

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

June 27, 2008

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

PSF No.: 08HD-080

Hawaii

**Issuance of a Month-to-Month Revocable Permit to State Historic
 Preservation Division, Waiakea, South Hilo, Hawaii, Tax Map Key: 3rd/2-2-
 50:81.**

APPLICANT:

Department of Land and Natural Resources, State Historic Preservation Division, whose business and mailing address is Kakuhihewa Building, 601 Kamokila Blvd., Suite 555, Kapolei, Hawai'i 96707

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands of Kanoelehua Industrial Lots situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: 3rd/2-2-50:81, as shown on the attached map labeled Exhibit A.

AREA:

11,164 square feet, more or less.

ZONING:

State Land Use District: Urban
 County of Hawaii CZO: ML-20 Limited Industrial (20,000 square feet)

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 and unencumbered.

Property was formerly encumbered by Revocable Permit No. S-7384, Michael and Joy Mentnech.

CHARACTER OF USE:

Industrial purposes consistent with County of Hawaii zoning ordinance.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

Gratis.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No.3 that states "operations of existing structures, facilities or equipment with no change of use beyond that previously existing."

REMARKS:

The property was formerly encumbered under General Lease No. S-3653 to Jack L. Ayers, Trustee and Elsie M. Ayers, Trustee. The Ayers filed for bankruptcy on August 25, 1997 and after two years of trying to sell the leasehold finally abandoned the lease at the end of February 2000. Although First Hawaiian Bank had a mortgage on the property, they elected not to cure the defaults and the lease was cancelled as of June 7, 2000. Prior to the Ayers filing for bankruptcy, the property had been subleased to Orkin Exterminating Company, Inc. but no consent was ever obtained. The Orkin Company wished to continue occupying the premises and requested a month-to-month revocable permit. At its meeting of July 14, 2000, under Agenda item D-14, the Board consented to a month to month revocable permit (RP S-7216) to Orkin Exterminating Company, Inc.

In a letter dated February 9, 2004, Orkin Exterminating Company, Inc. informed the Hawaii District Land Office of its desire to vacate the premises and terminate the month-to-month permit effective February 29, 2004.

At its meeting of April 23, 2004 under agenda item D-5, the Board consented to the month-to-month revocable permit (RP S-7384) to Michael and Joy Mentnech for the purpose of the warehousing and wholesale distribution of imported goods. This permit was cancelled at the request of the permittee on April 30, 2006 and the property has remained vacant since then.

The property is located in the Kanoelehua Industrial Area of Hilo. The area was created as a result of the relocation of businesses destroyed by the tsunami of 1960. Land Division controls approximately thirty lots in the vicinity, most of which are currently encumbered by general leases that will expire in or around 2016. Land Division intends to commence a master-planning effort for these lands several years prior to the expiration of those leases. In anticipation of this master planning effort, staff is recommending a revocable permit rather than a long-term lease for this parcel, and SHPD acknowledges it will need to find other accommodations when Land Division commences the master planning effort.

The State Historic Preservation Division will utilize the property for their Hawaii District office. The security of the property with its chain-link fence and gates as well as available storage space present a suitable temporary facility for SHP until such time when a more permanent location is found.

Requests for comments were sent to various government agencies with no objection or negative comments with regards to this request. Staff is therefore recommending that the Board consent to the authorization of a month-to-month revocable permit to the State Historic Preservation Division for office and storage purposes.

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 State Historic Preservation Division covering the subject area for office and storage 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. 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,



 Gordon C. Heit
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson

