

State of Hawai'i
Department of Land and Natural Resources
Division of State Parks
Honolulu, Hawai'i

December 13, 2013

Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Statewide

Approval to Continue Twenty-Eight (28) Revocable Permits for Use of State Parks Lands on the Islands of Kaua'i, O'ahu, Maui, and Hawai'i for the following: Kaua'i: Na Pali Kayak Inc., Kayak Kaua'i, a Hawai'i limited partnership, Rick Haviland, (Na Pali Coast State Wilderness Park for commercial kayak landings), Clancy Greff and A Na Pali Eco Adventures, Inc, Na Pali Sea Tours, Inc., Lady Ann Cruises Inc., (Na Pali State Wilderness Park inflatable boat landings), Wailua Marina Restaurant (Wailua River State Park restaurant), The Lodge at Koke'e (Koke'e State Park lodging accommodations/retail and restaurant use), Ka Imi Naauao o Hawai'i Nei, Hawai'i United Methodist, Kaua'i Christian Fellowship, Camp Hale Koa Association, (Waimea Canyon State Park non-profit recreation-residences/camps), Hawai'i Conference Foundation (Koke'e State Park non-profit camp), Sukhothai Corp. (Waimea Canyon State Park mobile food vendor), O'ahu Curtis K. Hong (Diamond Head State Monument food and beverage vending), Pepsi Bottling Group (Diamond Head State Monument beverage vending), Jose Gaceta (Ahupua'a O Kahana State Park, pasture use), Erlinda Molina Villanueva (Ahupua'a O Kahana State Park, agricultural use), Lanihuli Community Development Corporation (Malaekahana State Recreation Area (Kahuku Section) Campground Rental, Young Men's Christian Association of Honolulu (Ka'ena Point State Park, Outdoor Recreational Activities), Sand Island Off-Highway Vehicle Association, Inc., (Sand Island State Recreation Area, Off-Road Vehicle Use), Maui: Maui Ice and Soda Works, Ltd. (Wai'anapanapa State Park, Beverage vending), Island Inspirations, LLP (Makena State Park food service Vending), Hawai'i: SMCA, Inc. (Hapuna Beach SRA food and beverage vending), Republic Parking Northwest, Inc. (Hāpuna Beach SRA, Parking Concession), Adventures in Paradise, Inc., Kona Boys, Inc., Iwa Kalua (Kealakekua Bay State Historical Park, Commercial Kayak Tours).

Legal Reference: Sections 171-13 and -55, HRS, as amended.

Background:

In December of each year, the Division of State Parks (State Parks) requests the Board's approval to continue existing month-to-month revocable permits (RPs) throughout the state. In general, permittee's in good standing and those who are in compliance with the terms of the RP's are recommended for approval unless the Board has authorized other

ITEM E-3

arrangements for the premises. Pursuant to §171-55, HRS, the Board may allow revocable permits to continue on a month-to-month basis for additional one-year periods.

State Parks requests the continuation of RPs previously approved by the Board at various meetings held as far back as 1988. The purpose of seeking the Board's approval in December of each year is to synchronize the terms of all revocable permits to a calendar year period. Some of these RP's are intended to be transitional in that they will eventually be replaced by concession agreements or long-term, general leases. All RP's under consideration in this submittal are listed in Exhibit 1 attached hereto.

On July 27, 2012, the Board approved the request for the sale and independent award of eight concession or mobile concession agreements by means of sealed bid auction. Due to staffing limitations, these solicitations are still in progress. All but one of the planned auction concessions would replace RP's held by present permittee's¹. Those RP holders include The Lodge at Kōke'e, Sukhothai Corp., Wailua Marina Restaurant, Curtis Hong, Pepsi Bottling Group, Island Inspirations, and SMCA, Inc. If approved, the revocable permits subject to future concession bids would remain in place until such time as the contracts are awarded pursuant to the bidding process planned for completion in 2014.

Kaua'i

Kaua'i RPs include inflatable boat and kayak landing permits for commercial guided tours at Nu'alolo Kai and Miloli'i in the Nāpali Coast State Wilderness Park. At the Wailua River State Park in Marina Building B, a full service restaurant serves visitors to the marina area as well as the Fern Grotto.

In Kōke'e and Waimea Canyon State Parks, there are five permits for nonprofit use of recreation-residence and camp facilities. The Board previously approved the issuance of long term leases for five non profit organizations. One of those organizations has relinquished its use of the property and the Board authorized the issuance of a new RP to the Camp Hale Koa Association in 2010 in its place. As staff time is available, State Parks will complete the long term leases for the four remaining non-profit organizations. In the meantime, State Parks requests approval to continue RP's for those in possession of the properties now. Finally, there is one mobile food vendor at the Waimea Canyon Lookout.

O'ahu

On the Windward side of 'Oahu, two, relatively small agricultural and pasture revocable RP's at Ahupua'a 'O Kahana State Park are issued to family members of those holding residential leases in the park and reflect a continuation of traditional practices.

In Lā'ie, Lanihuli Community Development Corporation operates a campground known as the "Friends of Malaekahana". The Board approved a Request for Qualifications/Request for Proposal process for a lease for this property which is on-going. In the meantime, State Parks request the Board's approval to continue the RP until such time as the Board awards the lease which is expected in 2014.

At Ka'ena State Park, the YMCA operates an archery range and other outdoor recreational activities under its RP which covers land adjacent to Camp Erdman.

¹ The remaining concession is a new offering approved by the Board for a mobile concession at Opeaka'a Falls lookout at the Wailua River State Park (Wailua, Kaua'i)

At Diamond Head State Monument, a beverage vending machine location and a mobile food concession are located at the beginning of the trail to the summit.

Maui

In Wai'anapanapa State Park, Maui Ice and Soda Works operates beverage vending machines. In Makena State Park, Island Inspirations, LLC operates as mobile food vendor.

Hawai'i

At Hāpuna Beach State Recreation Area, a restaurant concession serves visitors taking advantage of surfing, hiking and sunbathing along one of the few white sand public beaches along the Kohala coast. Republic Parking Northwest, Inc. operates a parking concession as a pilot project. The permit provides critically needed revenue for State Parks. In 2014, State Parks plans a competitive bid process for a long term parking concession agreement.

At Kealahou Bay State Historical Park, three permittee's operate commercial kayak tours launching from Nāpo'opo'o Landing to Awili Landing at Ka'awaloa. State Parks requests the Board authorize the Chairperson to adjust the duration of time authorized at Ka'awaloa from one and one half hours to two and one half hours to be consistent with the previous RP's approved by the Board.

Discussion

With respect to RP's issued at nominal or gratis rent, State Parks requests the Board delegate to the Chairperson the authority to modify revocable permits issued at gratis or nominal rent to a minimum of \$40.00 per month. The purpose of this request is to standardize fees with other Divisions².

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² The RP's affected are noted in the Current Rent column in Exhibit 1.

Recommendations: That the Board:

1. Authorize the continuation of the revocable permits listed in Exhibit 1 pursuant to the terms above which, by this reference, are incorporated herein, on a month-to-month basis and for a one-year period ending December 31, 2013, except for permits that are in arrears of rental payment for more than 60 days;
2. Authorize the Chairperson to amend revocable permits SP0517, SP0518 and SP0519 adjust the duration of time permittee's are authorized to remain at Ka'awaloa flat from one and one half hours to two and one half hours; and,
3. Approve such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

Respectfully submitted,



DANIEL S. QUINN
State Parks Administrator

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson

DIVISION OF STATE PARKS REVOCABLE PERMITS
Revocable Permits Approved by the Land Board and Subject to Renewal

RP #	Name of Permittees	Park	TMK	Character of Use	Permit Area (acres)	Current Rent [base or percentage] and (Proposed)
SP0044	Na Pali Kayak, Inc	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0045	Kayak Kauai	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0046	Rick Haviland, dba Outfitters Kauai	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0004	Clancy Greff dba Na Pali Zodiac and A Na Pali Eco Adventures, Inc.	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0005	Na Pali Sea Tours, Inc.	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP8701	Lady Ann Cruises, Inc.	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0001	Wailua Marina Restaurant	Wailua River SP (Marina), Kaua'i	(4) 3-9-04:9	Full Service Restaurant	1058 sq ft	\$2,332.80 per month or 5-10% of which ever is higher
SP0039	The Lodge at Kōke'e LLC	Kōke'e SP, Kaua'i	(4) 1-04-01: Por. of 13, Lots A, C, D, E, & F	Lodging/Retail/Restaurant/Resident Mgr. Residence	2.8 ac	4% of gross profits
SP0189	Ka Imi Naauao o Hawaii Nei	Waimea Canyon SP, Kaua'i	(4) 1-4-002:20	Nonprofit Camp	1.0 ac.	\$40.00 monthly
SP0191	Hawai'i Conference Foundation, United Church of Christ	Kōke'e SP, Kaua'i	(4) 1-4-004:027 a, b	Nonprofit Camp	.50 ac.	\$40.00 monthly
SP0192	Hawaii United Methodist	Waimea Canyon SP, Kaua'i	(4) 1-4-002:024	Nonprofit Camp	3.05 ac	\$41.00 monthly
SP0193	Kauai Christian Fellowship	Waimea Canyon SP, Kaua'i	(4) 1-4-002:041	Nonprofit Camp	.99 ac	\$40.00 monthly
SP0402	Camp Hale Koa Association	Waimea Canyon SP, Kauai	(4) 1-4-002:0055	Nonprofit Camp	4.06 ac	\$40.00 monthly
SP0052	Sukhothai Corp	Waimea Canyon Lookout	(4) 1-4-001:por.	Mobile Concession	N/A	\$2,500 per month

EXHIBIT 1

DIVISION OF STATE PARKS REVOCABLE PERMITS (CONTINUED)

RP #	Name of Permittees	Park	TMK	Character of Use	Permit Area (acres)	Current Rent (base or percentage)
SP0047	Paradise Shrimp & Burger (Curtis K. Hong)	Diamond Head SM	(1) 3-1-042:006	Food and Beverage Concession	N/A	\$7,200 per month
SP-0041	Pepsi Bottling Group	Diamond Head SM	(1) 3-1-042:006	Concession	N/A	\$520 per month or 45.5% Drinks, 30% Gatorade of gross receipts, whichever is greater
SP0043	Gaceta, Jose	Kahana SP	(1) 5-2-02: por. 1	Pasture	4.8 acres	\$13.00 per month (propose nominal rent of \$40.00 per month.
SP0406	Lanihuli Community Development Corporation	Malaekahana State Recreation Area	(1) 5-6-001: Parcels 24, 45-47, 49, 51, 53-65	Campground management	34 acres	5% of gross receipts
SP0509	YMCA	Ka'ena Point State Park Reserve	(1) 6-9-004:005	Outdoor recreational activities	6.2 acres	\$150 per month
SP0058	Erlinda Molina Villanueva	Kahana SP	(1) 5-2-02: por. 1	Agriculture	6.0 acres	\$90 per month
SP-0022	Maui Soda & Ice Works, Ltd.	Wai'anapanapa	(2) 1-3-005:009	Concession		\$100 per month or 35% of gross monthly receipts, whichever is greater
SP-0050	Island Inspirations LLP	Makana SP	(2) 2-1-006:053	Food and Beverage Concession		\$800 per month
SRP0070	Sand Island Off-Highway Vehicle Association, Inc.	Sand Island State Recreation Area	(1) 1-5-041:006 (por.)	Off road vehicle use	30 acres	Gratis (propose nominal rent of \$40.00 per month)
SP-0056	SMCA, Inc.	Hāpuna Beach SRA	(3) 6-6-002:35	Food and Beverage Concession	375 sq ft (building) 15,000 sq ft (land area)	\$1200 per month or 8% of gross, whichever is higher
SP0517	Adventures in Paradise, Inc.	Kealahakua Bay State Historical Park	(3) 8-1-011:006,010,011 and (3) 8-2-004:015 and seaward	Commercial Kayak Tours	320 acres	\$5.00 per guest

DIVISION OF STATE PARKS REVOCABLE PERMITS (CONTINUED)

RP #	Name of Permittee's	Park	TMK	Character of Use	Permit Area (acres)	Current Rent (base or percentage)
SP0408	Republic Parking Northwest, Inc.	Hāpuna Beach SRA	(3) 6-6-002:031, 035 por.	Parking lot concession	35 acres approx.	Minimum fee \$16,100/mo. v. 55% of gross receipts, whichever is greater.
SP0518	Kona Boys, Inc.	Kealakekua Bay State Historical Park	(3) 8-1-011:006,010,011 and (3) 8-2-004:015 and seaward	Commercial Kayak Tours	320 acres	\$5.00 per guest
SP0519	Iwa Kalua, dba Aloha Kayak Co.	Kealakekua Bay State Historical Park	(3) 8-1-011:006,010,011 and (3) 8-2-004:015 and seaward	Commercial Kayak Tours	320 acres	\$5.00 per guest