

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

June 13, 2025

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

OAHU

Consent to Sublease, General Lease No. S-5805, Waikiki Community Center, Sublessor, to Hawaiian Community Assets, Inc., Aina Momona, and Waikiki Community Preschool, Sublessees, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-6-025:008.

APPLICANT:

Waikiki Community Center, as Sublessor, to Hawaiian Community Assets, Inc., Aina Momona, both Hawaii non-profit corporations, and Waikiki Community Preschool, a public charter school as Sublessees.

LEGAL REFERENCE:

Section 171-36(a)(6), Hawaii Revised Statutes, as amended (HRS).

LOCATION:

Portion of Government lands situated at Waikiki, Honolulu, Oahu, identified by Tax Map Key: (1) 2-6-025:008, as shown on the map attached as **Exhibit A1** and **A2**.

AREA:

1.56 acres, more or less.

TRUST LAND STATUS:

Non-ceded; acquired after Statehood.
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

MASTER LEASE

CHARACTER OF USE:

Youth, education and multi-service community center to house human services and

community activities purposes.

TERM:

30 years, commencing on April 1, 2007 and expiring on March 31, 2037. Next rental reopening is scheduled for April 1, 2027.

ANNUAL LEASE RENTAL:

\$480.00

SUBLEASES

Sublessee(s)	Use	From	To	Area (sf)	Monthly Rent
Hawaiian Community Asset	Economic self-sufficiency of low-to-moderate income communities	2/1/2023	12/31/2025	989	\$1,671.41
Aina Momona	Environmental sustainability	4/1/2022	12/31/2025	356	\$601.64
Waikiki Community Preschool	Public Charter School	7/1/2025	6/30/2026 ¹	7,408	\$12,890

RECOMMENDED ADJUSTMENT TO LEASE RENTAL:

None. See Remarks section.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with 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 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 that previously existing". Part 1, Item 40, that states, "Leases of state land involving negligible or no expansion or change of use beyond that previously existing." The subject request is a de minimis action that will probably have minimal or no significant effect on the environmental 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.

¹ Waikiki Community Center indicates that they request one year as the term of the sublease for the project is relatively new to them.

DCCA VERIFICATION:

SUBLESSOR:

Place of business registration confirmed:	YES <u>x</u>	NO <u> </u>
Registered business name confirmed:	YES <u>x</u>	NO <u> </u>
Good standing confirmed:	YES <u>x</u>	NO <u> </u>

SUBLESSEES:

Place of business registration confirmed:	YES <u>x</u>	NO <u> </u>
Registered business name confirmed:	YES <u>x</u>	NO <u> </u>
Good standing confirmed:	YES <u>x</u>	NO <u> </u>

REMARKS:

Since 1982, Waikiki Community Center (WCC) has been the lessee for the subject property located upon State land, for community service purposes. In the year 2007, the Board authorized the issuance of a new 30-year lease to WCC for the purposes cited above, under the subject General Lease No. S-5805.

Over the years, staff brought multiple requests to the Board asking for consent to subleases between WCC and other non-profit entities over different portions of the buildings on the premises.

Recently, it has been brought to the staff attention that WCC had entered into sublease agreements with Hawaiian Community Assets, Inc. and Aina Momona on February 1, 2023 and April 1, 2022 respectively regarding portions of the leased premises. Both subleases passed their respective expiration dates in the original sublease agreements. WCC and its sublessees agreed to enter into a month-to-month tenure basis. Staff recommends the Board give its after-the-fact consent to the above-mentioned two subleases.

WCC is in the process of obtaining final approval from the Public Charter School Commission (Commission) to operate its preschool program under the State public charter school program. The charter school program will utilize the first floor of Building E, together with the use of the yard as playground. Staff understands that once a charter school application is approved under HRS 302D-14.5, they become a state agency with the power to contract. WCC indicated that the scheduled hearing date for the Commission would be June 12, 2025, with the anticipated commencement of the charter school in August 2025.

Based upon a recent site inspection, the subject property was observed to be in satisfactory condition. WCC is currently in compliance with the terms and conditions of the subject master lease. The subject property will continue to serve community service purposes.

In the master lease, Paragraph 14, Subletting stipulates that “the Board shall have the right to revise the rent for the premises based upon the rental rate charged to the sublessee ...

that the rent may not be revised downward". Staff understands WCC charges its sublessees for the maintenance and other associated cost, with no commercial element contemplated. Therefore, staff does not recommend any adjustment to the current annual rental (\$480) pursuant to paragraph 14 of the master lease.

Staff did not solicit comments from other governmental agencies on the subject request as it is for housekeeping purposes only. There are no other pertinent issues or concerns, and staff recommends the Board consent to the subject subleases.

RECOMMENDATION: That the Board

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, 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 action.
2. Consent to the sublease of General Lease No. S-5805 between Waikiki Community Center, as Sublessor, to Hawaiian Community Assets, Inc., Aina Momona, and Waikiki Community Preschool as sublessees, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following terms and conditions:
 - A. The standard terms and conditions of the most current consent to sublease form, as may be amended from time to time;
 - B. Review and approval by the Department of the 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,

Barry Cheung

Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:

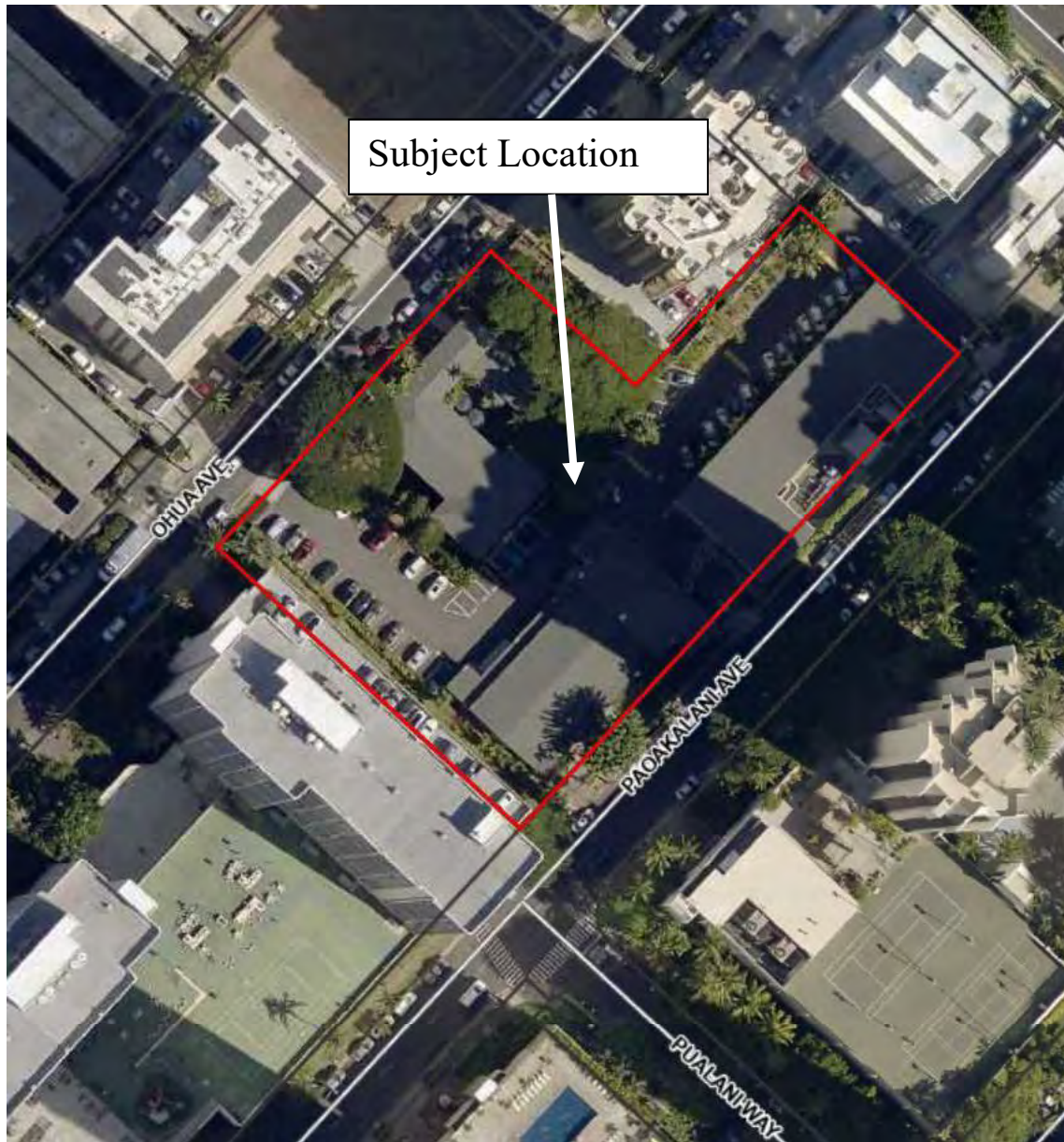


Dawn N.S. Chang, Chairperson



TMK (1) 2-6-025:008

Exhibit A1



TMK (1) 2-6-025:008

Exhibit A2