

PROJECT DESCRIPTION

The Agreement will provide the Division of Aquatic Resources (DAR) with assistance in obtaining a new office space for DAR staff located at Honokōhau Harbor in North Kona.

The Agreement's project objectives are to:

1. Remove two existing mobile office trailers and one storage container from DAR Kona's baseyard at Honokōhau Harbor;
2. Provide a new, larger, modular DAR Kona office on site;
3. Improve DAR Kona office layout and facilities;
4. Improve DAR Kona facilities' energy efficiency; and
5. Modernize DAR Kona facilities' IT capacity.

CONSULTED PARTIES

- Department of Land and Natural Resources - Division of Aquatic Resources' Staff

EXEMPTION DETERMINATION

After reviewing §11-200.1-15, HAR, and DLNR's departmental exemption list approved on November 10, 2020,¹ including the criteria used to determine significance under §11-200.1-13, HAR, DLNR has concluded that the activities under the Agreement would have minimal or no significant effect on the environment and that approval of the Project Agreement is categorically exempt from the requirement to prepare an environmental assessment based on the following analysis:

1. All Activities Associated with the Agreement and its Subsequent Project Objectives Have Been Evaluated as a Single Action

Since the Agreement involves activities that are phases or increments of a larger total program, i.e., the removal of existing office trailers and the design, construction, and delivery of a new modular office space, the categorical exemption determination here will treat all planned activities as a single action under §11-200.1-10, HAR.

2. The General Exemption Types 3 (Construction of Single, New, Small Facilities or Structures) and 6 (Demolition of Structures) Apply

The General Exemption Type 3, described in subsection 11-200.1-15(c)(3), HAR exempts the class of actions that involve "Construction and location of single new, small facilities or structures and the alteration and modification of the equipment or facilities, including but not limited to: ... (C) Stores, offices and restaurants designed for total occupant load of twenty individuals or fewer per structure, if not in conjunction with the building of two or more such structures; and (D) Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to serve such structures or facilities; accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences; and, acquisition of utility easements;"

The General Exemption Type 6, described in subsection 11-200.1-15(c)(6), HAR exempts the class of actions that involve "Demolition of structures, except those structures that are listed on the national register or Hawaii Register of Historic Places;"

These exemption classes have been interpreted to include the project objectives listed above, such as the removal of existing mobile offices and the design, construction, and delivery of a new modular office space. These proposed activities fall squarely under the exemption classes identified above and as described in the most recent DLNR exemption list.²

- A. General Exemption Type 3 (Construction and location of single new, small facilities or structures and the alteration and modification of the equipment or facilities, including but not limited to: ... (C) Stores, offices and restaurants*

¹ Exemption list for DLNR, approved on November 10, 2020. See Environmental Review Program website: https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Department-of-Land-and-Natural-Resources-Exemption-List-2020-11-10.pdf

² See Footnote 1.

designed for total occupant load of twenty individuals or fewer per structure, if not in conjunction with the building of two or more such structures; and (D) Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to serve such structures or facilities; accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences; and, acquisition of utility easements), Parts 1 and 2

Applicable exemptions under Part 1 of General Exemption Type 3 include:

- (14) "Construction or placement of utilities (telecommunications, electrical, solar panels, drainage, waterlines, sewers) and related equipment (such as transformers, poles, cables, wires, pipes) accessory to existing facilities."³

Applicable exemptions under Part 2 of General Exemption Type 3 include:

- (2) "Construction and location of new, small facilities or structures necessary to support or enhance safe and effective management of lands and waters, such as baseyards, caretaker's residences, work cabins and shelters, sanitation facilities, and other similar structures."⁴

Procurement and placement of a modular office structure to replace DAR's current office trailers would fall within the parameters of General Exemption Type 3, Part 2, #2. Connection of this structure to adjacent utilities (telecommunications, electrical, and water lines) would fall within the parameters of General Exemption Type 3, Part 1, #14.

B. *General Exemption Type 6 (Demolition of structures, except those structures that are listed on the national register or Hawaii Register of Historic Places), Part 1*

Applicable exemptions under Part 1 of General Exemption Type 6 include:

- (2) "Demolition and removal of existing structures, facilities, utilities, and other improvements, except those structures located on any historic site as designated in the National Register or Hawai'i Register as provided for in the National Historic Preservation Act of 1966, 16 U.S.C §§470 et. seq., as amended, or Haw. Rev. Stat. Chapter 6E."⁵

Removal of two existing mobile offices and one storage unit as described in Project Objective #1 aligns with General exemption Type 6, Part 1, #2.

As discussed below, no significant disturbance to any environmental resource is anticipated. Thus, as long as the below considerations are met, the general exemption types discussed above should cover the project objectives within the Agreement.

³ See General Exemption Type 3, Part 1, #14.

⁴ See General Exemption Type 3, Part 2, #2.

⁵ See General Exemption Type 6, Part 1, #2.

3. Cumulative Impacts of Actions in the Same Place and Impacts with Respect to the Potentially Particularly Sensitive Environment Will Not Be Significant

Even where a categorical exemption appears to include a proposed action, the action cannot be declared exempt if “the cumulative impact of planned successive actions in the same place, over time, is significant, or when an action that is normally insignificant in its impact on the environment may be significant in a particularly sensitive environment.”⁶ To gauge whether a significant impact or effect is probable, an exempting agency must consider every phase of a proposed action, any expected primary and secondary consequences, the long-term and short-term effects of the action, the overall and cumulative effect of the action, and the sum effects of an action on the quality of the environment.⁷

Significant cumulative impacts are not anticipated as a result of the objectives of this activity. All major manufacturing activities for this modular office will take place at the vendor’s purpose-built facility designed for such manufacture. Removal of existing office trailers and delivery of the new modular office will follow all standard operating practices to ensure that such activities will not diminish or degrade natural resources, qualities, and ecological integrity, or have any indirect, secondary, cultural, or cumulative effects.

Since no significant cumulative impacts or significant impacts with respect to any particularly sensitive aspect of the project area are anticipated, the categorical exemptions identified above should remain applicable.

4. Overall Impacts will Probably have No Significant Effect on the Environment

Any foreseeable impacts from the proposed activity will be further mitigated by general and specific conditions attached to the Project Agreement. Specifically, all removal, manufacturing, and delivery activities covered by this Project Agreement will be carried out with strict safeguards following all applicable laws and agency policies and standard operating procedures.

CONCLUSION

Upon consideration of the Agreement before the Board of Land and Natural Resources, the potential effects of the above listed project as provided by Chapter 343, HRS, and Chapter 11-200.1, HAR, have been determined to be of probable minimal or no significant negative effect on the environment and exempt from the preparation of an environmental assessment.

⁶ See §11-200.1-15(d), HAR.

⁷ See §11-200.1-13, HAR.