

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

October 25, 2024

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

Land Board Members:

**SUBJECT:** Cancellation of Revocable Permit No. 15 to The Kona Sailing Club; Request for Waiver of Requirement for Conducting Phase I Environmental Site Assessment Upon Cancellation of Revocable Permit No. 15; Issuance of a New Revocable Permit to The Kona Sailing Club as Permittee, for Trailered Boat Storage, Sailing Related Equipment, Storage, and Boating and Ocean Safety Education/Training Purposes, situated at Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.).

And

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

APPLICANT:

Kona Sailing Club, a Hawaii non-profit corporation, whose mailing address is P.O. Box 2996, Kailua-Kona, Hawaii 96745.

LEGAL REFERENCE:

Sections 171-16 and 171-43.1, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, hereinafter referred to as the "Premises" as shown on the maps labeled **Exhibit A** and attached hereto.

AREA:

28,400 square feet, more or less

ZONING:

State Land Use District: Urban  
County of Hawaii: Open

TRUST LAND STATUS:

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

CURRENT USE STATUS:

Revocable Permit No. 15 issued to Kona Sailing Club.

CHARACTER OF USE:

For trailered boat storage, sailing related equipment, storage, and boating and ocean safety education/training purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

ANNUAL RENTAL:

\$42,316.00

SECURITY DEPOSIT:

Twice the monthly rental.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>  </u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u>  </u>

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. 40, which states, “Leases of state land involving negligible or no expansion or change of use beyond that previously existing.”

BACKGROUND:

Kona Sailing Club was first issued a revocable permit commencing October 1, 1997. The permit has been renewed and reissued over the years, always at fair market rent.

The applicant received its determination letter from the IRS exempting it from Federal income tax under Section 501(c)(3) on November 05, 2021.

At its meeting on January 26, 2024, item J-3, staff requested a reconsideration of rent under Revocable Permit No. 15 to Kona Sailing Club, as Permittee, for Trailered Boat Storage, Sailing Related Equipment, Storage, and Boating and Ocean Safety Education/Training Purposes.

The Board confirmed that the rents under Revocable Permit No. 15, Kona Sailing Club, Permittee shall be at fair market rent for the time period of January 1, 2024, to June 30, 2024.

At its meeting on June 28, 2024, item J-1, staff requested the continuation of revocable permits statewide which includes Kona Sailing Club.

Kona Sailing Club has requested to increase their square footage to 28,400 square feet. The annual rental amount for the new square footage was determined using the last appraisal report dated July 1, 2023.

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, Hawaii Administrative Rules, 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, the Board finds that approving the RP under the conditions and rent set forth herein will serve the best interests of the state.
3. Authorize the issuance of a new Revocable Permit to Kona Sailing Club, covering 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 (non-profit) lease document form, as may be amended from time to time;
- B. Should Applicant propose any future improvements upon the leasehold property that triggers Hawaii Revised Statutes (HRS) Chapter 343 review, Applicant shall be responsible for compliance with HRS Chapter 343, as amended;
- 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,



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MEGHAN L. STATTS, Administrator  
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:



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

Attachment:  
Exhibit A-1 & A-2 – Site Location

### EXEMPTION NOTIFICATION

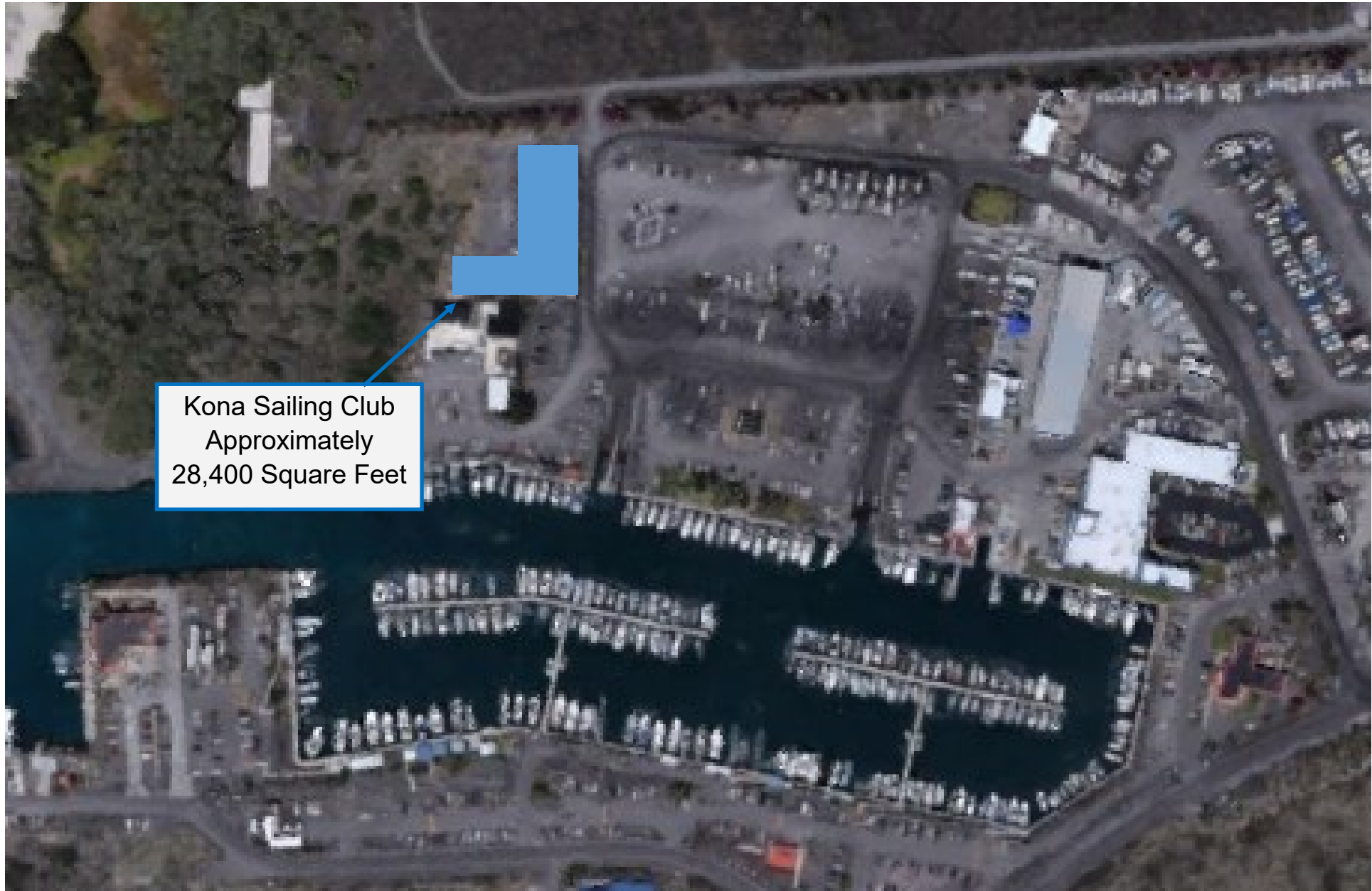
Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200.1, HAR

Project Title:	Cancellation of Revocable Permit No. 15 to The Kona Sailing Club; Request for Waiver of Requirement for Conducting Phase I Environmental Site Assessment Upon Cancellation of Revocable Permit No. 15; Issuance of a New Revocable Permit to The Kona Sailing Club as Permittee, for Trailered Boat Storage, Sailing Related Equipment, Storage, and Boating and Ocean Safety Education/Training Purposes, situated at Honokohau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003 (por.).
Project / Reference No.:	N/A
Project Location:	Honokohau Small Boat Harbor, Island of Hawaii, identified by tax map key: (3) 7-4-008:003 (por.)
Project Description:	Cancellation of Revocable Permit No. 15 to The Kona Sailing Club; Request for Waiver of Requirement for Conducting Phase I Environmental Site Assessment Upon Cancellation of Revocable Permit No. 15; Issuance of a New Revocable Permit to The Kona Sailing Club as Permittee, for Trailered Boat Storage, Sailing Related Equipment, Storage, and Boating and Ocean Safety Education/Training Purposes
Chap. 343 Trigger(s):	Use of State Land
Exemption Class No(s).:	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. 40, which states, "Leases of state land involving negligible or no expansion or change of use 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 Honokohau 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:	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.
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**Exhibit A-1  
Site Location  
Honokohau Small Boat Harbor**

**Exhibit A-1**



**Kona Sailing Club  
Approximately  
28,400 Square Feet**

**Exhibit A-1**





**Exhibit A-2  
Site Location  
Honokohau Small Boat Harbor**

Kona Sailing Club  
Approximately 28,400  
Square Feet

