

**State of Hawai‘i**  
**Department of Land and Natural Resources**  
**Division of State Parks**  
**Honolulu, Hawai‘i**

December 9, 2011

Board of Land and Natural Resources  
State of Hawai‘i  
Honolulu, Hawai‘i

**Subject:** Request for Approval to Continue Twenty-Eight (28) Revocable Permits for Use of State Parks Lands on the Islands of Kaua‘i, O‘ahu, Maui, and Hawai‘i for the following: Na Pali Kayak Inc., Kayak Kaua‘i, Rick Haviland, (Na Pali Coast State Wilderness Park for commercial kayak landings), Clancy Greff, Na Pali Sea Tours, Inc., Lady Ann Cruises Inc., (Na Pali State Wilderness Park Inflatable boat landings), Wailua Marina Restaurant (Wailua River State Park restaurant), The Lodge at Kōke‘e (Kōke‘e State Park lodging accommodations/retail and restaurant use), Ka Imi Naauao o Hawai‘i Nei, Hawai‘i United Methodist, Kaua‘i Christian Fellowship, Camp Hale Koa Association, (Waimea Canyon State Park non profit recreation-residences/camps), Hawai‘i Conference Foundation (Kōke‘e State Park non profit camp), Sukhothai Corp. (Waimea Canyon State Park mobile food vendor), Rick Ralston (Pu‘u ‘Ualaka‘a State Wayside recreational/residential use), Wesley and Joan Cash (Kawainui Marsh State Park Reserve, pasture use), Curtis K. Hong, (Diamond Head State Monument food and beverage vending), Pepsi Bottling Group (Diamond Head State Monument beverage vending), Jose Gaceta ( Ahupua‘a O Kahana State Park pasture use), Erlinda Molina Villanueva (Ahupua‘a O Kahana State Park, agriculture use), Maui Ice and Soda Works, Ltd. (Wai‘anapanapa State Park beverage vending), Island Inspirations, LLP (Makena State Park food service vending), SMCA, Inc. (Hāpuna Beach SRA food and beverage vending), Diamond Parking Services, LLC, (‘Akaka Falls State Park parking management), Hawai‘i Pack and Paddle, Kona Boys, Inc., Iwa Kalua, Adventures In Paradise, LLC (Kealakekua Bay State Historical Park, commercial kayak tours).

**Statute:** Sections 171-13 and -55, HRS, as amended.

**Background:**

The Division of State Parks (State Parks) annually requests Board approval to continue its existing month-to-month revocable permits (RPs) in December of each year. Pursuant to §171-55, HRS, the Board may allow revocable permits to continue on a month-to-month basis for additional one-year periods.

State Parks requests the continuation of RPs originally approved by the Board at various meetings held as far back as 1988. The purpose of seeking the Board’s approval of the RP’s in December of each year is to synchronize the terms of all revocable permits to a calendar year period. Some of these revocable permits are intended to be transitional in

that they will eventually be replaced by concession agreements or long-term general leases. All revocable permits under consideration by this submittal are listed in Exhibit “A” .

### Discussion

#### Kaua‘i

Kaua‘i RPs include inflatable boat and kayak landing permits for commercial guided tours at Nu‘alolo Kai and Miloli‘i in the Nāpali Coast State Wilderness Park. At the Wailua River State Park in Marina Building B, a full service restaurant serves visitors to the marina and the area commonly known as the Fern Grotto.

In Kōke‘e and Waimea Canyon State Parks, there are five permits for the nonprofit use of recreation-residence and camp facilities. The Board previously approved the issuance of long term leases for five non profit organizations. One of those organizations has relinquished its tenancy and the Board authorized a new RP to the Camp Hale Koa Association in 2010 in its place. As staff time is available, State Parks will complete the long term leases for the four remaining non profit organizations. State Parks also plans to return to the Board with a long term lease proposal for the Camp Hale Koa property separately. In addition, State Parks plans a competitive bid process for a lease of the Kōke‘e Lodge and restaurant facilities currently under an RP to The Lodge at Kōke‘e. Finally, there is one mobile food vendor at the Waimea Canyon Lookout.

#### O‘ahu

At Pu‘u ‘Ualaka‘a State Wayside, a revocable permit was issued to Mr. Rick Ralston in 1987 for the use of the residence known as the “Nutridge House”. Mr. Ralston has made numerous structural and cosmetic repairs and maintained the property which is listed on the National Register of Historic Places. State Parks requests this RP be renewed with the permittee paying current market rent based on an independent appraisal paid for by permittee. State Parks also requests authority be delegated to the Chairperson, as necessary to make ‘in kind’ agreements regarding services provided to the park, such as opening and/or closing the entrance gate and repairs to the property as necessary. State Parks also requests the RP be renewed using the most current form as approved by the Department of the Attorney General.

On the Windward side of ‘Oahu, the use of 17 acres at Kawainui Marsh State Park Reserve for pasture purposes has been allowed continuously under a revocable permit first executed in 1993. An Executive Order transferring management and control of this 17 acre parcel to State Parks from DLNR Land Division was issued in 2005. The small agricultural and pasture permits at Ahupua‘a O Kahana State Park are issued to family members of those holding residential leases in the park and reflect a continuation of the traditional practices at Kahana.

#### Maui

In Wai‘anapanapa State Park, Maui Ice and Soda Works operates beverage vending machines. In Makena State Park, Island Inspirations, LLC operates as mobile food vendor.

Hawai'i

In Kealahou Bay State Historical Park, State Parks seeks approval to renew four commercial kayak tour RPs. In Akaka Falls State Park, a parking management agreement was executed to collect fees pursuant to the Board's authorization on September 9, 2010. State Parks seeks the approval to renew the RP with the intention of seeking a longer term agreement through an open and competitive public process in 2012. At Hāpuna Beach State Recreation Area, a restaurant concession serves visitors taking advantage of surfing, hiking and sunbathing opportunities.

Recommendations: That the Board:

1. Declare that after considering the potential effects of the proposed dispositions as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the continuation of the revocable permits pursuant to the terms above and as listed in Exhibit "A" which, by this reference, are incorporated herein, on a month-to-month basis for a one-year period subject to review and approval by the Department of the Attorney General; and,
3. Approve 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:



WILLIAM J. AILA, JR.  
Chairperson

**EXHIBIT "A"**  
**DIVISION OF STATE PARKS REVOCABLE PERMITS**  
**Revocable Permits Approved by the Land Board and Subject to Renewal**

RP #	Name of Permittees	Park	TMK	Character of Use	Permit Area (acres)	Current Rent (base or percentage)
SP0044	Na Pali Kayak, Inc	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0045	Kayak Kauai	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0046	Rick Haviland, dba Outfitters Kauai	Nāpali (Miloli'i), Kaua'i	(4) 1-4-001:07	Commercial Kayak Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0004	Clancy Greff dba Na Pali Zodiac and A Na Pali Eco Adventures, Inc.	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0005	Na Pali Sea Tours, Inc.	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP8701	Lady Ann Cruises, Inc.	Nāpali Coast SWP (Nu'alolo Kai), Kaua'i	(4) 1-4-001:07	Inflatable Boat Landings	N/A	\$5 per person, 5% of gross, which ever higher
SP0001	Waihua Marina Restaurant	Waihua River SP (Marina), Kaua'i	(4) 3-9-04:9	Full Service Restaurant	1058 sq ft	\$2,332.80 per month or 5-10% of which ever is higher
SP0039	The Lodge at Kōke'e LLC	Kōke'e SP, Kaua'i	(4) 1-04-01: Por. of 13, Lots A, C, D, E, & F	Lodging/Retail/Restaurant/Resident Mgr. Residence	2.8 ac	4% of gross profits
SP0189	Ka Imi Naaauao o Hawaii Nei	Waimea Canyon SP, Kaua'i	(4) 1-4-002:20	Nonprofit Camp	1.0 ac.	\$41.67 monthly
SP0191	Hawai'i Conference Foundation, United Church of Christ	Kōke'e SP, Kaua'i	(4) 1-4-004:027 a, b	Nonprofit Camp	.50 ac.	\$41.67 monthly
SP0192	Hawaii United Methodist	Waimea Canyon SP, Kaua'i	(4) 1-4-002:024	Nonprofit Camp	3.05 ac	\$41.67 monthly
SP0193	Kauai Christian Fellowship	Waimea Canyon SP, Kaua'i	(4) 1-4-002:041	Nonprofit Camp	.99 ac	\$41.67 monthly
SP0402	Camp Hale Koa Association	Waimea Canyon SP, Kauai	(4) 1-4-002:0055	Nonprofit Camp	4.06 ac	\$41.67 monthly
SP0052	Sukhothai Corp	Waimea Canyon Lookout	(4) 1-4-001:por.	Mobile Concession		\$2,500 per month
SRP6610	Rick Ralston	Pu'u 'Ualaka'a State Wayside	(1) 2-5-019:004	Recreational/Residential Use	20,620 sq ft	\$604.00 per month
SRP6843	Wesley & Joan Cash	Kawainui Marsh SPR, Oahu	(1) 4-2-013:10	Pasture	17 ac	\$13.00 monthly

EXHIBIT "A" (CONTINUED)  
DIVISION OF STATE PARKS REVOCABLE PERMITS

Revocable Permits Approved by the Land Board and Subject to Renewal

RP #	Name of Permittees	Park	TMK	Character of Use	Permit Area (acres)	Current Rent (base or percentage)
SP0047	Paradise Shrimp & Burger (Curtis K. Hong)	Diamond Head SM	(1) 3-1-042:006	Food and Beverage Concession		\$7,200 per month
SP-0041	Pepsi Bottling Group	Diamond Head SM	(1) 3-1-042:006	Concession		\$520 per month or 45.5% Drinks, 30% Gatorade of gross receipts, whichever is greater
SP0043	Gaceta, Jose	Kahana SP	(1) 5-2-02: por. 1	Pasture	4.8 acres	\$13.00 per month
SP0058	Erlinda Molina Villanueva	Kahana SP	(1) 5-2-02: por. 1	Agriculture	6.0 acres	\$90 per month
SP-0022	Maui Soda & Ice Works, Ltd.	Wainapanapa	(2) 1-3-005:009	Concession		\$100 per month or 35% of gross monthly receipts, whichever is greater
SP-0050	Island Inspirations LLP	Makana SP	(2) 2-1-006:053	Food and Beverage Concession		\$800 per month
SP-0056	SMCA, Inc.	Hāpuna Beach SRA	(3) 6-6-002:35	Food and Beverage Concession	375 sq ft (building) 15,000 sq ft (land area)	\$1200 per month or 8% of gross, whichever is higher
SP0073	Diamond Parking Services, LLC	'Akaka Falls State Park	(2) 2-8-011:018	Parking Management Contract		\$5.00 per out of state vehicle and \$1.00 per out of state visitor plus comm. vehicle fees
SP0064	Hawaii Pack and Paddle	Kealahou Bay SHP	(3) 8-1-011: 1,6,10,11 (por)	Commercial Kayak Landings	N/A	\$5.00 per person
SP0075	Kona Boys Inc.	Kealahou Bay SHP	(3) 8-1-011: 1,6,10,11 (por)	Commercial Kayak Landings	N/A	\$5.00 per person
SP0074	Iwa Kalua dba Aloha Kayak Company	Kealahou Bay SHP	(3) 8-1-011: 1,6,10,11 (por)	Commercial Kayak Landings	N/A	\$5.00 per person
SP0063	Adventures in Paradise, LLC	Kealahou Bay SHP	(3) 8-1-011: 1,6,10,11 (por)	Commercial Kayak Landings	N/A	\$5.00 per person