

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

November 13, 2015

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

PSF No.: 15HD-133

Hawaii

Issuance of a Revocable Permit to Lee-C Corporation doing business as Ken's House of Pancakes for Temporary Parking and Delivery/Unloading Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-032:064.

APPLICANT:

Lee-C Corporation, a Hawaii Corporation dba Ken's House of Pancakes.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Government Lot C-1 situated on south side of Kamehameha Avenue between Kalanikoa and Kanoiehua Avenues, Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-032:064, as shown on the attached map labeled Exhibit A.

AREA:

1,400 square feet, more or less.

ZONING:

State Land Use District: Urban  
County of Hawaii CZO: Industrial

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Vacant.

Previously encumbered under General Lease No. S-3597

CHARACTER OF USE:

Temporary parking and delivery/unloading purposes.

COMMENCEMENT DATE:

September 1, 2015.

MONTHLY RENTAL:

\$140.00 per month, based on staff's rent calculation and approved by the Chairperson, October 1, 2015, attached as Exhibit B.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exhibit C attached.

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:

At its meeting of July 24, 2015 under agenda item D-5, the Board consented to the cancellation of General Lease S-3597 (GL S-3597), Sure Save Supermarket, Ltd. The property was previously utilized as a convenience store and take-out lunch shop.

The subject property is adjacent to the Applicant's restaurant business, Ken's House of Pancakes, which is located on private land. Prior to the cancellation of GL S-3597, the Applicant had been sub-leasing a section of the rear of the lease premises for employee parking and the unloading of goods delivered to its restaurant operation. The Applicant continued to utilize the property after GL S-3597 was cancelled effective August 24, 2015. Staff is therefore recommending the start date for the Revocable Permit be September 1, 2015.

There have been several requests from interested parties to lease the subject property. Hawaii District staff has initiated the necessary procedures to prepare the subject property for long-term lease at public auction. However, in the interim, a temporary use of the property through a month-to-month revocable permit would provide some security to the building and lot.

The Applicant understands this request is only for temporary use of the rear parking area while HDLO staff prepares the property for long-term lease at public auction. The Applicant

also understands the permit does not include use of the building on the property.

The property is located in a commercial/industrial area that is susceptible to vandalism. Interim use of the property should negate any possible damage or destruction to the property while it is being prepared for lease at public auction.

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.

Request for comments were distributed to various government agencies and their responses are included below.

County of Hawaii Agencies	Comments
Environmental Management	No Comments
Fire Department	Comments Below
Planning	No Objection
Police Department	No Comments
Public Works	No Response
Water Department	No Objection
State of Hawaii Agencies	Comments
DLNR-Historic Preservation	No Objection
DHHL	No Response
DOH-Environmental Management	No Response
DOT-Highways Division	Comments Below
Other Agencies	Comments
Office of Hawaiian Affairs	No Objection
Corps of Engineers	No Response

The County of Hawaii Fire Department requests the Applicant comply with the current NFPA1, UNIFORM FIRE CODE, 2006 EDITION.

The State of Hawaii, Department of Transportation, Highway's Division expressed concern that the temporary month-to-month revocable permit will become a long term lease. As indicated above, it is the intention of HDLO to put this property out for long-term lease through public auction as soon as possible.

At its meeting of September 25, 2015 under agenda item D-5, the Board approved the sale of lease for this property. Staff is currently processing the required documents in preparation to lease the property at public auction.

**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 of a revocable permit to Lee-C Corporation, a Hawaii Corporation doing business as Ken's House of Pancakes covering the subject area for temporary parking and delivery/unloading purposes 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. Effective date for the Revocable Permit shall be September 1, 2015;
  - c. Review and approval by the Department of the Attorney General; and
  - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

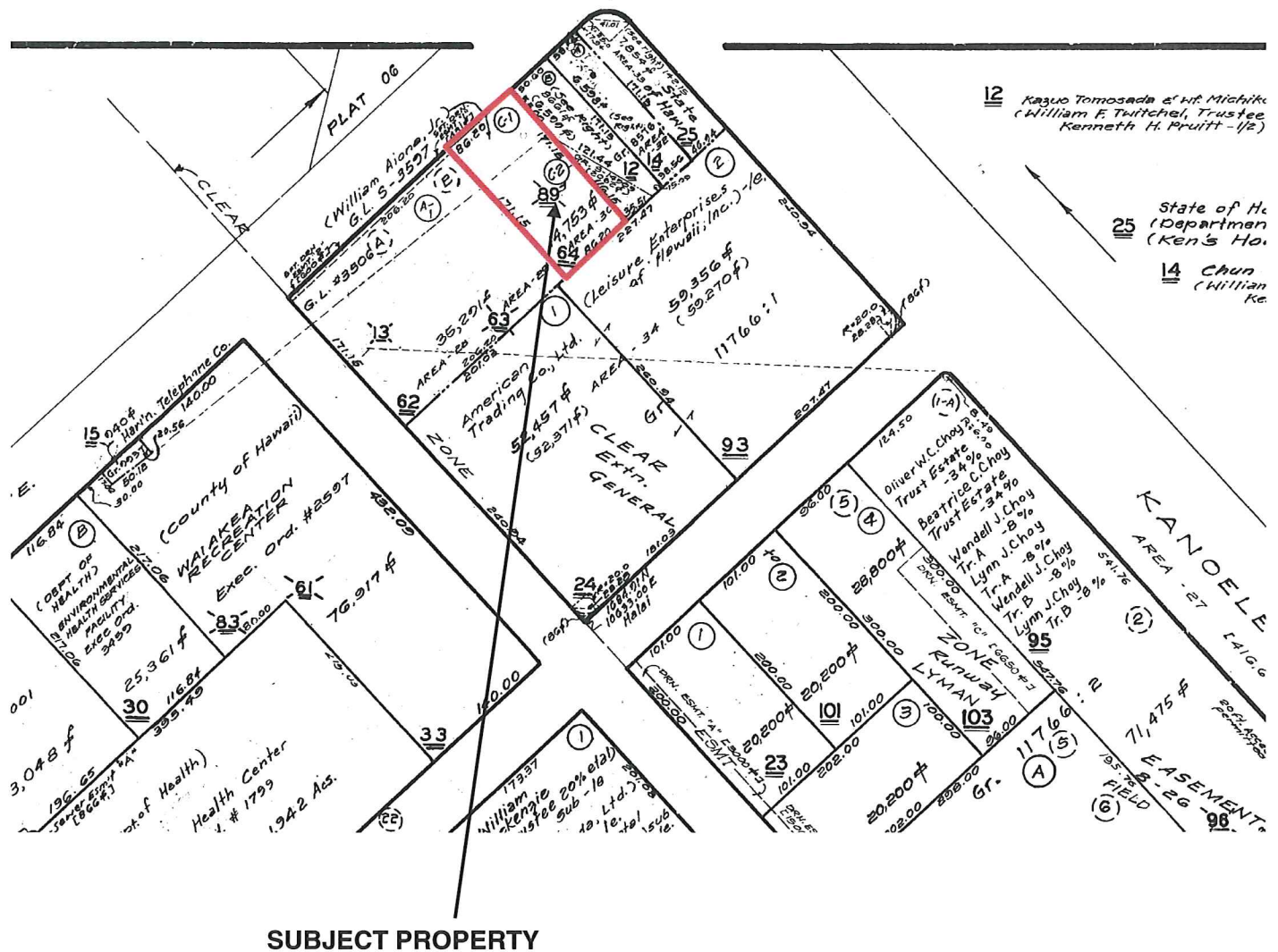
Respectfully Submitted,

  
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Gordon C. Heit  
District Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
Suzanne D. Case, Chairperson

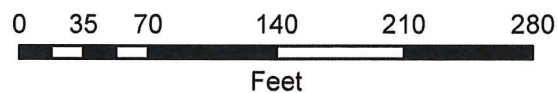
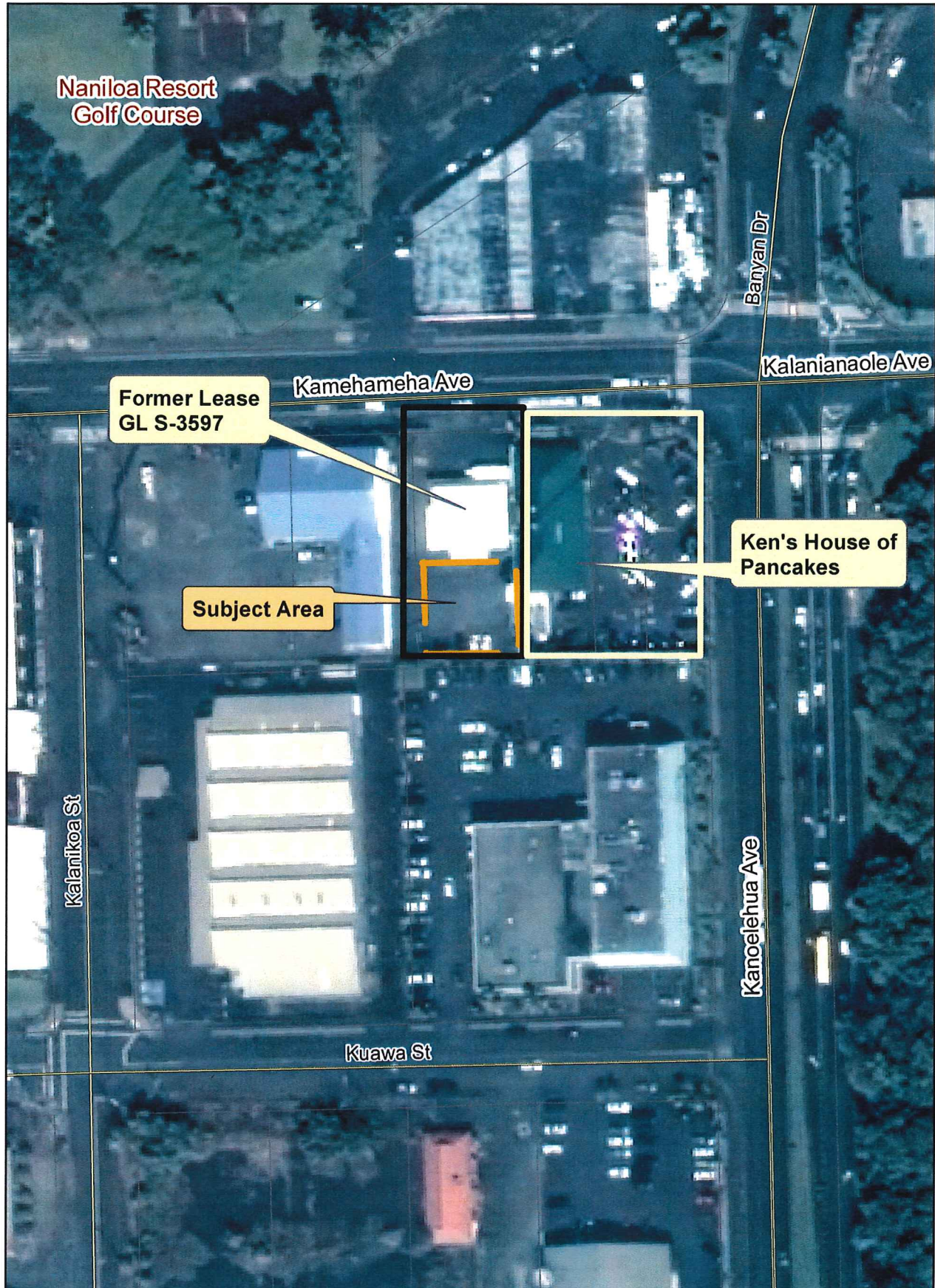
**TMK: 3<sup>RD</sup>/2-2-32:64**





# RP Request for Parking

## EXHIBIT A







**STATE OF HAWAII**  
**DEPARTMENT OF LAND AND NATURAL RESOURCES**  
**LAND DIVISION**

75 Aupuni Street, Room 204  
Hilo, Hawaii 96720  
PHONE: (808) 961-9590  
FAX: (808) 961-9599

October 1, 2015

**MEMORANDUM**

**TO:** Suzanne D. Case, Chairperson

**THROUGH:** Russell Y. Tsuji, Land Administrator

**FROM:** Gordon C. Heit, District Land Agent *GCHeit*

**SUBJECT:** In-House Valuation Recommendation – Revocable Permit for Temporary Employee Parking and Delivery/Unloading Purposes.

**PSF No.:** 15HD-133  
**Applicant:** Lee-C Corporation dba Ken's House of Pancakes.  
**Location:** Waiakea, South Hilo, Hawaii  
**Land Area:** 1,400 sq. ft.  
**Tax Map Key:** (3) 2-2-032:064  
**Char. Of Use:** Temporary, employee parking and delivery/unloading.  
**Date of Value:** Current

We are attempting to determine the monthly rental amount for the issuance of a revocable permit for temporary employee parking and delivery/unloading purposes on the above-referenced property. This rent amount will be included in staff's submittal to the Board for approval of this permit and will not be effective unless such approval is received.

The subject parcel is approximately 14,753 square feet with a 1,755 square foot commercial structure on it. The Applicant wishes to utilize approximately 1,400 square feet of open area behind the structure for employee parking and off-loading of supplies for the restaurant adjacent to the subject property. The structure will not be used by the Applicant and is not factored in the rental amount. The property was previously encumbered under GL S-3597 and was cancelled on July 24, 2015. The lease rent at the time the lease was cancelled was set at \$17,760 annually. This amount is used to establish the monthly rent as follows:

**EXHIBIT B**

Annual rent:	\$17,760.00
Rent per square foot:	\$1.20 (17,760 ÷ 14,753)
Annual rent for requested area:	\$1,680.00 (1,400 × 1.20)
Monthly rent:	\$140.00 (1,680 ÷ 12)

Therefore, staff is recommending the rent for the 1,400 square feet requested by the Applicant be set at \$140.00 per month.

### Special Assumptions and Limiting Conditions

- 1) This rental valuation estimate is for internal purposes only. This document does not take the place of an appraisal and does not constitute an appraisal that adheres to the Uniform Standards of Professional Appraisal Practices.

### Approved/Disapproved:

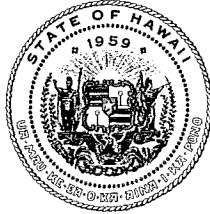
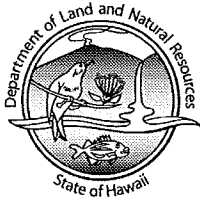
  
\_\_\_\_\_  
Suzanne D. Case, Chairperson

10/6/15  
\_\_\_\_\_  
Date

cc: District File  
Central File



DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

SUZANNE D. CASE  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA  
FIRST DEPUTY

JEFFREY T. PEARSON  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING

FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAIHOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**EXEMPTION NOTIFICATION**

From the preparation of an environmental assessment under the authority of Chapter 343, HRS and Chapter 11-200, HAR

**Project Title:** Request for Revocable Permit to Lee-C Corporation doing business as Ken's House of Pancakes, for Parking and Delivery/unloading Purposes.

**Project Number:** PSF No. 15HD-133

**Project Location:** Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-032:064.

**Project Description:** The requested parcel was previously encumbered under GL S-3597 for retail liquor and fountain item sales purposes. The lease was cancelled as a result of a default of the lease terms. The applicant is the owner of the adjacent property and wishes to utilize the rear portion of the lot on a temporary basis while the property is being prepared for lease at public auction for employee parking and the unloading of delivered goods for their restaurant business.

**Consulted Parties:** None

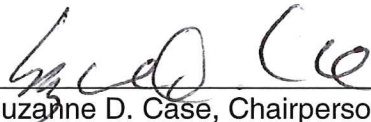

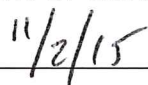
**EXHIBIT C**

**Exemption Class No.:**

In accordance with the "Exemption List for the Department of Land and Natural Resources", approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 51 that states "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."

**Recommendation:**

It is anticipated 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.

  
\_\_\_\_\_  
Suzanne D. Case, Chairperson   
  
\_\_\_\_\_  
Date