

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of State Parks  
Honolulu, Hawaii 96813

March 27, 2015

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

O'ahu, Hawaii

Issuance of Revocable Permit to Moana Parking Management, LLC, for Parking Lot Operation Purposes, Diamond Head State Monument, Kapahulu, Waikīkī, Honolulu, O'ahu, Tax Map Key: (1) 3-1-042:006 (por.)

Issuance of Revocable Permit to Moana Parking Management, LLC, for Parking Lot Operation Purposes, Nuuanu Pali State Wayside, Nuuanu, Honolulu, O'ahu, TMK (1) 1-9-007 (por.)

Issuance of Revocable Permit to Moana Parking Management, LLC, for Parking Lot Operation Purposes, Akaka Falls State Park, Kahua, South Hilo, TMK: (3) 2-8-011:018 (por);

APPLICANT:

Moana Parking Management, LLC

LEGAL REFERENCE:

Sections 171-55 and other applicable sections of Chapter 102 and 171, Hawaii Revised Statutes, as amended.

LOCATION:

1. Portion of Government lands of Kapahulu, Waikiki, O'ahu, identified by Tax Map Key: (1) 3-1-042:006 (por.), as shown on the attached map labeled Exhibit A.
2. Portion of Government lands of Nuuanu, O'ahu, identified by Tax Map Key (1) 1-9-007 (por.)
3. Portion of Government lands of Kahua, South Hilo, TMK: (3) 2-8-011:018

**ITEM E-2**

AREA:

1. Five (5) acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division.
2. Three (3) acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division
3. Two (2) acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division

ZONING:

- |    |   |                             |
|----|---|-----------------------------|
| 1. | State Land Use District:<br>County of Honolulu CZO: | Conservation<br>P-1         |
| 2. | State Land Use District:<br>County of Honolulu CZO: | Conservation<br>P-1         |
| 3. | State Land Use District:<br>County of Hawai'i       | Conservation<br>Agriculture |

TRUST LAND STATUS:

1. Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:  
YES \_\_ NO X
2. Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:  
YES \_\_ NO X
3. Section 5(b) lands of the Hawai'i Admission Act  
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution:  
YES \_\_ NO X

CURRENT USE STATUS:

1. Encumbered by Governor's Executive Order 2000 setting aside land for state park purposes to be under the control and management of the State of Hawai'i, Department of Land and Natural Resources, Division of State Parks.
2. Encumbered by that certain Use and Occupancy Agreement between the State of Hawai'i, Department of Transportation and the Department of Land and Natural Resources, Division of State Parks for maintenance, use and repair for an area designated as the Nuuanu Pali State Wayside dated April 17, 1995.
3. Encumbered by Governor's Executive Order 1992 setting aside land for addition to Akaka Falls Park to be under the control and management of the State of Hawai'i, Department of Land and Natural Resources, Division of State

Parks.

CHARACTER OF USE:

For the purpose of operating, maintaining and managing a parking lot.

MONTHLY RENTAL:

1. Ninety Percent (90%) of gross receipts from vehicle and pedestrian entrance revenue.
2. \$26,001 per month or 70% of concessionaire's gross receipts, whichever is greater, from parking revenue.
3. \$20, 225 per month or 70.5% of concessionaire's gross receipts, whichever is greater, from vehicle and pedestrian entrance revenue.

COLLATERAL SECURITY DEPOSIT:

An amount equivalent to one month's minimum rent. In the case of Diamond Head, the amount shall be \$10,000.

COMMENCEMENT DATE:

April 1, 2015 or as determined by the Chairperson.

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, Numbers 2 and 5 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:

Aparc Systems Inc., (Aparc) has three existing contracts for each of the three proposed parking operations under three separate agreements. These contracts produce approximately \$150,000 per month in parking and entrance revenue and were established through a competitive bidding process authorized by the Board.

For Diamond Head State Monument, Aparc was issued a procurement contract under HRS §103D for toll booth and parking management services in which Aparc

collects entrance fee revenue and manages vehicle and pedestrian traffic. At the Nu'uuanu Pali State Wayside, Aparc operates a parking concession contract under HRS §102 and collects parking fees from commercial and non-resident visitors to the park. At Akaka Falls State Park, Aparc operates a parking concession contract under HRS §102 and collects entrance fees from non-resident and commercial visitors to the park.

On March 18, 2015, the Department received notice from attorneys representing Moana Parking Management, LLC (Moana), that Aparc had defaulted on a loan to Moana's parent company Parktoria Technologies and that Parktoria was awarded the assets of Aparc pursuant to a Canadian court order. However, Parktoria was not awarded the three parking contracts with the State of Hawai'i mentioned above. Moana further advised that because the contracts were not awarded to Moana, they could not be assigned to Moana. Moana further advised that Aparc has no assets and no employees and Aparc could no longer manage the contracts. Staff from Aparc were hired by Moana however, and Moana was willing to continue the contracts under the same conditions presently in place with Aparc.

Upon consultation with the Department of the Attorney General, the determination was made that the contracts must be re-bid through a competitive bidding process under applicable law. In the meantime, State Parks requests the Board approve revocable permits under essentially the same terms and conditions as the current contracts until the bidding process can be completed. State Parks plans to return to the Board at the next possible meeting to seek approval to issue a competitive bidding process for the three parking contracts. By issuing revocable permits in the meantime, the parks remain open and parking management issues are addressed while the bidding process plays out. This also preserves critically needed special fund revenue required to cover operating costs and trust obligations to the Office of Hawaiian Affairs.

With the Diamond Head revocable permit, staff believes the revocable permit represents the best option for revenue to the State versus a procurement of services contract which Aparc held. Staff recommends Moana pay rent rather than be paid a fee for management services. The percentage rent proposed is ninety percent (90%) of gross receipts which is approximately equivalent to the net revenue received under the procurement contract. Other terms of all three contracts would be the same. Staff estimates the bidding process will take approximately six (6) months to complete.

Staff recommends the Board approve the three revocable permits to Moana and further recommends the Board delegate to the Chairperson the authority to negotiate any other specific terms necessary to effectuate the revocable permits.

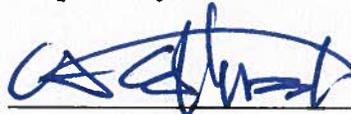
The applicant has not had a lease, permit, easement or other disposition of State

lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION: That the Board:

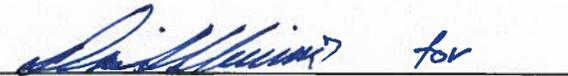
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance three (3) revocable permits to Moana Parking Management, LLC, covering the subject areas for the purposes described herein and under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
  - b. Review and approval by the Department of the Attorney General; and
  - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Authorize the Chairperson to negotiate any other specific terms necessary to effectuate the revocable permits.

Respectfully Submitted,



Daniel S. Quinn  
Administrator, Division of State Parks

APPROVED FOR SUBMITTAL:



Carty S. Chang, Interim Chairperson

Exhibit A – Tax Map Key and Maps

