

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

November 8, 2024

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

O'ahu

Mutual Cancellation of General Lease No. SP0067, Kama'aina Care, Inc., He'eia State Park, O'ahu, Hawai'i, Tax Map Key Numbers: (1) 4-6-005:002, 004, and 009.

APPLICANT:

Kama'aina Care, Inc., (DBA Kama'aina Kids) is a Hawaii nonprofit corporation, whose address is 156 Hamakua Drive, Suite C, Kailua, Hawai'i 96734.

LEGAL REFERENCE:

Section 171-61 and other applicable sections of Chapter 171, Hawai'i Revised Statutes ("HRS"), as amended.

LOCATION:

Government lands situated at He'eia State Park, O'ahu, Hawai'i, identified by Tax Map Key Numbers: (1) 4-6-005:002, 004, and 009, as shown on the map attached as Exhibit A.

AREA:

8.906 acres, more or less.

ZONING:

State Land Use District: Preservation, Urban  
City & County of Honolulu: P-2 General Preservation District

TRUST LAND STATUS:

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

CURRENT USE STATUS:

Encumbered by General Lease No. SP0067, issued to Kama'aina Care, Inc, for the physical management and maintenance of public facilities at He'eia State Park.

Encumbered by Governor's Executive Order 3519 setting aside land for state park purposes or be under the control and management of the State of Hawai'i, Department of Land and Natural Resources, Division of State Parks (DSP).

CHARACTER OF USE:

Public Park Purposes.

TERM OF GENERAL LEASE:

Twenty-five (25) years, commencing on May 10, 2010, and expiring on May 09, 2035, unless sooner terminated.

CANCELLATION DATE:

January 01, 2025.

MONTHLY RENTAL:

Five percent (5%) of all gross revenues received by Lessee under the lease, including but not limited to the rental of the banquet hall, ecotourism enterprises, specific environmental programs, and other comparable uses.

REMARKS:

At its meeting on May 22, 2009, under agenda item E-1, the Board authorized the Chairperson to issue a general lease to the highest scoring applicant of the request for proposals (RFP-001-08-DSP) to manage and operate an interpretive/education center, grounds, and facilities at He'eia State Park pursuant to Section 3-122-57, HAR, and Section 103D-303, HRS. The general lease was awarded to Kama'aina Care, Inc., dba Kama'aina Kids, (GL No. SP0067), for a term of 25 years commencing on May 10, 2010, and expiring on May 09, 2035. The annual rent for the term is 5% of all gross revenues, including but not limited to the rental of the banquet hall, ecotourism enterprises, specific environmental and educational programs, and other comparable uses.

For the past 14 years, Kama'aina Care has subsumed all the operating and management costs of He'eia State Park. This includes, but is not limited to utilities, grounds maintenance, coconut tree trimming, comfort station service, maintenance and pumping, security services, and building improvements and maintenance. Virtually all park improvements, except for two small DSP CIP

projects, have been funded by Kama'aina Care without any fiscal support from DSP. This has been accomplished partially through the income generated by the programs and services it has created and offered at the park, and the management and scheduling of fee-based community and private events such as baby luau's, weddings, family reunions, graduation parties and other community events.

Essentially, this relationship was the first completely public private partnership implemented by DSP.

He'eia's grounds and banquet hall's popularity to the community is measurable in these stats: Over the past 14 years, a conservative calculation of renting the facilities amounts to 1,671 bookings, which is roughly an average of 128 bookings per year.

Kama'aina Care has been a model tenant ensuring that a vibrant community resource is available, maintained and has provided additional opportunities for residents and visitors of all ages to become aware of the history of the park and the marine resources of adjacent Kāne'ōhe Bay. Due to Kama'aina Care's effort through Kama'aina Kids programs – they demonstrated skill in providing stimulating education to foster a sense of stewardship towards the land and ocean through a variety of interactive, educational programs, as well as service-based projects. Kama'aina Care has also collaborated by supporting access for the restoration efforts being conducted by Paepae o He'eia at adjacent He'eia fishpond, and supported and collaborated with Hui o Ko'olaupoko for access support in stream restoration through the robust six-acre He'eia Estuary Restoration Project from 2015 through August 2022, which succeeded in improving water quality and increasing habitat for native aquatic animals by removing invasive plants and replanting native Hawaiian species.

Over the past 14 years Kama'aina Care fulfilled many of the services it initially proposed and remained committed to preserve the park assets. (See Exhibit B for the summary statement of Kama'aina Care's accomplishments at He'eia State Park). Under this management, the condition of the park, particularly the maintenance, surpassed what DSP had previously been able to accomplish.

However, due to the years of operating expenses associated with the quality management mentioned above, Kama'aina Care was operating the park at a loss for several years. This operational deficit was offset by other Kama'aina Kids programs. This deficit was not resolved until Kama'aina Care established a program that provided guided kayak tours of Kāne'ōhe Bay that was hosting out of state visitors. However, due to persistent opposition from community members related to the kayak tours and rentals in Kāne'ōhe Bay, there was legislation passed prohibiting the staging of renting of kayaks within 1,000 feet from the Bay, which precluded the aina-based kayak tour and then rental programs from operating at He'eia State Park. It was the loss of this supplemental income that has resulted in Kama'aina Care determining the need to cancel the lease.

Section 43 of the General Lease allows Kama'aina Care and DLNR, by mutual agreement in writing, to terminate the lease at any time without cause, provided that the Lessor and the Lessee are not in breach of any condition at the time of the mutual agreement to terminate. In a letter provided to the Department by Kama'aina Care dated August 1, 2024, Kama'aina Care requested to formally terminate its lease and turn over possession of the property on January 1, 2025. A copy of the letter is attached herewith as Exhibit C. A deputy Attorney General (DAG) confirmed that before it could assist in the execution of the formal termination document, Board approval is required.

The lessee is compliant with the terms and conditions of the lease. Staff conducted a pre-exit inspection of the property on October 2 and 7, 2024 and found the property to be in good condition and repair. (See Exhibit D for inspection photos). Prior to vacating the premises, Kama'aina Care will remove all containers maintenance and groundskeeping equipment, materials and equipment used to support the kayak and ocean-related aspects of its business, all added kitchen equipment (except for a commercial refrigerator, freezer, and residential freezer that were on site when they subsumed the management), vehicles and watercraft, office and banquet furniture, and stage. These materials can be repurposed at other Kama'aina Care facilities throughout O'ahu.

Section 49 of the General Lease requires the Lessee to conduct a "Phase 1 Environmental Site Assessment (ESA)" prior to the termination of the lease, as well as complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency and the Department of Land and Natural Resources (Department). Kama'aina Care is engaged in the process of completing the above requirements and expects the Phase 1 ESA report to be available by late November or early December at the latest. DSP requests that the Board condition the approval of the cancellation of the lease on the Lessee's compliance with this provision.

***For the Board's information:***

- DSP is in consultation with the Hawai'i Community Development Authority (HCDA) to explore the option of HCDA assuming ownership of the property.
- Office of Hawaiian Affairs has expressed an interest in the parcel for management and programs.
- Kāko'o 'Ōiwi, a neighboring and successful community nonprofit that has restored productivity to approximately six acres of lo'i kalo and has cleared an additional twenty acres mauka of He'eia for diversified agriculture is interested in the Banquet Hall and a revocable permit or general lease. Kāko'o 'Ōiwi has a mauka lease with HCDA – creating a potential for a hybrid of management pending certain outcomes.

- Additional interest in occupying the park unit has been expressed by the He'eia National Estuarine Research Reserve, one of 30 coastal sites in the United States designated to protect and study estuarine systems in collaboration with and service to surrounding communities. In a letter provided to the Department by the He'eia National Estuarine Research Reserve (HNERR) dated September 2, 2024, HNERR expressed its interest to possibly co-steward the park with DLNR as it provides space for its education and outreach programs, as well as access to the stream mouth, which is important for its monitoring efforts.
- Grandfathered into the existing lease is the Puakea Foundation, who also has an independent 5-year Curatorship Agreement. The Puakea Foundation constructed and uses a wa'a hale on to repair and reconstruct koa wa'a and conducts wa'a repair classes and the crafting of paddles. The Puakea Foundation is led by master wa'a craftsman "Uncle" Bobby Puakea. It is DSP's intent that Puakea Foundation remain on site. The Puakea Foundation is interested in expanding its program to induce paddling technique and fitness program training. He'eia proximity to the ocean and ease of canoe launching makes this an ideal fit for programs and access.

He'eia State Park was acquired and improved using the federal Land and Water Conservation Funds (LWCF) administered by the National Park Service. In 1977 the state acquired 13.8 acres for "a park providing water-oriented recreational opportunities". LWCF funds were used again in 1993 for the construction of the new comfort station, walkway, and related support facilities. Pursuant to the LWCF Act of 1965, a requirement of the LWCF program is that any property acquired or developed with LWCF assistance must be retained in public outdoor recreation in perpetuity with sufficient maintenance and open public access for recreation.

In the interim, while evaluating management options and public expectations, State Parks will explore costs to hire services to ensure temporary continuity of grounds maintenance until a new lease or physical manager of He'eia State Park is selected. O'ahu DSP staff have not conducted maintenance of the park for 14 years and there is insufficient staff to take on its stewardship currently. There is concern about the security of the facilities absent a lessee or manager. Kama'aina Care as part of its operating costs has been contracting security services.

Given the fiscal challenges described above, staff recommends that the Board approve the mutual cancellation of General Lease No. SP0067 to Kama'aina Care, Inc.

**RECOMMENDATION:**

That the Board of Land and Natural Resources:

1. Approve the mutual cancellation of General Lease No. SP0067 to Kama'aina Care, Inc. in the manner specified by law and further subject to the following conditions:
  - a. Require the Lessee to conduct a "Phase 1 Environmental Site Assessment" as well as complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency and the Department pursuant to Section 49 of the lease; and
  - b. Require the Lessee to remove agreed-upon improvements constructed, stored, and erected by the Lessee on the leased premises and provide sufficient notice to all affected users of the facilities.
2. Terminate the lease and all rights, title, and interest of the Lessee and all obligations of the Lessor effective as of January 01, 2025, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law.
3. The State shall accept any donated funds and improvements by the Lessee at no charge to the Lessor.

Respectfully submitted,



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CURT COTTRELL,  
Administrator  
Division of State Parks

APPROVED FOR SUBMITTAL:



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

Attachments:

Exhibit A – Location Map

Exhibit B – Statement of Kama'aina Care's Accomplishments at He'eia State Park

EXHIBIT A – LOCATION MAP



## EXHIBIT B – STATEMENT OF KAMA’AINA CARE’S ACCOMPLISHMENTS AT HE’EIA STATE PARK



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Kama’aina Kids, Hawaii’s Enrichment & Education Professionals, is a private, nonprofit, 501(c)(3) multi-service organization, whose corporate office is headquartered at 156 Hamakua Drive, Suite C, Kailua, Hawaii. Our humble beginnings originate at He’eia State Park. Over 37 years ago, with 45 children enrolled in their summer day camp, the co-founders of Kama’aina Kids created the beginning of a dream to provide recreational and environmental education programs for the children of Hawaii. For the next 5 years at He’eia State Park, both the number of children and the extent of the programs grew. Today Kama’aina Kids is a multi-site childcare organization, operating 100 locations and serving over 6,500 families each day. With approximately 750 employees to help carry out our mission, Kama’aina Kids continues to provide positive experiences for children, support for their families and a reliable, consistent and professional place to work for its employees.

Our pursuit of He’eia State Park included goals and objectives that provided additional opportunities for residents and visitors of all ages to become aware of this historic property, while also stimulating education to foster a sense of stewardship towards the natural and cultural resources on land and ocean. The possibilities that we saw in He’eia State Park aligned perfectly with our organization’s mission to serve children, families, and our communities by providing ongoing quality education and enrichment programs to help build a sense of Self, Community, and Environment. Kama’aina Kids met all requirements to enter this lease under Section 171-43.1, Hawaii Revised Statutes, and assumed management of He’eia State Park in 2010.

When Kama’aina Kids took on the lease, our vision was to preserve all that had been done at He’eia State Park up until then, expand it, grow it and further support the efforts of everyone who cared about the property. We recognized that there were underutilized areas within the property that could be developed and used to attract additional people—which would, in turn, help patrons learn about the history of the park and the role that it has played on the Windward side of Oahu. The focus of our dream was to further educate children, families and visitors from around the world, about He’eia State Park, through a variety of interactive, educational programs, as well as service-based projects.

Over the next 14 years at He’eia State Park, Kama’aina Kids fulfilled many of the services initially proposed. The programs and services we offered were tailored around the Park’s theme of “Man, the land, the sea.” There was also an emphasis on the importance of preserving the culture and environment by teaching what proper stewardship entails.

Our accomplishments include:

### **Educational Programs and Services Provided by Kama’aina Kids**

1. Ocean Education and Boating Recreation for Summer Day Camps
  - a. From 2010 to 2024, Kama’aina Kids provided programs at He’eia State Park for its summer day campers that included boating activities, ocean safety, marine exploration, and snorkeling. An average of 700 children, ages 6 – 12, came through the program each summer.





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2. Environmental and Cultural Education Programs
  - a. In 2022, Kama'aina Kids began an *'aina*-based educational program to compliment its waterfront activities. This program was designed to highlight the cultural and environmental significance of He'eia State Park. It was delivered through hands-on activities and *mo'olelo* that perpetuated a vision of "the park being [our] classroom." This program served 200 children in 2022 and continued to grow in the corresponding years, as we moved away from the pandemic.
  - b. Also in 2022, Kama'aina Kids began to expand its ocean-based and *'aina*-based educational programs to other schools and agencies. Through the summers of 2022 and 2023, we hosted 2 camps from the continental United States, as well as a local, private school and a group of 150 home-schooled students.
3. Marine Education for All
  - a. Through the years, Kama'aina Kids provided some iteration of marine education and ocean-based recreation for all. Whether it was through a guided tour or marine equipment rentals, both *kama'aina* and visitors from around the world were able to explore Kane'ohē Bay in a safe manner, while learning about its precious ecosystems and its connection to the global environment.
4. Waterfront Activities for MWR's Warrior Adventure Quest (WAQ)
  - a. Warrior Adventure Quest (WAQ) is a resiliency training for armed-forces units. Its intent is to build strong bonds amongst soldiers and mitigate common high risks behaviors, post-deployment. Kama'aina Kids used its waterfront activities and ocean recreation resources to host numerous WAQ outings for the Department of Defense. The waterfront outings served as a valuable outlet and bonding experience for soldiers who were returning from deployment by engaging them in a different arena that challenged them to develop new skills and coping mechanisms.
5. Boating Safety Education License
  - a. Kama'aina Kids offered DLNR Boating Safety Licenses for anyone over the age of 12. Because of the marine education and ocean recreation programs offered at the park, Kama'aina Kids provided the equipment, resources, and instructors necessary to run the course.
  - b. Spirit of America Grant taught Boating Safety and Ocean Recreation skills to students ages 9 -13 years old.

#### **Initiatives at He'eia State Park Supported by Kama'aina Kids**

6. Fishpond restoration in conjunction with *Paepae o He'eia*
  - a. Kama'aina Kids offered use of He'eia State Park grounds and restrooms as a staging area for school groups visiting *Paepae o He'eia*. The park also served as a more convenient pick-up/drop-off area for school buses, when dropping off the groups, and parking for days when there was a large group to conduct a service project as the fishpond.



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7. Estuary restoration by *Hui Ō Ko'olaupoko*
  - a. *Hui Ō Ko'olaupoko* (HOK) is a non-profit, watershed management group that worked on the estuary restoration from 2015 through 2023. Kama'aina Kids provided additional funding, resources, and support to HOK throughout their tenure at He'eia State Park. Thanks to the efforts of HOK, the nature trail was restored and many of the invasive plants have been removed from the estuary.
8. Partners of He'eia
  - a. During its time managing the park, Kama'aina Kids worked with the other non-profit organizations on property to enhance the appearance, cleanliness, and security of He'eia State Park. The Partners of He'eia also expanded the availability of educational signage around the various plants on property.
  - b. Our organization also supported the partners by providing administrative support (such as production of materials, joint marketing efforts, etc.) and general maintenance.

#### **Park Improvements and Beautification**

9. "The Best It Has Ever Looked!"
  - a. Of all our accomplishments, we are most proud of restoring the beauty and etherealness of He'eia State Park. Thanks to all the services offered by Kama'aina Kids at the park up until March 2024, there was enough funding to support the necessary maintenance and upkeep of the grounds to the level it deserves. It was during this time that we often heard "the park is the best it has ever looked" from those who were familiar with the history and significance of the property.
  - b. The services offered by Kama'aina Kids at He'eia State Park through March 2024 also allowed improvements to the facilities frequently rented by the local families, who saw He'eia State Park as a gathering place to celebrate. Some of the improvements include adding air conditioning units to the Banquet Hall and *Hale*, full restoration of the front and back porches of the *hale* (which suffered from severe termite damage), and replacement of the windows in the Banquet Hall.
  - c. Improvements and restorations were also made to the restroom facilities, during Kama'aina Kids management of the park. Security gates were added to the main restrooms and the roof of the main restroom structure was restored in 2023. The aforementioned improvements were funded by Kama'aina Kids—without any assistance from DLNR—through the generated by the programs and services offered at He'eia State Park.