

State of Hawaii
BOARD OF LAND AND NATURAL RESOURCES
 Division of State Parks
 Honolulu, Hawaii

March 27, 2009

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

SUBJECT: Issuance of After-the-Fact Revocable Permit for Koke'e Lodge, Koke'e State Park, Waimea, Kauai, TMK (4) 1-4-04:73, (4) 1-4-01:13 por., (4) 1-4-04:74, (4) 1-4-04:76 por.

LEGAL REFERENCE: Sections 171-13 and -55, HRS, as amended

LOCATION: Koke'e Lodge Premises, Koke'e State Park, Island and County of Kauai

PROPERTY AREA:

LOT	TMK	NAMES OF LEASED IMPROVEMENTS	CABIN AREA (sf)	LAND AREA (acres)
A	(4) 1-4-04:73	Kokee Inn (Restaurant) aka The Lodge at Koke'e	4,028	0.131
D	(4) 1-4-01:13 por.	Kanaloahuluhulu Ranger Station and Easement A	1,810	0.045
C	(4) 1-4-04:74	Kauila Cabin	625	1.254
		Lehua Cabin	619	
		Maile Cabin	331	
		Iliahi Cabin	676	
E	(4) 1-4-04:76 por.	Olopua/Hala Duplex	1,118	0.714
		Kukui/Koa Duplex	1,118	
F	(4) 1-4-04:76 por.	Kolea Cabin	624	0.642
		Naio Cabin	624	
		Ohe-Ohe Cabin	568	
		Olapa Cabin	568	
	TOTAL AREA			2.786

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

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

RENTAL

The Board previously approved a rental of 3% of gross profits.

BACKGROUND:

In 2003 the Department envisioned a lease for Koke'e Lodge which consists of a restaurant with equipment (including the sale of alcoholic beverages), gift shop, 12 furnished cabins at Koke'e State Park and intended to put all the lease properties out to bid at once, including the recreation residence cabins. However, the Master Plan had not been completed and the final disposition of the recreation residence cabins had not been resolved.

Accordingly, through a public bid process the Koke'e Lodge, restaurant and gift shop, retail concessions and cabins at the Koke'e State Park were awarded to The Lodge at Koke'e LLC as the Concessionaire (also known as Kikiaola Realty, LLC; Kikiaola Land Co., Ltd.) for a 30 month period that began on July 1, 2004 through December 31, 2006.

The concession lease expired in December, 2006. On December 8, 2006 and again on June 8, 2007 the Board approved six month lease holdovers. On December 14, 2007 the Board approved a Revocable Permit expecting to seek a new long term agreement. That Revocable Permit expired on December 31, 2008.

Subsequently, the disposition of most of the recreational residence cabins was executed through direct negotiation. The Department is now working with the Koke'e Advisory Council created by the Legislature to provide input on the Master Plan, and will consider their input before finalizing the Plan. This Plan will help define the scope of the Long Term lease.

Pursuant to Section 171-55, HRS, the Board may allow this permit to continue on a month-to-month basis for additional one year periods. A long term concession agreement for the lodge and cabins is envisioned, however, the proposed RFQ/RFP will be brought back to the Board for approval at another time.

RECOMMENDATION

That the Board:

1. Authorize issuance of an after-the-fact Revocable Permit to the Lodge at Kokee, LLC for the Koke'e Lodge, Koke'e State Park.
2. Approves such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

Respectfully submitted,



DANIEL S. QUINN
State Parks Administrator

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN, Chairperson