

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

June 26, 2026

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

Land Board Members:

**SUBJECT:** Continuation of Revocable Permit No. 161 to Cates Marine Services LLC for Equipment Staging, Storage, Mooring of Vessels, Marine Salvage and Aquaculture purposes including Coral Propagation, Situated at Ke'ehi Small Boat Harbor, Kalihi-Kai, Honolulu, O'ahu, Hawaii, Tax Map Key: (1) 1-2-025:022 (por.), 023 (por.), 032 (por.), 038 (por.) and 043; And

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

APPLICANT:

Cates Marine Services LLC (hereinafter "Cates Marine") a Hawaii limited liability corporation, whose mailing address is 24 Sand Island Access Road, Box 27, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Keehi Small Boat Harbor, Honolulu, Island of Oahu, Hawaii, identified as Tax Map Key: (1) 1-2-025:022 (por.), :023 (por.), :032 (por.), :038 (por.) and :043, hereinafter referred to as the "Premises" as shown in **Exhibits A-1 thru A-3**.

AREA:

Approximately 3,500 square feet of fast land (which includes a 1,000 square foot building), as well as 7,000 square feet of submerged land.

ZONING:

State Land Use District: Urban and Conservation  
City & County of Honolulu: I-2 Intensive Industrial District  
I-3 Waterfront Industrial 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:

Revocable Permit (RP) No. 161 issued to Cates Marine Services LLC.

CHARACTER OF USE:

Equipment staging and storage, mooring of vessel, marine salvage, and aquaculture purposes including coral propagation.

COMMENCEMENT DATE:

July 1, 2025.

MONTHLY RENTAL:

\$5,221.25, which is based on the approved action at the June 28, 2024, Board of Land and Natural Resources ("Board") meeting, under agenda Item J-1<sup>1</sup>, which authorized a 5% rent increase for Fiscal Year 2025. Pursuant to the appraisal procured by staff from Brian Goto of The Benevente Group, rent for subsequent years, including Fiscal Year 2026, will increase annually by 3%.

SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15, Hawai'i 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,

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<sup>1</sup> June 28, 2024, under agenda Item J1, Board of Land and Natural Resources minutes can be found at <https://dlnr.hawaii.gov/wp-content/uploads/2024/06/J-1-1.pdf>

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.”

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>

PUBLIC TRUST ANALYSIS:

Dispositions of ceded lands, including revocable permits, must be consistent with the public trust. In order to make that determination, the Board must consider the following:

1. Presumption in favor of public use
2. Consideration of practicable alternatives
3. Clear articulation of the decision

A presumption in favor of public use requires that State-owned harbor lands remain available for boating, navigation, recreation, and other public trust purposes. The subject parcel is located within Keehi Small Boat Harbor and is currently utilized by Cates Marine for equipment staging and storage, vessel mooring, marine salvage operations, and aquaculture-related activities, including coral propagation. Renewal of the RP will continue an existing waterfront dependent use that is compatible with surrounding operations and does not interfere with public access, navigation, or recreational boating activities. The permittee pays market rent as established by appraisal, generating revenue for the Department's boating facilities.

The alternative to renewing the RP would be to terminate the permit and leave the parcel vacant pending a future disposition. However, there have been no material changes to the applicant's use of the premises or compliance status that would warrant discontinuation of the permit. Leaving the parcel vacant would not provide an identifiable public benefit, would result in a loss of revenue to the Department, and could increase the likelihood of unauthorized use or occupancy of the site. Staff therefore find that renewal of the RP is the most practicable alternative.

The proposed action does not restrict public access to harbor facilities, waterways, or shoreline areas and is consistent with DOBOR's responsibility to manage harbor lands for the benefit of the public. Renewal of the RP will allow the continued use of the site for maritime activities that require access to harbor facilities and waterfront infrastructure. The proposed use remains consistent with surrounding harbor operations and the intended use of DOBOR-managed harbor lands. Staff find that the proposed action balances public trust responsibilities with the efficient management of State lands and harbor resources.

**BACKGROUND:**

The subject premises were originally under the jurisdiction of the Department of Transportation, Harbors Division. In 2001, the Division of Boating and Ocean Recreation (DOBOR) was granted control and management of a portion of the former Harbors Division base yard parcel at Keehi Small Boat Harbor for the purpose of issuing a revocable permit to an applicant seeking to support offshore mariculture operations. The Department of Transportation subsequently concurred with the transfer of the property to DOBOR.

On January 26, 2001, the Board approved Conservation District Use Application (CDUA) OA-2989 and authorized a lease of State marine waters to Cates International, Inc. for operation of an offshore fish farm near Ewa Beach. As a condition of that approval, the Applicant was required to obtain authorization for the occupancy of State lands necessary to support the offshore operation.

The Applicant occupied the subject premises pursuant to Revocable Permit B-01-02 for staging activities, vessel docking, and storage of equipment and feed associated with the offshore fish farming operation.

At its meeting on July 24, 2015, the Board approved the issuance of Revocable Permit No. 1 to Cates International, Inc., continuing the Applicant's use of the premises.

In 2017, Cates International, Inc. changed its business name to Cates Marine Services LLC.

Following the Board meeting held on June 28, 2024, under agenda item J-1, *Continuation of Revocable Permits on the Islands of Oahu, Maui, Hawaii, and Kauai*, staff was informed that the character of use under RP No. 1 had changed from support of offshore fish farming operations to equipment staging and storage, vessel mooring, marine salvage operations, and aquaculture-related activities, including coral propagation.

Accordingly, at its meeting on April 25, 2025, under agenda item J-2<sup>2</sup>, the Board approved the issuance of a new Revocable Permit to Cates Marine Services, LLC reflecting the updated character of use and revised permit area. The permit commenced on July 1, 2025, and remained in effect through June 30, 2026. The permit is now the subject of the present renewal request.

**REMARKS:**

The subject RP expires on June 30, 2026. At its meeting on June 12, 2026, under agenda item J-1, the Board approved the continuation of revocable permits statewide; however, due to a staff oversight, the subject RP was inadvertently omitted from that submittal.

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<sup>2</sup> April 25, 2025, under agenda Item J-2, Board of Land and Natural Resources minutes can be found at <https://dlnr.hawaii.gov/wp-content/uploads/2025/04/J-2.pdf>

Accordingly, staff are bringing this item separately to request authorization for continuation of the applicant's RP.

Cates Marine remains in good standing with DOBOR and continues to utilize the premises for equipment staging and storage, vessel mooring, marine salvage operations, and aquaculture-related activities, including coral propagation, consistent with the character of use previously approved by the Board.

Staff have determined that Cates Marine's use of the premises remains compatible with surrounding harbor operations and does not interfere with public access, navigation, or recreational boating activities. The subject parcel is particularly suited for marine support activities due to its direct water access and proximity to vessel launching and docking facilities. Because the site lacks customer parking and public access amenities, its practical utility is limited and is best suited for staging, storage, and other marine-related uses. The permit continues to generate revenue for the Department while accommodating a water-dependent use that requires direct access to harbor facilities. The Applicant continues to maintain the premises at its own expense, contributing to the overall condition and management of the site.

Continuation of the RP ensures the site remains under active management and reduces the potential for unauthorized occupancy, unauthorized storage, encampments, or other unpermitted activities that could create maintenance, safety, and enforcement difficulties for the Department. Staff recommend approval of the renewal of RP No. 161 issued to Cates Marine Services LLC.

The Applicant has not had a lease, permit, easement, or other disposition of State lands terminated within the last five years due to noncompliance with the terms and conditions of such disposition.

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 11-200.1-15, 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.
2. Based on the testimony and facts presented, the Board finds that approving the renewal of the Revocable Permit under the conditions and rent set forth herein will serve the best interest of the State.
3. Authorize the continuation of Revocable Permit No.161 to Cates Marine Services LLC situated at the Keehi Small Boat Harbor 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 RP form, as may be amended from time to time; and
- b. Review and approval by the Department of the Attorney General.
- c. 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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RYAN K.P. KANAKA'OLE, Acting Chairperson  
Board of Land and Natural Resources

Attachment:

- Exhibit A-1 Location on Oahu
- Exhibit A-2 Location of Premises
- Exhibit A-3 Revocable Permit Premises

### EXEMPTION NOTIFICATION

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

Project Title:	Request for Approval of the Renewal of Revocable Permit No. 161 to Cates Marine Services LLC for Equipment Staging, Storage, Mooring of Vessels, Marine Salvage and Aquaculture purposes including Coral Propagation, Situated at Ke'ehi Small Boat Harbor, Kalihi-Kai, Honolulu, O'ahu, Hawai'i, Tax Map Key: (1) 1-2-025:022 (por.), 023 (por.), 032 (por.), 038 (por.) and 043; And  Declare Project Exempt from Environmental Assessment Requirements of Chapter 343, Hawaii Revised Statutes and Title 11, Chapter 200.1, Hawaii Administrative Rules.
Project / Reference No.:	None.
Project Location:	Ke'ehi Small Boat Harbor, Kalihi-Kai, Honolulu, O'ahu, Hawai'i, Tax Map Key: (1) 1-2-025:022 (por.), 023 (por.), 032 (por.), 038 (por.) and 043.
Project Description:	Renewal of Revocable Permit No. 161 to Cates Marine Services LLC for Equipment Staging, Storage, Mooring of Vessels, Marine Salvage and Aquaculture purposes including Coral Propagation.
Chap. 343 Trigger(s):	Use of State Land.
Exemption Class No(s)::	In accordance with Hawaii Administrative Rules (HAR), Section 11-200.1-15 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," and Part 1, Item No. 44, which states "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."
Cumulative Impact of Planned Successive Actions in Same Place Significant?	None anticipated. The proposed action is limited to the renewal of an existing revocable permit for an established use within Ke'ehi Small Boat Harbor. The action does not authorize new development, expansion of the permit area, or an increase in the intensity of use and is not part of a larger development plan. Accordingly, no significant cumulative impacts are anticipated.
Action May have Significant Impact on Particularly Sensitive Environment?	None anticipated. The permit area is located within an existing developed harbor facility that has historically been utilized for maritime and harbor-supporting activities. Renewal of the permit will continue the existing use and is not expected to adversely affect coastal, marine, cultural, or other environmental resources.
Analysis:	Staff believe the proposed action qualifies for an exemption pursuant to HAR §11-200.1-15 and the Department's exemption list because it involves the renewal of an existing revocable permit for previously approved use. The proposed action does not involve new construction, physical alteration of the site, expansion of the permit area, or a material change in the approved character of

	use. Accordingly, staff anticipate that the action will have no significant effect on the environment.
Consulted Parties:	<ol style="list-style-type: none"><li>1. DLNR – Land Division (LD)</li><li>2. DLNR – Division of Aquatic Resources (DAR)</li><li>3. DLNR - Office of Conservation and Coastal Lands (OCCL)</li><li>4. Office of Hawaiian Affairs (OHA)</li></ol>
Recommendation:	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.

**Exhibit A-1**

Location On Oahu



**Exhibit A-1**



**Exhibit A-3**

**Cates Marine Services, LLC  
3,500 sf Fast Land (1,000 sf bldg) 7,000 sf Submerged Land**



**Exhibit A-3**