

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 William Scotsman, Inc. for Procurement and Installation of a Portable Modular Office in Support of the Division of Aquatic Resources' Operations at the Ānuenuē Fisheries Research Center in Honolulu**

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 "AFRC Modular Office" and is estimated to run from June 30, 2024 through December 31, 2025. The PA provides \$788,082.00 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 the Ānuenuē Fisheries Research Center (AFRC) located at 1039 Sand Island Parkway, Honolulu, Hawai'i 96819.

**PROJECT BACKGROUND**

Staff at DAR's urchin hatchery located at AFRC currently operate out of two aging (30- and 48-years-old) office trailers as well as two 40-years-old shipping containers that were converted into offices. The shipping containers and mobile office units have gone through their useful life, as wooden floor supports have degraded and door frames have become damaged from wood rot and corrosion. The metal roof and window frame cutouts have rusted through, and leaks have caused concerns for mold growth, requiring mold remediation in some cases. Repairs have been constantly addressed throughout the years, consistently revisiting old, previously damaged and repaired areas. The AFRC facility, located next to Honolulu Harbor, is subjected to the harsh salt spray produced by the trade winds blowing across the harbor.

A new, modern office with synthetic wall panels will be better suited to resist the corrosive conditions that come with being in proximity to the ocean. The new modular office will provide a healthy, productive work environment, filing and storage space for the current full-time staff, and space for anticipated and much needed staff increases and volunteers.

## PROJECT OBJECTIVES

### **1. Remove Existing Mobile Office Trailers and Wooden Deck from the Project Location at AFRC**

- William Scotsman, Inc. will remove two existing office trailers and a wooden deck for demolition and disposal.

### **2. Provide a New, Larger Modular AFRC Office on Site**

- William Scotsman, Inc. will provide a new office fabricated from multiple trailer-based modules that will be assembled together into a single customized workspace. The new office will provide approximately 1,344 square feet of usable area, improving staff work accommodations and allowing for future growth.

### **3. Improve AFRC Office Layout and Facilities**

- The new office will provide a range of work spaces and common areas including enclosed offices, open work areas, storage space, and a small kitchenette.

### **4. Improve AFRC 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 AFRC IT Capacity**

- The design accommodates fully modernized IT infrastructure to better support data intensive processes associated with DAR's projects.

## DURATION

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

## FUNDING SOURCE

State funds in the total amount of \$788,082.00 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 at AFRC 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 workspace, an efficient layout, and a number of 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;
3. Delegate to the Chairperson the authority to negotiate and approve the Division of Aquatic Resources' and William Scotsman, Inc.'s project agreement entitled "AFRC Modular Office" and to amend the aforesaid Agreement, including any extensions, as necessary.

Respectfully submitted,



BRIAN J. NEILSON  
Administrator

APPROVED FOR SUBMITTAL:



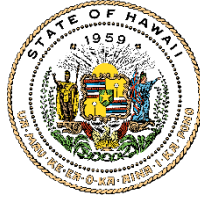
DAWN N.S. CHANG  
Chairperson

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**

P.O. BOX 621  
HONOLULU, HAWAII 96809

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

**RYAN K.P. KANAKA'OLE**  
FIRST DEPUTY

**DEAN D. UYENO**  
ACTING 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

May 10, 2024

**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 "AFRC Modular Office," Between the Department of Land and Natural Resources and William Scotsman, Inc.

Anticipated activities relating to the project agreement (Agreement) entitled "AFRC 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 technical and urchin culture staff located at the Ānuenuue Fisheries Research Center (AFRC) at 1039 Sand Island Parkway, Honolulu, Hawaii.

The Agreement's project objectives are to:

1. Remove existing mobile office trailers and wooden deck from the project location at AFRC;
2. Provide a new, larger, modular AFRC office on site;
3. Improve AFRC office layout and facilities;
4. Improve AFRC facilities' energy efficiency; and
5. Modernize AFRC 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,<sup>1</sup> 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 design, construction, and delivery of a new modular office space (Type 3 – Construction) and the removal of existing mobile offices (Type 6 – Demolition). These proposed activities fall squarely under the exemption classes identified above and as described in the most recent DLNR exemption list.<sup>2</sup>

- 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*

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<sup>1</sup> 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](https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Department-of-Land-and-Natural-Resources-Exemption-List-2020-11-10.pdf)

<sup>2</sup> 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."<sup>3</sup>

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."<sup>4</sup>

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."<sup>5</sup>

Removal of two existing mobile offices and one wooden deck 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.

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<sup>3</sup> See General Exemption Type 3, Part 1, #14.

<sup>4</sup> See General Exemption Type 3, Part 2, #2.

<sup>5</sup> 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.”<sup>6</sup> 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.<sup>7</sup>

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.

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<sup>6</sup> See §11-200.1-15(d), HAR.

<sup>7</sup> See §11-200.1-13, HAR.