

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Boating and Ocean Recreation  
Honolulu, Hawaii 96819

June 23, 2017

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

O'ahu

**Issuance of a Revocable Permit to Orca Societá Responsibilitá Limitata, for Purposes of Storing the Vessel "Maserati", Situated at Ala Wai Small Boat Harbor, Honolulu, Island of Oahu, Hawaii, Identified by Tax Map Key: (1) 2-6-010:003, 005 and 016 (portion).**

**APPLICANT:**

Orca Societá Responsibilitá Limitata ("SRL"), an Italian limited liability company, whose mailing address is, Via Cardinale Sforza Ascanio 37/A, Milano, Milano, 20136, Italy, and, locally in the care of, Carl Geringer, Agent, whose address is, 1600 Kapiolani Boulevard, Suite 1331, Honolulu, Hawaii 96814; hereinafter referred to as the "Applicant".

**LEGAL REFERENCE:**

Sections 171-55, Hawaii Revised Statutes, as amended. <sup>1</sup>

**LOCATION:**

Portion of Government fast lands at Ala Wai Small Boat Harbor ("AWSBH"), situated at 1651 Ala Moana Boulevard, Honolulu, Island of Oahu, Hawaii, identified by Tax Map Key: (1) 2-6-010:003, 005 and 016 (portion), as shown on the attached map labeled Exhibit A.

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<sup>1</sup> Pursuant to HRS § 171-55, the Board of Land and Natural Resources ("Board") may: "issue permits for the temporary occupancy of state lands or an interest therein on a month-to-month basis by direct negotiation without public auction, under conditions and rent which will serve the best interests of the State, subject, however, to those restrictions as may from time to time be expressly imposed by the Board."

AREA:

Approximate area of 14,300 square feet, which area is hereinafter referred to as the "Premises". The area is located on a portion of the former boatyard repair site.

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: Public

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

CURRENT USE STATUS:

Encumbered by Executive Order 1261 and 1795, to the Division of Boating and Ocean Recreation ("DOBOR") for AWSBH.

Premises was formerly the location of a vessel haul out/repair facility and is currently a fenced vacant lot.

CHARACTER OF USE:

Temporary storage of the ocean racing vessel known as "Maserati", in preparation for voyage from Honolulu, Hawaii to Hong Kong, China.

Use shall be limited to such storage, haul out and supply, with use of fencing, crane, refuse bins and storage containers to be placed periodically within the Premises.

COMMENCEMENT DATE:

The revocable permit will commence on July 1, 2017, on a month-to-month basis, for a period of no more than one (1) year.

MONTHLY RENTAL:

Base rent of \$5,148.00 per month, determined by CBRE appraisal data, dated June 3, 2015. Percentage rent not applicable, revenue not anticipated.

Rent charged is fair under the circumstances based upon said appraisal, current use proposed temporary short-term use, market demand and prevailing economic conditions.

Rent charged shall be subject to review and approval by the Chairperson of the Board.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Comprehensive Exemption List for the Division of Boating and Ocean Recreation, Department of Land and Natural Resources, State of Hawaii, as concurred in by the Environmental Council, State of Hawaii", dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states pertinent part, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond previously existing.", Item 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." See attached Exhibit B.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Registered business name confirmed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Applicant in good standing confirmed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

DCCA verification not applicable, Applicant shall not operate a business on the Premises and, as such, is not required to register with DCCA.

REMARKS:

On November 9, 2012, under Agenda Item J-1, the Board approved Boating Lease No. 80-13120, to Honey Bee USA, Inc., for the redevelopment of the AWSBH boatyard repair site.

On September 25, 2015, Item J-1, the Board approved the termination of Boating Lease No. 80-13120.

The proposed use is allowable in the county zoning and compatible with surrounding existing use.

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.

Month-to-month tenancy is more appropriate than long-term disposition in this case due to the true temporary nature of the proposed use. DOBOR is currently in the process of preparing a Request for Proposal for the development of the Premises, along with other sites in the AWSBH.

The Revocable Permit shall also be subject to the following terms and conditions:

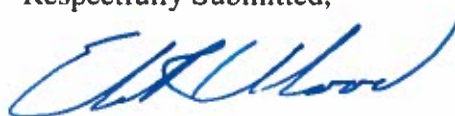
1. Applicant shall maintain insurance covering personal injury/property liability for \$1,000,000.00 for each occurrence, and \$2,000,000.00 aggregate coverage, naming DOBOR and the State of Hawaii as an additional insured. Proof of insurance shall be provided to the AWSBH Harbormaster prior to the Commencement Date.
2. The sale and consumption of alcoholic beverages is prohibited within the Revocable Permit area and within the AWSBH (except within retail establishments with a valid liquor license).

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 Orca SRL covering the subject area for vessel 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,



Edward R. Underwood  
Administrator

APPROVED FOR SUBMITTAL:

A handwritten signature in blue ink, appearing to read "Suzanne D. Case".

Suzanne D. Case  
Chairperson

Attachments:

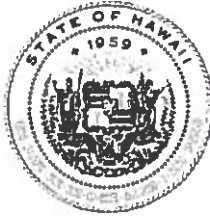
Exhibit A – Map of Ala Wai Small Boat Harbor, TMK: (1) 2-6-010:003, 005 and 016 (por.)

Exhibit B – Chapter 343 Exemption Notification



Exhibit A

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

June 23, 2017

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

KEKOA KALUHWA  
FIRST DEPUTY

JEFFREY T. PEARSON  
DEPUTY DIRECTOR - WATER

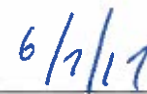
AQUATIC RESOURCES  
BOATING AND CRAFT CREATION  
BUREAU OF CONSERVATION  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAIHULAWI ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**EXEMPTION NOTIFICATION**

Regarding the preparation of an environmental assessment pursuant to Chapter 343, Hawaii Revised Statutes (HRS), and Chapter 11-200, Hawaii Administrative Rules (HAR).

Project Title:	Issuance of a Revocable Permit to Orca SRL, for Purposes of Storing the Vessel Maserati, Situated at Ala Wai Small Boat Harbor, Honolulu, Island of Oahu, Hawaii Identified by Tax Map Key: (1) 2-6-010:003, 005 and 016 (portion).
Project Number:	None
Project Description:	Issuance of Revocable Permit for maritime purposes.
Chapter 343 Trigger(s)	Use of State Lands
Exemption Class & Description:	Exemption Authority: Exemption List for the Department of Land and Natural Resources approved by the Environmental Council on June 5, 2015. Scope of Work: Issuance of Revocable Permit Exemption Class No. 1: Leases of state land.
Exemption Item Number and Description:	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."
Consultation:	The following agencies/entities were consulted, see attached records of consultation. • DLNR – Land Division
Recommendation:	It is anticipated this project will 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