

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

June 14, 2013

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

REQUEST AUTHORIZATION TO REVOKE COMMERCIAL OPERATING AREA USE PERMIT NO. O-147 ISSUED TO WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC FOR FAILURE TO PAY PERMIT FEES AND SUBMIT GROSS RECEIPT STATEMENTS AS REQUIRED BY HAWAII ADMINISTRATIVE RULES

BACKGROUND:

The Division of Boating and Ocean Recreation issued Commercial Operating Area Use Permit No. O-147 to Waikiki Parasail & Watersports, LLC (WBPW) on September 1, 2012 to conduct parasailing activities on the South Shore/Mamala Bay ocean waters after the company was the highest bidder at a public auction held on February 24, 2012.

Hawaii Administrative Rules (HAR), §13-256-11(b), states, “(b) Delinquency in the payment of any fees owed to the department will result in automatic revocation of the commercial operating area use permit.”.

HAR Section 13-234-25(4) states, “(4) The report of gross receipts shall be received by the department not later than the end of the month following the reported month and shall be submitted on a form acceptable to the department. Unless other provided in statutes, failure to submit the report of gross receipts as required for a period in excess of sixty days shall be cause for automatic revocation of the commercial activity permit”.

The WBPW started to pay on the account and continued to so through December 2012. They also submitted gross receipt statements for the months of September, October and December 2012, but not for November 2012. Since December 2012, there has been no receipt of payment, nor have they submitted gross receipt statements as are required by HAR.

Currently, the company owes \$31,250.00 in delinquent permit fees through the end of May 2013. The company has been receiving billing statements each month that show that the account is delinquent. (Exhibit A) District staff has made attempts to address this issue that included emails and verbally notifying the manager for the company, Roy Pfund, but nothing has been resolved in the last 5 months.

Request Authorization to Revoke Commercial
Operating Area Use Permit No. O-147 Issued to
Waikiki Beach Parasail & Watersports, LLC. for
Failure to Pay Permit Fees and Submit Gross
Receipt Statements as Required by
Hawaii Administrative Rules

June 14, 2013

Item J-2

RECOMMENDATIONS:

That the Board:

1. Authorize the revocation of the Commercial Operating Area Use Permit No. O-147 issued to Waikiki Beach Parasail & Watersports, LLC.

Respectfully submitted,



Edward R. Underwood
Administrator

Attachments

APPROVED FOR SUBMITTAL



William J. Aila, Jr.
Chairperson



Department of Land and Natural Resources
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819

PAST DUE Billing Statement

Statement Date: 05/01/2013

Expiration: 08/31/2013

Amount Due: \$ **37500.00**

Amount Paid: \$

Account: 00012174 CC#: 0830, DISTRICT OFFICE (FISCAL)

ROY PFUND
 680 IWILEI ROAD #700
 HONOLULU, HI 96817, US

DO NOT SEND CASH
Pay online at dobor.ehawaii.gov/makepayment
Or mail check/money order payable to: DLNR BOATING

Disregard this bill if payment has been made.

To avoid additional late charges and interest,
 we must receive payment for all outstanding charges
 shown in Amount Due on or **06/30/2013**

✂ Please cut and return above portion with your payment for proper credit.

BILLING STATEMENT PAST DUE

Statement Date: 05/01/2013

Expiration: 08/31/2013

Account: 00012174

CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

DEPARTMENT OF LAND AND NATURAL RESOURCES
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819



Pay online at dobor.ehawaii.gov/makepayment

Date	Description	Past Due	Charges	Credits	Balance
	Beginning Balance		31250.00	0.00	31250.00
			SUB-TOTAL	\$	31250.00
05/01/2013	ORMA - 06/2013		6250.00		37500.00
	Ending Balance				37500.00
To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before: 06/30/2013			TOTAL AMOUNT DUE	\$	37500.00

TERMS AND CONDITIONS:

Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum, is paid in full.

* Please remember to renew your mooring permits prior to expiration. Your permit can be renewed up to three months in advance. *

EXHIBIT A



Department of Land and Natural Resources
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819

PAST DUE Billing Statement

Statement Date: 04/01/2013

Expiration: 08/31/2013

Amount Due: \$ **31250.00**

Amount Paid: \$

Account: 00012174 CC#: 0830, DISTRICT OFFICE (FISCAL)

ROY PFUND
 680 IWILEI ROAD #700
 HONOLULU, HI 96817, US

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BILLING STATEMENT PAST DUE

Statement Date: 04/01/2013

Expiration: 08/31/2013

Account: 00012174

CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

DEPARTMENT OF LAND AND NATURAL RESOURCES
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819



Pay online at dobor.ehawaii.gov/makepayment

Date	Description	Past Due	Charges	Credits	Balance
	Beginning Balance		31250.00	0.00	31250.00
03/06/2013	Refund - ORMA - 10/2012			6250.00	25000.00
03/12/2013	Gross Receipts - 12/2012		0.00		25000.00
			SUB-TOTAL	\$	25000.00
04/01/2013	ORMA - 05/2013		6250.00		31250.00
	Ending Balance				31250.00

To avoid additional late charges and interest, we must receive payment
 for all outstanding charges shown in Amount Due on or before: **05/31/2013**

TOTAL AMOUNT DUE \$ 31250.00

TERMS AND CONDITIONS:

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Department of Land and Natural Resources
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819

PAST DUE Billing Statement

Statement Date: 03/01/2013

Expiration: 08/31/2013

Amount Due: \$ **31250.00**

Amount Paid: \$

Account: 00012174 CC#: 0830, DISTRICT OFFICE (FISCAL)

ROY PFUND
 680 IWILEI ROAD #700
 HONOLULU, HI 96817, US

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BILLING STATEMENT PAST DUE

Statement Date: 03/01/2013

Expiration: 08/31/2013

Account: 00012174

CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

DEPARTMENT OF LAND AND NATURAL RESOURCES
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819



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Date	Description	Past Due	Charges	Credits	Balance
	Beginning Balance		25000.00	0.00	25000.00
			SUB-TOTAL	\$	25000.00
03/01/2013	ORMA - 04/2013		6250.00		31250.00
	Ending Balance				31250.00
To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before: 04/30/2013			TOTAL AMOUNT DUE	\$	31250.00

TERMS AND CONDITIONS:

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Department of Land and Natural Resources
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819

PAST DUE Billing Statement

Statement Date: 02/01/2013

Expiration: 08/31/2013

Amount Due: \$ **25000.00**

Amount Paid: \$

Account: 00012174 CC#: 0830, DISTRICT OFFICE (FISCAL)

ROY PFUND
 680 IWILEI ROAD #700
 HONOLULU, HI 96817, US

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To avoid additional late charges and interest,
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 shown in Amount Due on or **03/31/2013**

Please cut and return above portion with your payment for proper credit.

BILLING STATEMENT PAST DUE

Statement Date: 02/01/2013

Expiration: 08/31/2013

Account: 00012174

CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

DEPARTMENT OF LAND AND NATURAL RESOURCES
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819



Pay online at dobor.ehawaii.gov/makepayment

Date	Description	Past Due	Charges	Credits	Balance
	Beginning Balance		18750.00	0.00	18750.00
			SUB-TOTAL	\$	18750.00
02/01/2013	ORMA - 03/2013		6250.00		25000.00
	Ending Balance				25000.00
To avoid additional late charges and interest, we must receive payment for all outstanding charges shown in Amount Due on or before: 03/31/2013			TOTAL AMOUNT DUE	\$	25000.00

TERMS AND CONDITIONS:

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Department of Land and Natural Resources
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819

PAST DUE Billing Statement

Statement Date: 01/02/2013

Expiration: 08/31/2013

Amount Due: \$ **18750.00**

Amount Paid: \$

Account: 00012174 CC#: 0830, DISTRICT OFFICE (FISCAL)

ROY PFUND
 680 IWILEI ROAD #700
 HONOLULU, HI 96817, US

DO NOT SEND CASH
 Make check or money order payable to: **DLNR BOATING**

Disregard this bill if payment has been made.

To avoid additional late charges and interest,
 we must receive payment for all outstanding charges
 shown in Amount Due on or **02/28/2013**

Please cut and return above portion with your payment for proper credit.

BILLING STATEMENT PAST DUE

Statement Date: 01/02/2013

Expiration: 08/31/2013

Account: 00012174

CC#: 0830, DISTRICT OFFICE (FISCAL)

Client Name: WAIKIKI BEACH PARASAIL & WATERSPORTS, LLC

DEPARTMENT OF LAND AND NATURAL RESOURCES
 Division of Boating and Ocean Recreation
 Oahu District, 4 Sand Island Road
 Honolulu, HI 96819



Date	Description	Past Due	Charges	Credits	Balance
	Beginning Balance		18750.00	0.00	18750.00
12/03/2012	Payment on Account			6250.00	12500.00
12/04/2012	Gross Receipts - 10/2012		0.00		12500.00
			SUB-TOTAL	\$	12500.00
01/02/2013	ORMA - 02/2013		6250.00		18750.00
Ending Balance					18750.00

To avoid additional late charges and interest, we must receive payment
 for all outstanding charges shown in Amount Due on or before: **02/28/2013**

TOTAL AMOUNT DUE \$ 18750.00

TERMS AND CONDITIONS:

Interest at the rate of one percent (1%) per month, simple interest, and a late charge as set forth in the Hawaii Administrative Rules, DLNR, shall be assessed on any delinquent account and shall continue to be assessed until the delinquent sum, is paid in full.

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