

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

October 25, 2024

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

PSF No.: 23OD-012

Oahu

Issuance of Revocable Permits and Immediate Right-of-Entry Permits to Reduce Reuse Recyclers Services Hawaii LLC for HI-5 Redemption Center and WSC Capital LLC for Commercial Parking Lot, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-7-036:079.

APPLICANTS:

1. Reduce Reuse Recyclers Services Hawaii LLC, a Hawaii limited liability company.
2. WSC Capital LLC, a Hawaii limited liability company.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes ("HRS"), as amended.

LOCATION:

Portion of lands situated at Waikiki, Honolulu, Island of Oahu, identified by Tax Map Key: (1) 2-7-036:079, as shown on attached Exhibits A & B

AREA:

1. 6,107 square feet, more or less
2. 18,300 square feet, more or less

ZONING:

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

PURPOSE:

- 1. HI-5 Redemption Center
- 2. Commercial Parking Lot

RIGHT-OF-ENTRY AND REVOCABLE PERMIT MONTHLY RENT:

- 1. \$1,672.00 per month
- 2. \$6,119.11 per month

SECURITY DEPOSIT (FOR BOTH REVOCABLE PERMITS):

Twice the monthly rent.

TERM OF RIGHTS-OF-ENTRY:

From October 1, 2024, for a period of one year or until execution of the requested revocable permits, whichever shall first occur.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the Hawaii Administrative Rules (“HAR”) §11-200.1-15 and -16 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on the 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 the previously existing.” 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 the previously existing”. The subject request is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of §11-200.1-17, HAR, as a de minimis action.

DCCA VERIFICATION:

Both applicants:

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	_____

APPLICANT REQUIREMENTS:

Not Applicable

JUSTIFICATION FOR THE PERMITS:

At its meeting on June 24, 2016, item D-7, the Board adopted the Revocable Permit Task Force's recommendation, including a standardized checklist to be provided to the Board with reasons justifying the issuance of a revocable permit.

1. Site issues – None.
2. Truly short-term use – Previously authorized by the Board the sale of concession contract for commercial parking lot or garage purposes. See Remarks Section below.
3. Testing market and operational issues, plan to go to lease later. – See comments for No. 2 above and Remarks Section below.
4. Government uses – Not applicable.
5. Non-profits – Not applicable.
6. Staff is unaware of interest in long-term disposition – Applicant and former Lessee of General Lease S-5975 has expressed interest in bidding for the new concession contract.
7. Other unusual circumstances – None.

REMARKS:

At its meeting of August 11, 2023, under agenda Item D-4, the Board of Land and Natural Resources ("Board"), authorized the sale of a concession contract by sealed bid for the subject area for commercial parking lot or garage purposes. General Lease S-5975 was issued to Reduce Reuse Recyclers Services Hawaii LLC, a Hawaii limited liability company, dba RRR Recycling Services Hawaii ("RRR") and the Board approved a sublease to WSC Capital LLC. General Lease No. S-5975 was for a term of fifteen (15) years and expired September 30, 2024.

Staff experienced delays in finalizing the concession contract form to be sold at public auction. After the Department of the Attorney General approved the form in July 2024, there was not enough time to advertise, award and issue the new concession contract prior to the expiration of the current lease. Staff continues to prepare for the sale of concession as authorized.

RRR was contacted and indicated that they are interested in bidding for the new concession contract. However, if they do not win the new contract, they will need at least sixty (60) days to cease operations, break down and remove the existing structure on the property. Recently, a representative for WSC Capital LLC contacted staff and has requested to continue the parking operation on the subject property. Staff notes that the parking operation does not involve any paying machine and no improvement was placed by the operator on the property.

Since General Lease No. S-5975 expired September 30, 2024, staff is requesting authorization to issue interim right-of-entry permits and two separate revocable permits to the Reduce Reuse Recyclers Services Hawaii LLC and WSC Capital LLC to allow continuation of current operations on the property until such time a new concession contract is issued.

The annual rent for General Lease S-5975 was \$93,500.00 or three percent (3%) of the Lessee's gross annual revenue, whichever is greater. Determination of proposed rent for the right-of-entry permits and revocable permit was based on the lease rent for the area the applicants were utilizing.

Neither applicant has had a lease, permit, easement or other disposition of the State lands terminated within the last five years due to non-compliance with such terms and conditions. There are no other pertinent issues or concerns. Staff recommends the Board issue the requested right-of-entry permits and revocable permits.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and section 11-200.1-16, 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 as a de minimis activity.
2. Authorize the issuance of right-of-entry permits to Reduce Reuse Recyclers Services Hawaii LLC and WSC Capital LLC covering their respective portions of the subject area 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 right-of-entry permit form, as may be amended from time to time; and
 - b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

3. Based on the testimony and facts presented, find that approving the revocable permits, under the conditions and rent set forth herein, would serve the best interests of the State.

4. Authorize the issuance of a revocable permit to Reduce Reuse Recyclers Services Hawaii LLC for HI-5 redemption center purposes over 6,107 square feet, more or less, of the subject area 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 Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

5. Authorize the issuance of a revocable permit to WSC Capital LLC for commercial parking lot or garage purposes over 18,300 square feet, more or less, of the subject area 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 for, as may be amended from time to time;
 - b. Review and approval by the Department of 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,



Patti E. Miyashiro
Land Agent

APPROVED FOR SUBMITTAL:



Dawn N. S. Chang, Chairperson



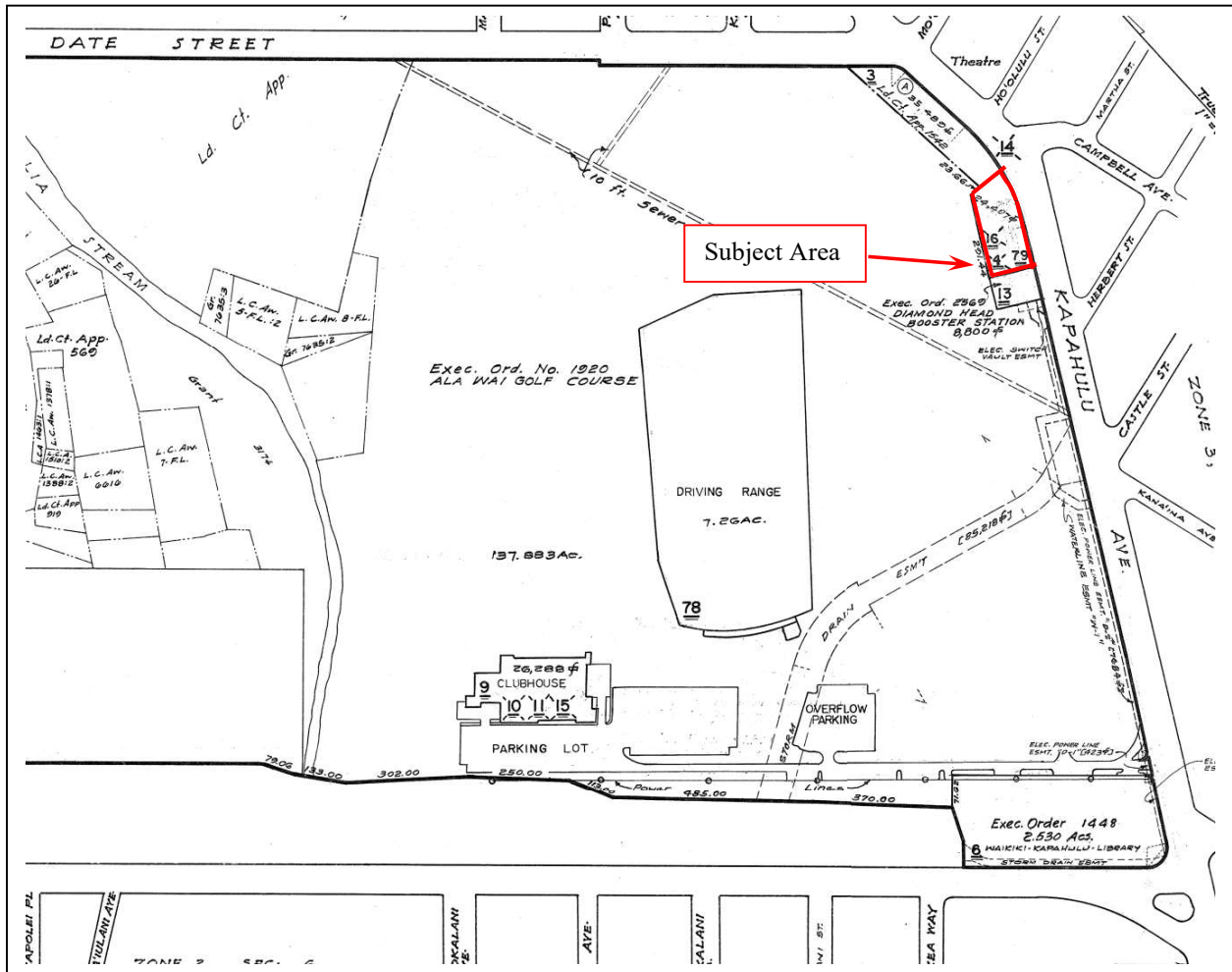
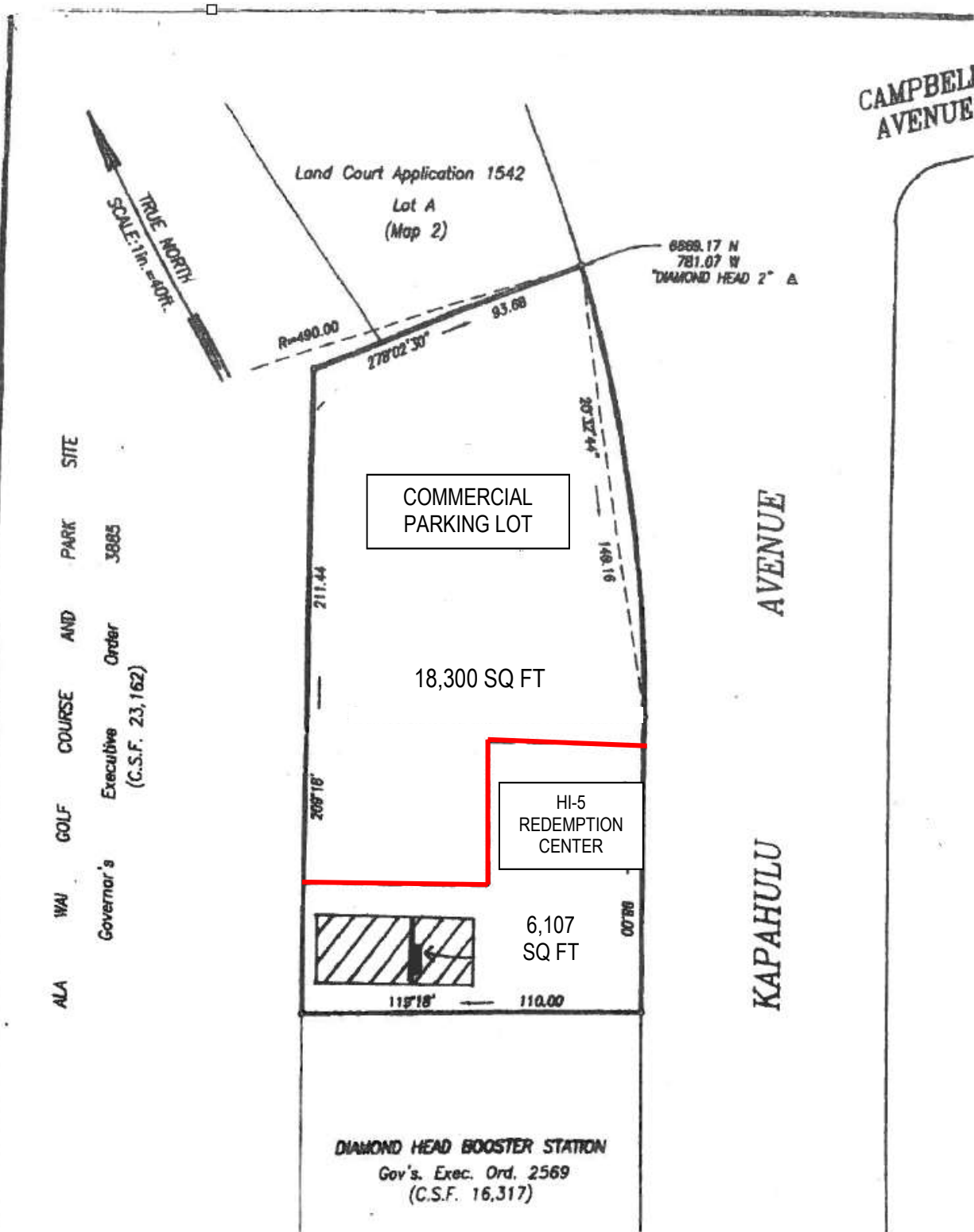


EXHIBIT A



PROPOSED REVOCABLE PERMIT SITES

EXHIBIT B