

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

January 10, 2014

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

PSF No. 13OD-213

OAHU

Consent to Sublease General Lease No. S-5805, Waikiki Community Center, Lessee, to Uhane Pohaku Na Moku O Hawaii, Inc., Sublessee, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-6-025:008.

APPLICANT:

Waikiki Community Center, as Sublessor, to Uhane Pohaku Na Moku O Hawaii, Inc., as Sublessee, both entities are domestic non-profit corporations.

LEGAL REFERENCE:

Section 171-36(a)(6), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waikiki, Honolulu, Oahu, identified by Tax Map Key: (1) 2-6-025:008, as shown on the map attached as **Exhibit A**.

AREA:

1.56 acres, more or less.

SUBLEASE AREA:

356 square feet.

TRUST LAND STATUS:

Non-ceded; acquired after Statehood.
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

LEASE CHARACTER OF USE:

Youth, education and multi-service community center to house human services and community activities purposes.

SUBLEASE CHARACTER OF USE:

Health clinic related purposes.

TERM OF LEASE:

30 years, commencing on April 1, 2007 and expiring on March 31, 2037. Next rental reopening is scheduled for April 1, 2017.

TERM OF SUBLEASE:

June 1, 2013 to December 31, 2013.

ANNUAL RENTAL:

\$156.00

SUBLEASE RENTAL:

\$469.92 per month.

RECOMMENDED ADJUSTMENT TO LEASE RENTAL:

None.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Sections 11-200-8(a)(1) 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". See Exemption Notification attached as **EXHIBIT B**.

DCCA VERIFICATION:

SUBLESSOR:

Place of business registration confirmed: YES x NO

Registered business name confirmed: YES x NO ___
Good standing confirmed: YES x NO ___

SUBLESSEE:

Place of business registration confirmed: YES x NO ___
Registered business name confirmed: YES x NO ___
Good standing confirmed: YES x NO ___

REMARKS:

The Waikiki Community Center (WCC) is requesting the Board's consent for a sublease to include the Uhane Pohaku Na Moku O Hawaii, Inc. (UPNMOH), as the sublessee.

According to WCC, the rental of building space to the proposed sublessee has been ongoing for more than twenty (20) years, operating under the name of the Coalition for a Drug Free Hawaii (CDFH). The term of their sublease agreement had previously expired in May of this year, but rent payments have still continued to be made under the name of the CDFH. WCC reported that the proposed sublessee had recently changed its nonprofit affiliation to the UPNMOH, and has chosen to operate under the name of this particular nonprofit affiliate instead.

Since 1982, Waikiki Community Center (WCC) has been the lessee of the subject property for community service purposes. In 2007, the Board authorized the issuance of a new 30-year lease to WCC for the purposes cited above.

On October 28, 2010, agenda item D-7, the Board gave its consent to five (5) subleases under the subject lease. Staff Appraiser reviewed the subleases and opined there was no sandwich rent involved. Staff understands the subject request is similar to the 2010 cases that the rent for the subleases was to cover the expenses on the subleased premises. Therefore, staff does not believe there is any sandwich rent component in the subject request.

WCC is in compliance with the terms and conditions of the subject master lease. The proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing. A copy of the environment assessment exemption notification is attached as Exhibit B.

There are no issues regarding any rental reopening, as the next reopening will not occur until 2017. Staff did not solicit comments on the subject request as it is for housekeeping purposes only. Staff has no objection to the request.

Staff now brings this request to the Board for its approval.

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. Consent to the sublease under General Lease No. S-5805 between Waikiki Community Center, as Sublessor, to Uhane Pohaku Na Moku O Hawaii, Inc., as the Sublessee, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following terms and conditions:
 - A. The standard terms and conditions of the most current consent to sublease 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.

Respectfully Submitted,

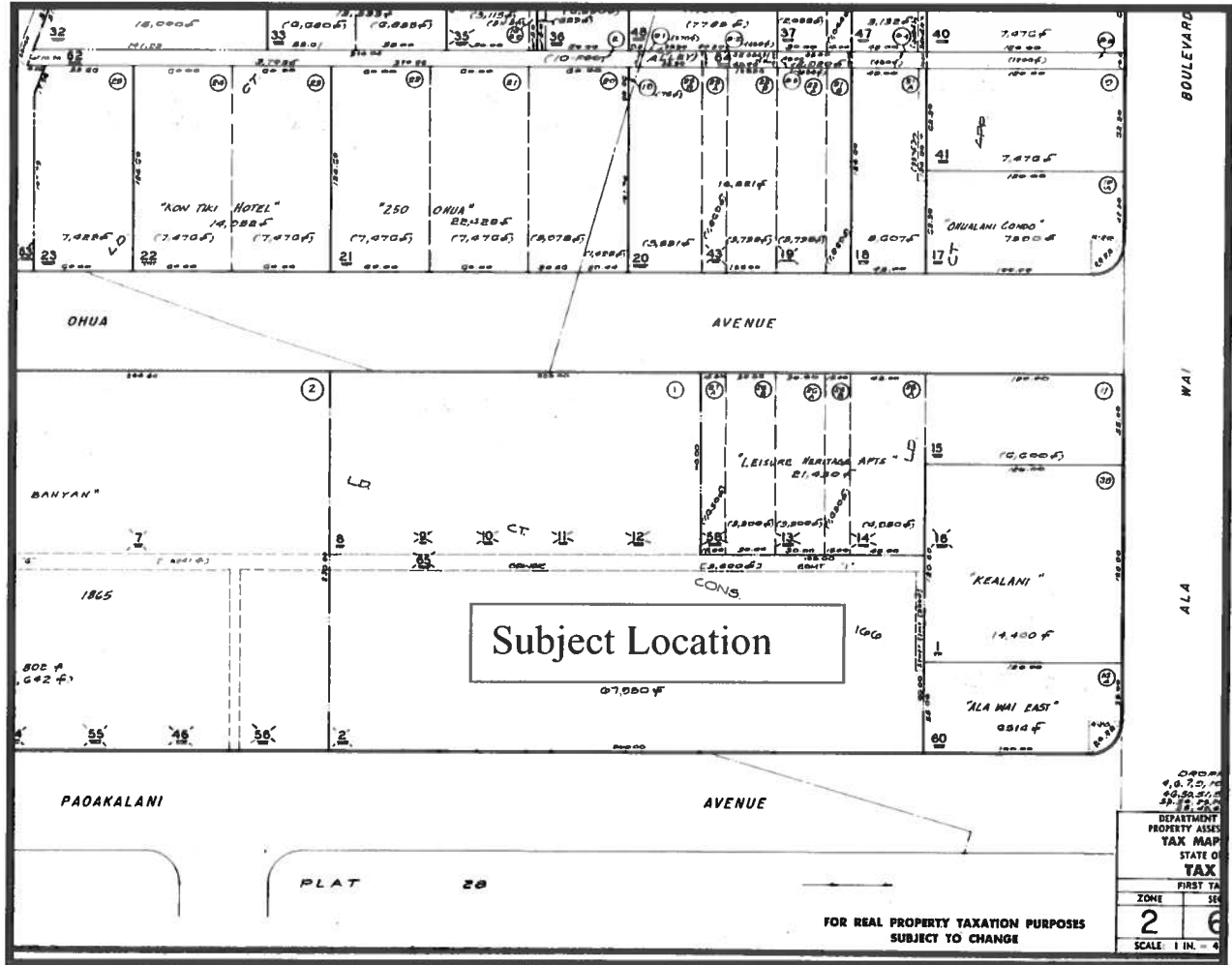


Timmy Chee
Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



TMK (1) 2-6-025:008

EXHIBIT A

EXEMPTION NOTIFICATION

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

Project Title: Consent to Sublease for Uhane Pohaku Na Moku O Hawaii, Inc.

Project / Reference No.: GL 5805

Project Location: Honolulu, Oahu, TMK (1) 2-6-025:008

Project Description: Consent to sublease for Uhane Pohaku Na Moku O Hawaii, Inc.

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

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8(a)(1), 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".

The subject request pertains to the use of the existing leased premises to Waikiki Community Center for community services purposes. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties: Not applicable.

Recommendation: It is recommended that the Board find 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


12/20/13

Date

EXHIBIT B