

State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii 96813

May 11, 2012

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

OAHU

Sale of Concession By Sealed Bid For a Mobile Concession Located at the
Ala Wai Small Boat Harbor, Island of Oahu, Hawaii, TMK No. 2-3-37:12 (portion)

REQUEST:

Authorization for the sale of a concession contract by sealed bid for a mobile concession to be used for the sale of food and sundry items from a vehicle or mobile cart.

LEGAL REFERENCE:

Section 171-56, and Chapter 102 Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government land situated at the Ala Wai Small Boat Harbor (AWSBH), Island of Oahu, TMK No. 2-3-37:12 (portion), being a portion of Governor's Executive Order No. 1795, and site identified on the attached map labeled Exhibit A.

This portion of land is adjacent the "Hilton Lagoon" and at the edge of the parking lot known as the "Kaiser/Ala Moana Bowls parking".

AREA:

Space containing approximately 300 square feet, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu CZO: Public Precinct

LAND TITLE STATUS:

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

CONCESSION:

SCOPE OF CONCESSION:

The right to occupy premises for operation of a mobile concession to be used for the sale of food and sundry items from a vehicle or portable stand which shall be removed in its entirety from the premises each evening. Allowable for sale shall only be food items such as plate lunches, sandwiches, non-alcoholic beverages, snacks, ice-cream, smoothies, and sundry items as approved that may include such items of apparel such as T-shirts, hats, and slippers.

CONTRACT TERM:

Five (5) Years, and upon approval of the Department an option to renew for second Five (5) Year term as approved by the Chairperson.

COMMENCEMENT DATE:

As determined by the Chairperson

CONCESSION FEE:

Base Concession Fee or Ten Percent (10%) of the gross whichever is greater.
The Gross Percentage shall remain unchanged throughout the entire term of contract.

UPSET BID FOR CONCESSION FEE:

Not less than Five Hundred Dollars (\$500) Base Concession Fee payable monthly
Sealed bid shall only apply to the Base Concession Fee Portion.

CONCESSION FEE FOR OPTIONAL SECOND FIVE YEAR TERM

The Monthly Base Concession Fee as awarded for the first five year term shall be increased by Ten Percent (10%) and the Gross Percentage shall remain unchanged.

SECURITY DEPOSIT:

Twice the monthly Concession fee.

CHAPTER 343-ENVIRONMENTAL ASSESSMENT:

The Mobile Concession will be allowed to use the designated site in the same manner as in the past for parking of a vehicle and used in the same way for the sale of food and sundry items. The vehicle would be removed from the parking stall each evening.

In accordance with the "Division of Boating and Ocean Recreation's Environmental List, " approved by the Environmental Council and dated March 22, 1995, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states "Operation, repairs, or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond previously existing."

REMARKS:

The proposed site for Mobile Concession borders the Makai edge of the "Hilton Lagoon" within a portion of Ala Wai Small Boat Harbor (AWSBH) most commonly known as the "Kaiser/Ala Moana Bowls lot." The State has intermittently, over the years utilized this location for lunch wagons and vehicles for the sale of food such as plate lunches, sandwiches, non-alcoholic beverages, snacks, hot dogs, ice-cream, smoothies, and sundry items, such as apparel that included T-shirts, hats, and slippers as approved. DOBOR wishes to provide the same type of service with a vehicle or portable stand to occupy this site during the day and to be removed each evening.

Presently the only operation in the harbor offering take out food service and sundries to the general public is DOBOR's present tenant, Magic Island Petroleum, operating the Fuel Dock and Store. This tenant is at the very Ewa end of Mole B. It is convenient to the vessels taking on fuel and supplies, although somewhat of a walk for those using the beach area near the lagoon on the opposite and most Diamond Head edge of the harbor.

The Fuel Dock and Haul-out sites are both made part of the Waikiki Landing Project, which may be approaching the construction and upgrade phase in the near future. The present store at the Fuel Dock would need to be closed to make way for the new improvements. During this period it is anticipated there will be a continued demand by harbor users, beach-goers and surfers to conveniently purchase food and sundry items within the harbor. In light of this and the interest shown in the "Kaiser/Ala Moana Bowls" area for service of this type, staff proposes that DOBOR seek to prepare an offering by sealed bid to issue a contract for the mobile concession, so as to have in place and operational by summer.

DOBOR would follow the process of Chapter 102-2(a) and 17-56, HRS, which stipulates that any concession contract shall be disposed of by sealed bid, and the term of this concession will fall within the required Fifteen (15) year maximum. DOBOR feels that as part of the qualification criteria of the offering, it would require the bidder to show its financial ability, past experience, capability and capacity to expedite service immediately upon execution of the agreement with the appropriate approved equipment of a fully functional vehicle or cart. This vehicle must be compliant in all Federal, State, and County requirements for food service as to be required in the concession agreement, and Bid Packet.

While the terms of the concession are listed above, DOBOR requests the Chairperson be authorized to execute all documents and prescribe any changes, terms, or conditions of the

offering by sealed bid and approve the issuance of the concession contract to be in the best interest of the State.

RECOMMENDATIONS:

That the Board:

- A. Declare that after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, 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.
- B. Authorize the issuance of a concession contract by sealed bid, for a mobile concession within the subject area for the sale of food and sundry items from a vehicle, or portable stand, under the terms and conditions cited above, which are by this reference incorporated herein and subject to the following:
 1. The Chairperson shall be authorized to prescribe the terms and conditions of the offering by sealed bids, and approve the issuance of the concession contract;
 2. The standard terms and conditions of the most current concession contract form, as may be amended from time to time.
 3. Review and approval by the Department of the Attorney General; and
 4. The Permittee shall provide liability insurance in an amount to be determined by the department that names the State of Hawaii as an additional insured.
 5. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

Respectfully submitted,



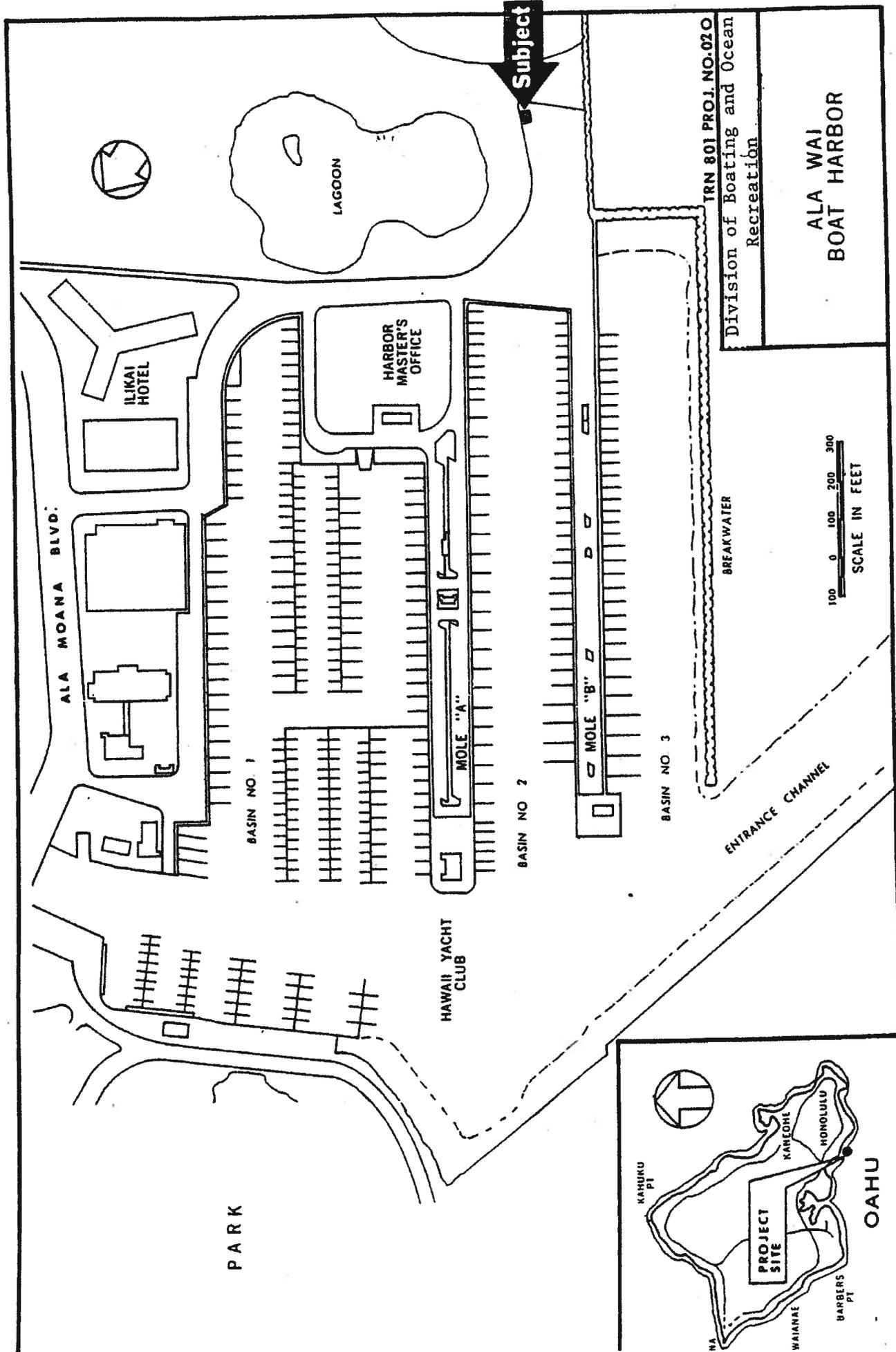
Edward R. Underwood
Administrator

Attachment: Exhibit A

APPROVED FOR SUBMITTAL



William J. Aila, Jr.
Chairperson and Member



IRN 801 PROJ. NO. 020
 Division of Boating and Ocean
 Recreation

ALA WAI
 BOAT HARBOR

100 0 100 200 300
 SCALE IN FEET

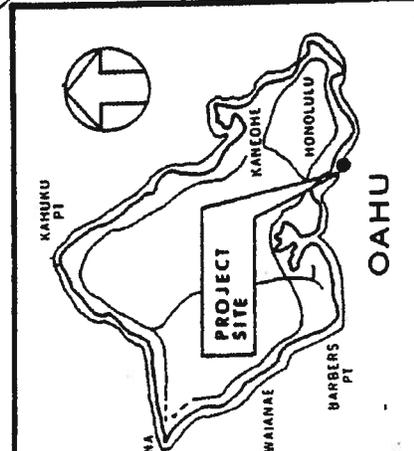


EXHIBIT "A"