

**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
DIVISION OF STATE PARKS**

**December 13, 2013**

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii, O'ahu

**SUBJECT:** REQUEST APPROVAL TO INCREASE THE MOORING FEE FOR FAIRWINDS INC. FROM 0.5 % OF GROSS REVENUE TO 3.0% OF GROSS REVENUE AT KEALAKEKUA BAY STATE HISTORICAL PARK, HAWAII, TMK: (3) 8-2-004 : 015, Seaward of 8-1-010 and 011 8-2-002, 004, 005, and 006

**LEGAL REFERENCE:**

Chapter 184 Hawaii Revised Statutes (HRS) and Chapter 13-146, Hawaii Administrative Rules (HAR) §13-146-5 User Fees. Fees, as set by the board may be charged for Permits as noted in §13-146-50 General provisions. (a) Permits governing the use of public facilities and areas within the premises shall consist of the following types:

- (1) Camping
- (2) Lodging
- (3) Group use
- (4) Special use

(9) Fees and charges as set by the board shall be assessed for permits to defray the cost of special facilities, services, or supplies provided by the State, or to meet other conditions as the board or its authorized representative may prescribe to carry out the provisions of chapter 184, HRS.

**LOCATION:**

Kealakekua Bay State Historical Park (KBSHP), Ka'awaloa Cove, Portion of Government lands of Kealakekua Bay - as shown on the attached map labeled Exhibit A.

**STATE LAND USE DISTRICT:**

Marine Life Conservation District

**CURRENT USE STATUS:**

Encumbered by Governor's Executive Order 4424 setting aside land and water for Park purposes and to be under the control and management of the Division of State Parks.

**CHARACTER OF USE:**

Continued mooring of a charter boat for commercial tours and snorkeling in the water of Kealakekua Bay State Historical Park in the area known as Ka'awalo Cove (see exhibit 1)

**MONTHLY RENTAL:**

3.0% of gross receipts from the charter boat and snorkel tours associated with the permitted use of this mooring.

**COMMENCEMENT DATE:**

January 1, 2014

**CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:**

State Parks believes that this project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment under Chapter 343, Hawaii Revised Statutes (HRS) and §11-200-8(a)(1), Hawaii Administrative Rules (HAR) and within exemption Class 1, of the State Parks Exemption List which exempts operations involving negligible or no expansion or change of use beyond that previously existed within park boundaries [February 5, 1976].

**REMARKS:**

The mooring was originally installed in 1963 as a storm mooring and the Fair Winds has been using this specific mooring since 1971 for charter boat snorkel tours. The mooring fee rate has been 0.5% since the 1980's and was previously collected by the Division of Boating and Ocean Recreation. The Division of State Parks was given jurisdiction of the water of KBSHP via a Board approved Set Aside and Governor's Executive Order 4424 in December of 2012.

DSP has since been implementing new management strategies in response to the unbridled proliferation of a variety of commercial vessels in this historic bay. In regards to this mooring, DSP has determined that the mooring fee should be modestly increased by 2.5% to reflect the standard rates that are applied by the Division of Boating and Ocean Recreation for these types of vessel uses across the state.

The Special Use Permit (SUP) authorizes the Fair Winds to conduct two (2) trips per day to the Bay and have the exclusive use this mooring by a single vessel with a maximum capacity of 149 persons. In addition, the Fair Winds implements a discounted tour program for public school students by donating 500 tickets per year. These tickets are distributed by the Department of Education (DOE) at a cost of \$5.00 per ticket. The SUP also requires the Fair Winds to engage in staff supervised stewardship of Ka'awalo Flats four times per year in exchange for the use of the mooring.

Since DSP assumed the jurisdiction of the bay the revenue generated on the 0.5% of gross has been at approximately \$1,800 per month or average annual revenue of \$21,600.00. Upon the Board's approval of the increase, the anticipated revenue to DSP will increase to approximately \$11,000 per month or average annual revenue of \$132,000.00.

**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, 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. Authorize the increase in the mooring fee from 0.5% of gross income to 3% of gross income associated with the Fair Winds use of the mooring at KBSHP.

**Respectfully Submitted,**

  
\_\_\_\_\_  
Daniel S. Quinn  
Administrator, Division of State Parks

**APPROVED FOR SUBMITTAL:**

  
\_\_\_\_\_  
William J. Aila, Jr., Chairperson



EXHIBIT 1