

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. 154 to The Kona Sailing Club for Trailered Boat Storage, Sailing Related Equipment, Storage, and Boating and Ocean Safety Education/Training Purposes, situated at Honokōhau Small Boat Harbor, Kealakehe, North Kona, Hawaii, Tax Map Key: (3) 7-4-008:003-0041;

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:

The Kona Sailing Club, a Hawaii 501(c)3 non-profit corporation, whose mailing address is Post Office Box 2996, Kailua-Kona, Hawaii 96740.

LEGAL REFERENCE:

Sections 171-35 and 171-43.1, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Honokōhau Small Boat Harbor, Kealakehe, North Kona, Hawaii, hereinafter referred to as the "Premises" as shown on the maps labeled **Exhibit A-1** and **Exhibit A-2** and attached hereto.

AREA:

28,400 square feet, more or less

ZONING:

Item J-4

State Land Use District: Urban
County of Hawai'i: Open

TRUST LAND STATUS:

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

CURRENT USE STATUS:

Revocable Permit (RP) No. 154 issued to The Kona Sailing Club

CHARACTER OF USE:

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

COMMENCEMENT DATE:

January 1, 2026, to December 31, 2026

MONTHLY RENTAL:

\$3,632.00

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, 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:

In consideration of 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 at Honokōhau Small Boat Harbor would require that the harbor's lands and facilities remain primarily available for boating, recreation, and navigational purposes. The proposed Revocable Permit renewal must therefore be evaluated against whether it enhances or detracts from these public uses. In this case, renewing this revocable permit can support the members of the sailing club by providing another storage option. As such the permittee is charged market rent as determined by appraisal. The use is compatible with existing harbor operations, does not obstruct boating access, and does not diminish recreational opportunities.

The permitted usage conforms to HRS §200-9(a)(1), recreational boating activities.

An alternative to allowing the renewal would be to leave the parcel vacant. However, leaving the area unused would not provide any added public benefit, would forego potential revenue to the Boating Special Fund. Other alternatives, such as relocating the sailing club outside of the harbor, would reduce boat storage accessibility for members of the sailing club who frequent Honokōhau Small Boat Harbor. The proposed disposition is more practicable than foregoing the renewal of the permit.

The Revocable Permit does not restrict public access to harbor facilities, piers, ramps or shoreline areas. It improves the harbor environment by offering legitimate, managed services in a space that might otherwise invite unauthorized storage or informal uses. Safety and sanitation are regulated under the revocable permit, minimizing potential risks.

DOBOR is responsible for managing the State's small boat harbors, including Honokōhau Small Boat Harbor, which is one of the largest small boat harbors in the State and one of the most heavily used. The Department must balance its fiduciary duty to preserve public access with the practical need to generate revenue to sustain operations. Authorizing the renewal of this Revocable Permit allows DOBOR to allocate limited resources more effectively while ensuring that public trust obligations are met.

BACKGROUND:

On October 1, 1997, The Kona Sailing Club was issued RP No. B-97-02.

On July 27, 2016, the permit was reissued as RP No. 15. The permit has been renewed and reissued over the years, always at fair market rent.

On January 31, 2022, the applicant received its determination letter from the IRS exempting it from Federal income tax under Section 501(c)(3).

On January 26, 2024, as item J-3, the Board reviewed the request for reconsideration of rent under RP 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 RP No. 15, Kona Sailing Club, Permittee shall be at fair market rent for the time period of January 1, 2024, to June 30, 2024, because they are a private sailing club that collects membership fees.

At its meeting on June 28, 2024, item J-1, the Board approved the continuation of RPs statewide which included The Kona Sailing Club.

REMARKS:

In August of 2024, KSC requested to expand their permit area from 14,196 square feet to 28,400 square feet to accommodate their expanding membership and need for additional vessel storage.

At its meeting on October 25, 2024, item J-2, the Board approved the cancellation of RP No. 15, and issuance of RP No. 154 to The Kona Sailing Club to reflect the additional square footage and subsequent increase to their rental amount, effective January 1, 2025, to December 31, 2025.

Staff requests that RP No. 154 be renewed retroactively for the period of January 1, 2026, to December 31, 2026.

Staff consulted DLNR, Division of Aquatic Resources (DAR), Office of Conservation and Coastal Lands (OCCL), and the Office of Hawaiian Affairs (OHA), and no comments or concerns were received.

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

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 renewal of Revocable Permit No. 154 to Kona Sailing Club situated at the Honokōhau Small Boat Harbor under the terms and conditions cited above,

which are by this reference, incorporated herein and further subject to the following:

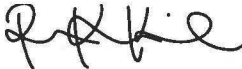
- a. The standard terms and conditions of the most current RP form, as may be amended from time to time; and
- b. Review and approval by the Department of the Attorney General.
- c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



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

APPROVED FOR SUBMITTAL:



RYAN K.P. KANAKA'OLE, Acting 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:	Continuation of Revocable Permit No. 154 to The Kona Sailing Club For trailered boat storage, sailing related equipment, storage, and boating and ocean safety education/training purposes, at Honokōhau Small Boat Harbor, Island of Hawai'i, identified by tax map key: (3) 7-4-008:003-0041
Project / Reference No.:	N/A
Project Location:	Honokōhau Small Boat Harbor, Island of Hawai'i, identified by tax map key: (3) 7-4-008:003-0041.
Project Description:	Continuation of Revocable Permit No. 154 to The Kona Sailing Club 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, 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, 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 Honokōhau Small Boat Harbor that is visited by the community, tourists, and commercial operators and is impacted by human activity. Staff believe there would be no significant impact to sensitive environmental or ecological receptors.
Analysis:	Staff believe that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.
Consulted Parties:	DLNR-DAR, DLNR-OCCL, & OHA – No comments or concerns were received.

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.

Exhibit A-1
Site Location
Honokohau Small Boat Harbor



Kona Sailing Club
Approximately
28,400 S.F.



Exhibit A-2
Site Location
Honokohau Small Boat Harbor

