

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

June 13, 2014

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

Hawai'i

Authorization to Contract Qualified Professionals to Provide Technical and Advisory Services Relating to Renovation of Existing Structures and/or New Construction Options on State Lands at Waiakea, South Hilo, Hawaii, Tax Map Keys: 3rd/ 2-1-5:20, 22, 33, 34, 35 & 45.

Land Division, through the Engineering Division, desires to engage a consultant to provide architectural services to assist the department in planning for the use of State lands in the Banyan Drive area of Hilo, Hawaii. Leases for three shoreline properties in this area are scheduled to expire on March 14, 2015, and the department is assessing the options for future use of the lands. The properties are all zoned V-.75 (resort-hotel) and are located within the Special Management Area (SMA) and the tsunami inundation zone. See Exhibit A attached.

Land Division has received draft reports from its planning consultant regarding the demand for hotel accommodations in this area, as well as the remaining useful life of the existing improvements on the parcels, and the effects of sea level rise on the properties. Staff will report to the Board on the consultant's findings when the reports are finalized. As to the useful life of existing improvements, however, the consultant's preliminary findings are that the buildings on the properties have about 8-15 years of remaining life. Accordingly, any future use of the properties will likely involve major renovations to existing buildings, or demolition of these buildings and construction of new ones.

The existing structures on the properties were built prior to the enactment of the SMA law. However, major renovations and new construction will trigger SMA permitting requirements. Additionally, shoreline setbacks of 40 feet will be applicable to new construction, as will building restrictions applicable in the tsunami inundation zone. Before putting the properties out to public auction, request for proposals or other competitive selection process, staff would like to obtain an idea of the utility of these parcels while accounting for applicable land use restrictions and sea level rise, which the consultant's preliminary findings show is likely to have some impact on this area over the next 80 years. Specifically, information on setbacks, buildable area, height limits, parking

requirements, infrastructure upgrades, permitting requirements, etc., will help inform decision-making about the highest and best use of the lands. An architect will be able to illustrate various options for the redevelopment of the properties. In turn, this information will assist staff in making a recommendation to the Board on the best competitive process for selecting lessees of the properties.

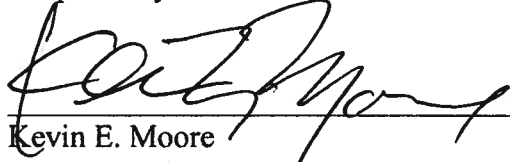
Neither Land Division nor Engineering Division has architects on staff. Effective assistance in this area will require the services of one or more architects licensed in Hawaii. Requested contract services may include: (1) Review of applicable SMA, zoning code, building code, and other land use restrictions applicable to the properties; (2) Preparation of conceptual designs for possible renovations of existing structures or construction of new improvements on the properties; and (3) Related technical and advisory services. The architect will not be tasked with preparing actual building plans for any particular structure. Rather, the contract scope will be limited to assisting staff and the Board in understanding potential development options on the properties.

The requested contract services will facilitate the administration of one of the few resort-hotel areas the department manages and promote public safety. Funds for the work are available from the Special Land Development Fund.

RECOMMENDATION:

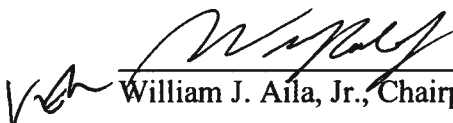
1. That the Board of Land and Natural Resources authorize the contracting of the work described above and authorize the Chairperson to sign the necessary documents pertaining to the project, subject to Governor's approval, and review and approval as to form by the Department of the Attorney General.
2. That the Board authorize the Chairperson, subject to review and approval as to form by the Department of the Attorney General, to enter into supplemental contracts to address unforeseen conditions and to sign the necessary documents to implement the additional work with the consultant.

Respectfully Submitted,



Kevin E. Moore
Assistant Administrator

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson

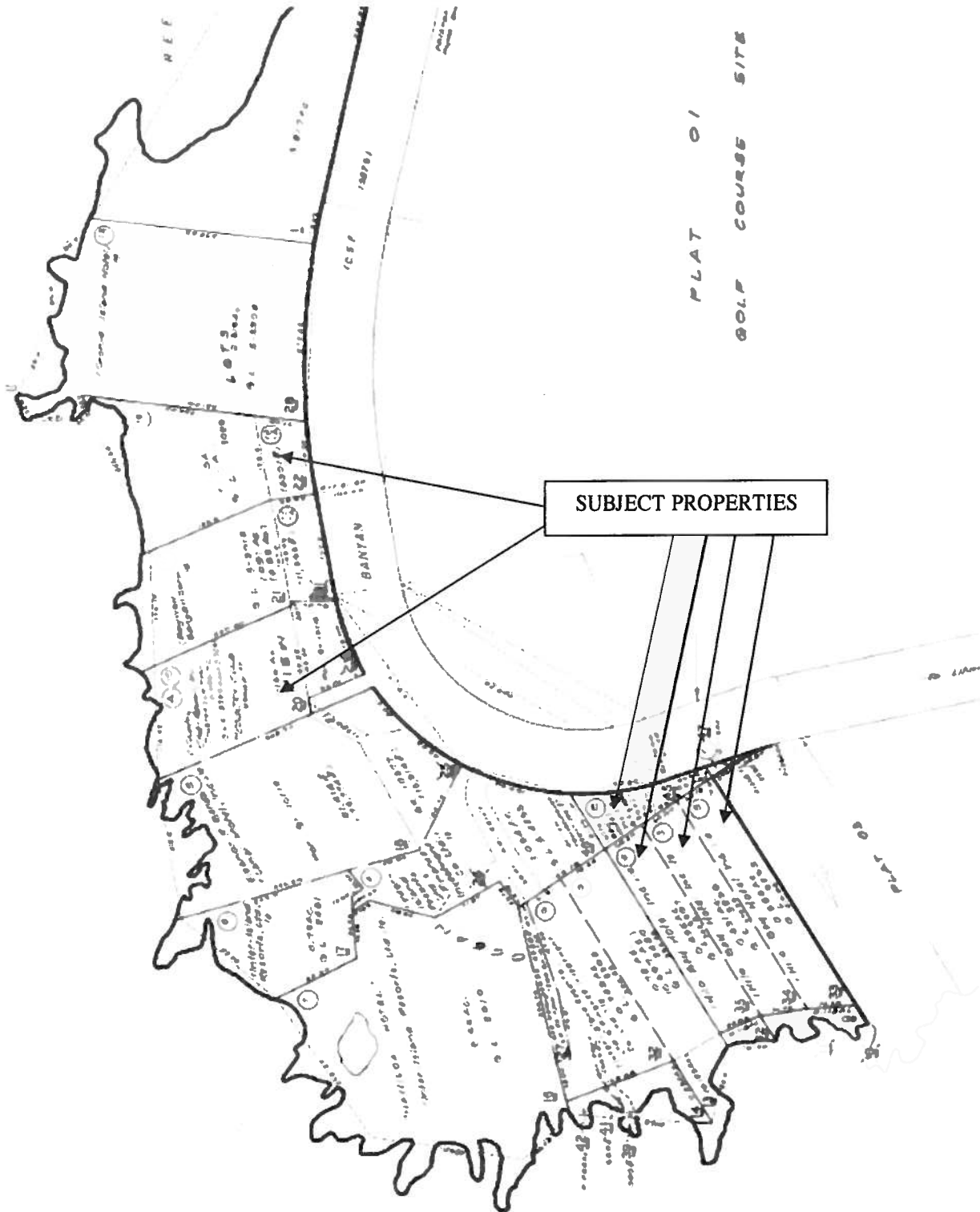
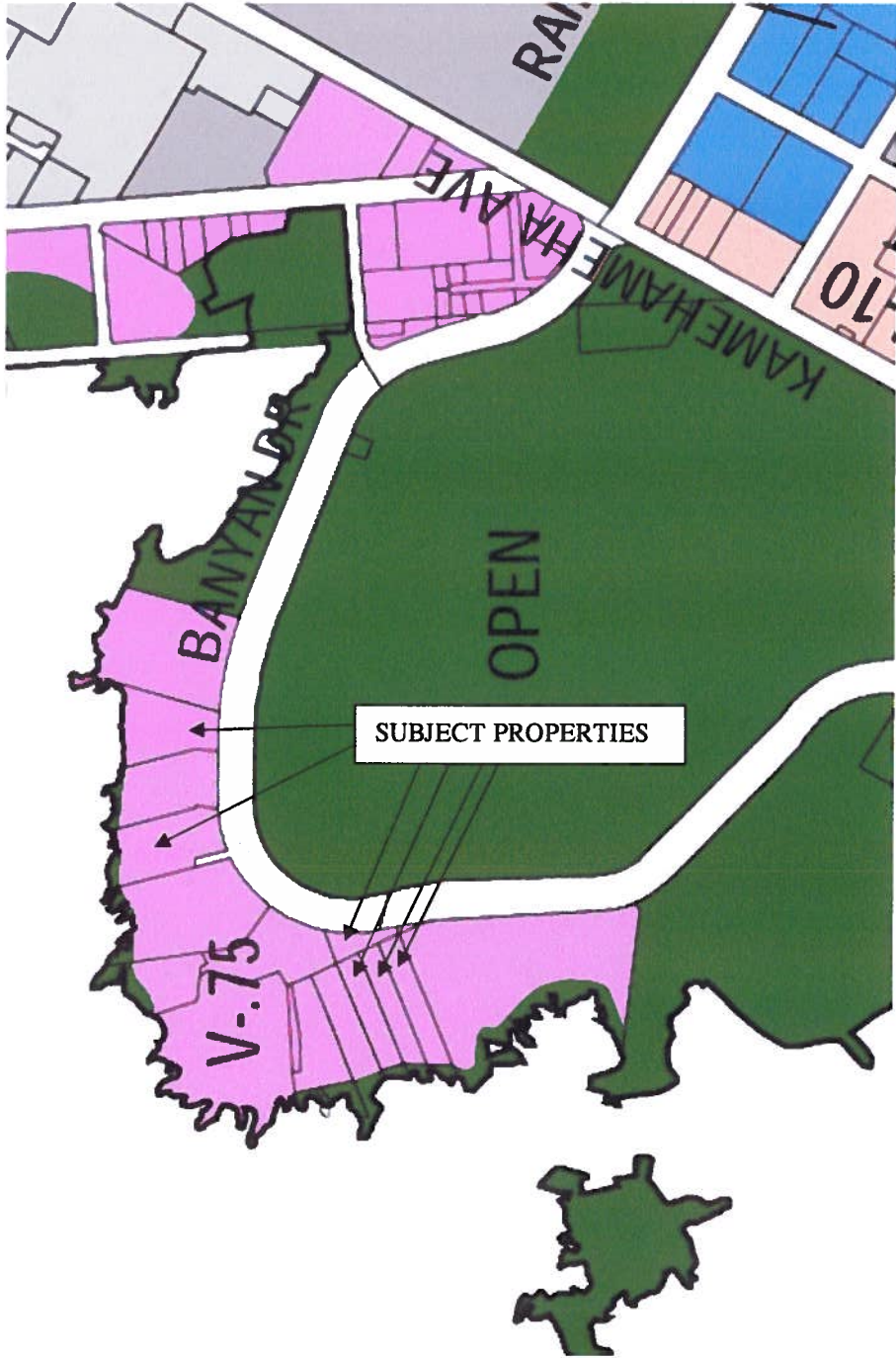


EXHIBIT A



Property Locations



Image from Google Earth