

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

December 11, 2015

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

Statewide

Approval to Continue Twenty-Three (23) 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), Ka Imi Naauao o Hawai'i Nei, Hawai'i United Methodist, Kaua'i Christian Fellowship, (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), Bottling Group, LLC, (Diamond Head State Monument beverage vending), Erlinda Molina Villanueva (Ahupua'a O Kahana State Park, Agricultural use), Young Men's Christian Association of Honolulu, Hawai'i Climbing Coalition, (Ka'ena Point State Park, Outdoor Recreational Activities), Discovering Hidden Hawaii Tours, Inc., (Nutridge House and Grounds being portion of Pu'u 'Ualaka'a State Wayside for Use as a Venue), Maui: Maui Ice and Soda Works, Ltd. (Wai'anapanapa State Park, Beverage Vending), Island Inspirations, LLP (Makena State Park Food Service Vending), Hawai'i: 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 of Land and Natural Resources' (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 arrangements for the premises. In certain cases, however, continuation of the RP is not necessarily pursued. Examples of this would include RP's where the purpose has ended (such as transitional RP's) or in cases of non-compliance with the terms of the RP.

ITEM E-1

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 for continuation 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. Existing RP holders subject to a future competitive bid auction include, Sukhothai Corp., Curtis Hong, Bottling Group, LLC, Maui Soda and Ice Works, LTD, and Island Inspirations. 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 2016.

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.

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. Following the Board's approval at its meeting on April 24, 2015, a lease for Camp Hale Koa has been completed and so no RP is necessary. As staff time is available, State Parks will complete the long term leases for the four remaining non-profit organizations – Ka Imi Naauauo O Hawai'i Nei, United Church of Christ, Hawai'i United Methodist and Kaua'i Christian Fellowship who operate their respective recreation-residence lots now. Finally, there is one mobile food vendor at the Waimea Canyon Lookout.

O'ahu

On the Windward side of 'Oahu, a relatively small agricultural RP issued to Erlinda Villanueva at Ahupua'a 'O Kahana State Park is a continuation of traditional practices.

In Makiki, Discovering Hidden Hawaii Tours, Inc. (DHHT) was issued a revocable permit to conduct commercial luau's and other events at the Nutridge House which is a portion of Pu'u 'Ualaka'a State Wayside. The Board approved the RP at its meeting on February 13, 2015 and DHHT held the previous RP covering the property. The RP has not yet been executed. The Department is expecting signed, notarized copies from the RP holder shortly and is addressing compliance issues. State Parks and DHHT have agreed to work toward a resolution of the outstanding compliance issues and State Parks expects the RP document to be executed prior to the date of the Board meeting on

December 11, 2015 together with a plan to repair the historic structure in coordination with SHPD as well.

The compliance issues center around the unauthorized alteration of a historic structure at Nutridge. The parties have agreed that the restoration of the building to its prior appearance and configuration is the primary concern. State Parks requests that this RP be continued through June 30, 2016 and that this matter be addressed by the Board for future disposition in June, 2016.

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. The Hawai'i Climbing Coalition includes a rock climbing option for members.

At Diamond Head State Monument, Bottling Group, LLC operates beverage vending machines near the main comfort station. Curtis Hong operates a mobile food concession located in the parking area.

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, Republic Parking Northwest, Inc. operates a parking concession as a pilot project which State Parks would like to continue until a competitive concession opportunity is offered in 2016. The permit provides critically needed revenue for State Parks.

At Kealahou Bay State Historical Park, three permittee 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

State Parks increasingly relies on Special Fund revenue to offset declining general funds. These RP's are crucial for State Parks to continue pilot programs and generate revenue to offset rising operating costs. State Parks recommends the Board approve the continuation of the revocable permits described in this submittal.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Recommendation: That the Board:

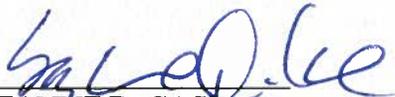
1. Authorize the continuation of the revocable permits listed in Exhibit 1 pursuant to the terms above which, by this reference, are incorporated herein, on a month-to-month basis and for a one-year period ending December 31, 2016, except for permits that are in arrears of rental payment for more than 60 days;
2. Authorize the continuation of revocable permit number SP0522 to Discovering Hidden Hawai'i Tours, Inc. from January 1, 2016 through June 30, 2016;
3. Approve such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

Respectfully submitted,



CURT A. COTTRELL
State Parks Administrator

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
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 |
| 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 |
| 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 |
| SP0522 | Discovering Hidden Hawaii Tours | Nutridge House/Pu'u 'Ualaka'a State Wayside | (1) 2-5-019:004 | Commercial Venue incl. Luau | 22 acres | \$4,730 per month |
| 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 | Makena SP | (2) 2-1-006:053 | Food and Beverage Concession | | \$800 per month |
| SP0530 | Hawai'i Climbing Coalition. | Kaena Point State Parks Reserve | (1) 6-9-001:004 (por.) | Rock Climbing | 3.65 acres | Gratis |
| SP0517 | Adventures in Paradise, 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 |

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 |