

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

August 8, 2014

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

OAHU

Consent to Issuance of Revocable Permit under Governor's Executive Order No.3447 to New Direction IRA, Inc. Honolulu, Oahu, Tax Map Key: (1) 2-1-026:Portion of 027.

CONTROLLING AGENCY (of subject executive order):

Department of Accounting and General Services

APPLICANT (requesting lease):

New Direction IRA, Inc., a domestic profit corporation

LEGAL REFERENCE:

Section 171-11 and 55, Hawaii Revised Statutes, as amended.

ZONING:

State Land Use District: Urban
City & County of Honolulu LUO: B-2

TRUST LAND STATUS:

Acquired after Statehood
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Governor's Executive Order No. 3447 to Department of Accounting and General Services for civic center purposes.

PERMIT TERMS & CONDITIONS:LOCATION:

Portion of Government lands situated at Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-026:027, as shown on the attached map labeled **Exhibit A**.

AREA:

630 square feet, more or less.

CHARACTER OF USE:

Placing of outdoor tables and chairs purposes

RENT AMOUNT:

\$480 per annum.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Section 11-200-8(a)(1)(4) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated December 4, 1991, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing" and Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation", as included in **Exhibit B**.

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>

REMARKS:

The subject location is a portion of State lands set aside to Department of Accounting and General Services (DAGS) under Executive Order No. 3447 for civic center purposes. On February 9, 2001, under agenda item D-7, the Board gave its consent to the issuance of a revocable permit for placing of outdoor tables and chairs purposes to the owner of a restaurant located on the adjacent private property. The new management of the restaurant requests a new revocable permit be issued to them for the same purpose.

DAGS, by its memorandum attached as **Exhibit C** [not including the previous and new revocable permits mentioned in the memorandum], requests the Board's consent for the

new permit, and recommends the rent be increased to \$480 per annum, following the Board’s policy on the minimum rent for new disposition. As noted in Exhibit C, “... DAGS has neither the funding nor expertise to conduct non-CIP project related appraisals.” Therefore, DAGS prefers using the minimum rent policy instead of hiring an appraiser to determine the market value of the requested permit via an appraisal.

§171-11, HRS allows the agency under a set aside to exercise all of the powers vested in the board on regard to the issuance of revocable permit. Further, §171-55, HRS authorizes the Board issue permits under conditions and rent which will serve the best interests of the State. In its request, DAGS supports the permit “...in the best interest of the State as it allows for enhanced quiet enjoyment of the Civic Center in keeping with the dedication of Mililani Mall as one of the mauka-makai view planes in the Capital District Master Plan.” Therefore, Land Division believes that DAGS has the authority to determine the rent for the permit, and have no further comment on the request.

There are no other pertinent issues or concerns, and staff has no objection to the request.

RECOMMENDATION:

That the Board consent to the revocable permit between Department of Accounting and General Services and New Direction IRA, Inc., subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to such other terms and conditions as may be prescribed by the Comptroller of the Department of Accounting and General Services to best serve the interests of the State.

Respectfully Submitted,



Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson


EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Consent to Issuance of Revocable Permit

Project / Reference No.: EO 3447

Project Location: Honolulu, Oahu, Tax Map Keys: (1) 2-1-026:027

Project Description: Placing of outdoor tables and chairs purposes

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8(a)(1) and (4), the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing" and Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation."

The request pertains to the issuance of new permit pursuant to the change in management of the adjacent restaurant located on private property, who held the previous revocable permit for the same purposes. There are no plans to change the existing use of the parcels, i.e. placing of outdoor tables and chairs. Staff believes that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties: None

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.



 William J. Aila, Jr., Chairperson
 Date: 7/21/14

EXHIBIT B

NEIL ABERCROMBIE
GOVERNOR



Dean H. Seki
Comptroller
Maria E. Ziellinski
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P. O. BOX 119, HONOLULU, HAWAII 96810-0119

(P)1226.4

JUL 10 2014

MEMORANDUM

TO: The Honorable William J. Aila, Jr., Chairperson
Board of Land and Natural Resources

FROM: Dean H. Seki 
Comptroller

SUBJECT: DAGS Revocable Permit (RP) Located at
850 Mililani Street
Honolulu, Oahu

RECEIVED
LAND DIVISION
2014 JUL 11 PM 2:14
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

We request assistance and Board of Land and Natural Resources (BLNR) consent for the DAGS to issue an RP under HRS Section 171-11 and 171-55 for the property located at 850 Mililani Street, Honolulu, Hawaii.

DAGS was assigned EO No. 3447, dated February 20, 1990, for the Mililani Street land adjacent to the 850 Mililani Street address, also known as Mililani Mall, for Civic Center purposes. This would be the third permit to be issued by DAGS for this portion of the Mililani Mall property. New Direction IRA, the requesting Permittee, purchased the property from Mr. Howard Green, who held RP No. 2 for this site. Draft RP No. 3 and RP No. 2 are attached for your reference.

DAGS supports this permit in the best interest of the State as it allows for enhanced quiet enjoyment of the Civic Center in keeping with the dedication of Mililani Mall as one of the mauka-makai view planes in the Capital District Master Plan. We recommend increasing the annual rent from its current \$120.00 to \$480.00 in accordance with the BLNR approved Minimum Rent Property for New Dispositions, dated May 13, 2005. This method for rent valuation is being recommended rather than determining the market value via the appraisal process, because DAGS has neither funding nor expertise to conduct non-CIP project related appraisals. If an appraisal is required, then we request Department of Land and Natural Resources funding and assistance to conduct the appraisal.

EXHIBIT "C"

The Honorable William J. Aila, Jr., Chairperson
(P)1226.4
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If you have any questions, please call me at 586-0400 or your staff may call Ms. Christine Kinimaka of the Public Works Division at 586-0499.

Attachments

c: Mr. Russell Tsuji, Administrator, DLNR Land Division