

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

September 9, 2016

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

PSF No. 16OD-082

OAHU

Consent to Amended Subleases for General Lease No. S-5805 for the Extension of the Subleases' Terms; Waikiki Community Center, as Sublessor, to Native Hawaiian Hospitality Association and Waikiki Beach Chaplaincy, Inc., as Sublessees, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-6-025:008.

APPLICANT:

Waikiki Community Center, as Sublessor, to Native Hawaiian Hospitality Association and Waikiki Beach Chaplaincy, Inc, as Sublessees, both entities are domestic nonprofit corporations.

LEGAL REFERENCE:

Section 171-36(a)(6), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waikiki, Honolulu, Oahu, identified by Tax Map Key: (1) 2-6-025:008, as shown on the map attached as **Exhibit 1**.

AREA:

1.56 acres, more or less.

SUBLEASE AREA:

Native Hawaiian Hospitality Association: 356 square feet.

Waikiki Beach Chaplaincy, Inc.: 989 square feet

TERM OF LEASE AND ANNUAL RENTAL:

30 years, commencing on April 1, 2007 and expiring on March 31, 2037 at an annual rental of \$156. Next rental reopening is scheduled for April 1, 2017.

SUBLEASE CHARACTER OF USE:

NHHA: Provide social programs for youth.  
WBC: Provide religious services to the community

TERM OF SUBLEASE:

NHHA: April 21, 2016 to October 15, 2017  
WBC: May 1, 2016 to April 30, 2019

CURRENT MONTHLY SUBLEASE RENTAL:

NHHA: \$487.72  
WBC: \$1,354.93 \*Both changed since last Board approval in September 2015.

RECOMMENDED ADJUSTMENT TO LEASE RENTAL:

None, based upon a deficit net income amount of -\$3,431.55, as of May 2016.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Sections 11-200-8(a) (1) and 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, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing". See "Exemption Notification" attached as **Exhibit 2**.

DCCA VERIFICATION:

SUBLESSOR and SUBLESSEES:

Place of business registration confirmed:	YES <u>  x  </u>	NO <u>  </u>
Registered business name confirmed:	YES <u>  x  </u>	NO <u>  </u>
Good standing confirmed:	YES <u>  x  </u>	NO <u>  </u>

REMARKS:

Since 1982, WCC has been the lessee for the subject property to serve community service

purposes located upon State land. Since the Board issued the new thirty (30) year lease [GL 5805] to WCC in 2007, the Board has given its consents to various subleases between WCC and other non-profit entities.

At its meeting of September 11, 2015 (see **Exhibit 3**), the Board gave its consent to four (4) subleases, including the two covered in this submittal which expired in April and May 2016. Today's request pertains only to the extension of the term and rent of the subleases mentioned above, while the remaining terms are kept unchanged.

Based upon WCC's most current income statement as of May 2016, staff noted a deficit net income amount of: -\$3,431.55. Within the report, rental income payments to WCC were taken into account and reported as revenue. As such, staff believes that no adjustment(s) to the master lease rent payment amount is warranted at this time for WCC to pay [i.e. sandwich rent]. The revenue and expense report has been filed for reference purposes.

WCC is currently in compliance with the terms and conditions of the subject master lease.

The Department of Planning and Permitting and the Department of Health have not responded to staff's request for comments regarding the subject request, as of the time of the writing of this report.

There are no issues regarding any rental reopening, as the next reopening will not occur until in 2017. Staff has no objection to the subject request.

RECOMMENDATION: That the Board

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS/ Hawaii Administrative Rule Sections 11-200-8(a)(1) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, 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. Consent to amend the subleases for General Lease No. S-5805 with Waikiki Community Center as Sublessor, to Native Hawaiian Hospitality Association and Waikiki Beach Chaplaincy, Inc. as Sublessees, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following terms and conditions:
  - A. The standard terms and conditions of the most current consent to amend the sublease form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and

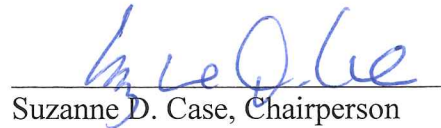
- C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



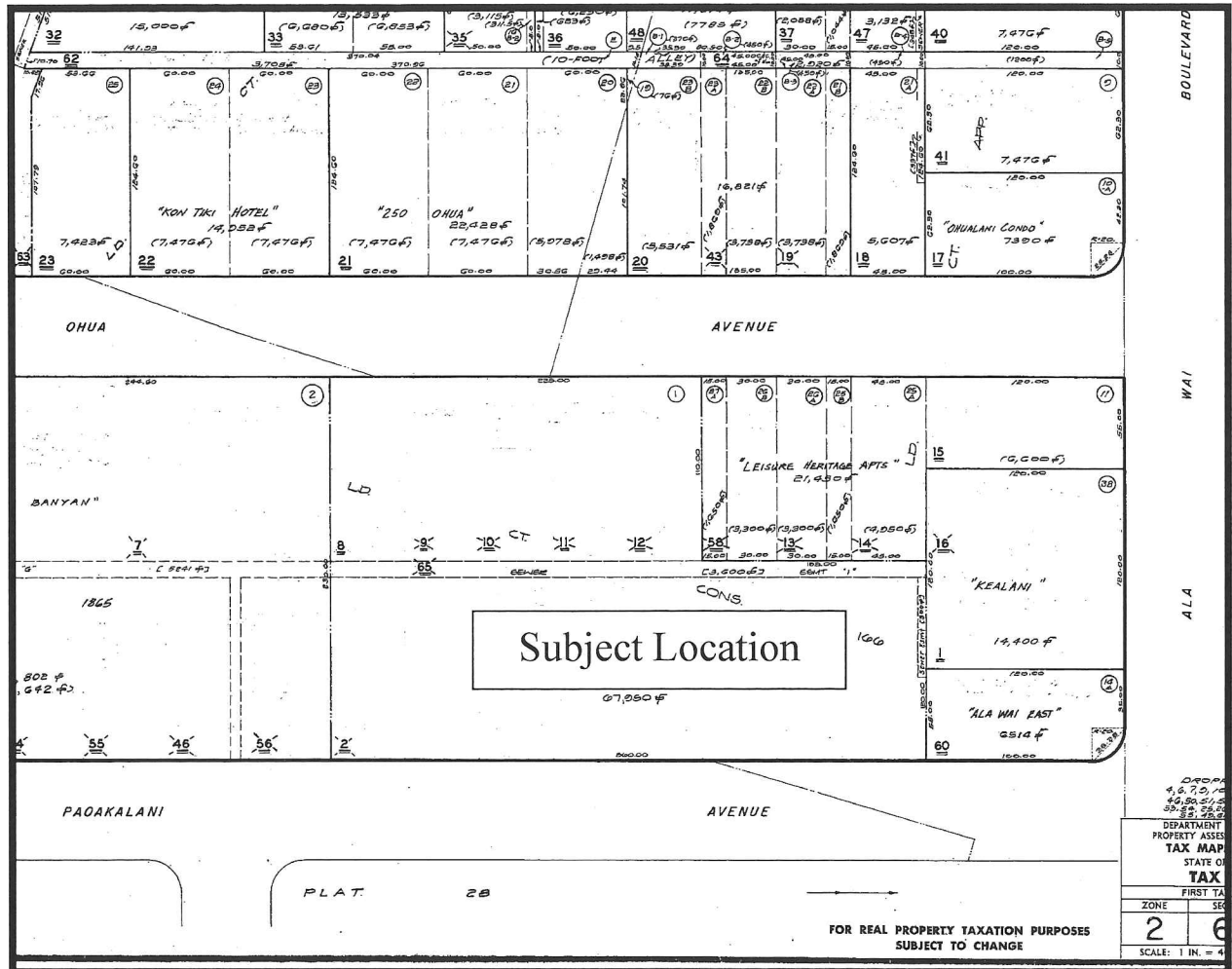
\_\_\_\_\_  
Timmy Chee  
Land Agent

APPROVED FOR SUBMITTAL:



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

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TMK (1) 2-6-025:008

EXHIBIT 1

**EXEMPTION NOTIFICATION**

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Consent to Amend the Sublease to Native Hawaiian Hospitality Association and to Waikiki Beach Chaplaincy, Inc. for General Lease S-5805

Project / Reference No.: GL S-5805

Project Location: Honolulu, Oahu, TMK (1) 2-6-025:008

Project Description: Request Consent to Amend the Sublease for General Lease S-5805

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8(a)(1), and 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, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing".

The subject request extends the existing use of the subject premises to serve community services purposes. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties: Agencies as noted in the submittal.

Recommendation: It is recommended that the Board find 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.

  
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Suzanne D. Case, Chairperson

8/28/16  
\_\_\_\_\_  
Date

**EXHIBIT 2**

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813  
September 11, 2015

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

PSF No. 15OD-077

OAHU

Request Consent to Sublease General Lease No. S-5805, Waikiki Community Center, as Sublessor, to: Native Hawaiian Hospitality Association, United Self Help, Waikiki Beach Chaplaincy Inc. and International Church of the Foursquare Gospel, dba Hope Chapel, as Sublessees, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-6-025:008.

APPLICANT:

Waikiki Community Center, as Sublessor, to Native Hawaiian Hospitality Association, United Self Help, Waikiki Beach Chaplaincy Inc. and International Church of the Foursquare Gospel, dba Hope Chapel, as Sublessees, all entities are domestic non-profit corporations.

LEGAL REFERENCE:

Section 171-36(a)(6), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waikiki, Honolulu, Oahu, identified by Tax Map Key: (1) 2-6-025:008, as shown on the map attached as **Exhibit 1**.

AREA:

1.56 acres, more or less.

SUBLEASE AREA:

Native Hawaiian Hospitality Association:	356 square feet.
United Self Help:	229 square feet
Waikiki Beach Chaplaincy:	989 square feet
International Church of the Foursquare Gospel, dba Hope Chapel:	991 square feet

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON  
September 11, 2015 Co.

**EXHIBIT " 3 "**  
**D-7**

TRUST LAND STATUS:

Non-ceded; acquired after Statehood.  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

LEASE CHARACTER OF USE:

Youth, education and multi-service community center to house human services and community activities purposes.

SUBLEASE CHARACTER OF USE:

Native Hawaiian Hospitality Association:  
To provide social programs for youth

United Self Help:  
To provide mental health services to the community.

Waikiki Beach Chaplaincy Inc.:  
To provide religious services to the community

International Church of the Foursquare Gospel, dba Hope Chapel:  
To provide religious services to the community

TERM OF LEASE:

30 years, commencing on April 1, 2007 and expiring on March 31, 2037. Next rental reopening is scheduled for April 1, 2017.

TERM OF SUBLEASE:

Native Hawaiian Hospitality Association:  
4/20/2015-4/20/2016

United Self Help:  
6/1/2015-5/31/2018

Waikiki Beach Chaplaincy Inc.:  
5/1/2013-5/31/2016

International Church of the Foursquare Gospel, dba Hope Chapel:  
6/1/2013-5/31/2017



ANNUAL RENTAL:

\$156.00

MONTHLY SUBLEASE RENTAL:

Native Hawaiian Hospitality Association:  
\$487.72

United Self Help:  
\$313.73

Waikiki Beach Chaplaincy Inc.:  
\$1,354.93

International Church of the Foursquare Gospel, dba Hope Chapel:  
\$1,357.67

RECOMMENDED ADJUSTMENT TO LEASE RENTAL:

None, based upon a deficit net income amount of almost \$15,000.00, as of May 2015.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Sections 11-200-8(a)(1) and 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, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing". See "Exemption Notification" attached as **EXHIBIT 2**.

DCCA VERIFICATION:

SUBLESSOR:

Place of business registration confirmed:	YES <u>x</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>x</u>	NO <u>  </u>
Good standing confirmed:	YES <u>x</u>	NO <u>  </u>

SUBLESSEE:

Place of business registration confirmed:	YES <u>x</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>x</u>	NO <u>  </u>
Good standing confirmed:	YES <u>x</u>	NO <u>  </u>

REMARKS:

Waikiki Community Center (WCC) requests the Board's consent to sublease General Lease No. S-5805 to the following entities, named as its sublessees: Native Hawaiian Hospitality Association, United Self Help, Waikiki Beach Chaplaincy Inc., and International Church of the Foursquare Gospel, dba Hope Chapel.

Since 1982, Waikiki Community Center (WCC) has been the lessee for the subject property located upon State land, for community service purposes. In the year 2007, the Board authorized the issuance of a new 30-year lease to WCC for the purposes cited above, under the subject General Lease No. S-5805.

Based on WCC's most current revenue and expense report as of May 2015, staff noted a deficit net income amount of almost \$15,000.00, notwithstanding that the current rent level for the sublessees had been reflected in the report. As such, staff does not believe that any adjustment in the rental of the master lease [i.e. sandwich rent] is applicable in the current situation. A copy of the subject report has been filed.

The sublease between WCC and United Self Help had expired on February 28, 2013. A current sublease has been executed to replace the expired sublease, commencing on June 1, 2015 and will expire on May 31, 2018. As such, the Board's after-the-fact consent is required to account for the elapsed time period that had occurred from: March 1, 2013 to May 31, 2015.

Based upon a recent site inspection, the subject property was observed to be in satisfactory condition. WCC is currently in compliance with the terms and conditions of the subject master lease. The subject property will continue to serve community service purposes, and would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

There are no issues regarding any rental reopening, as the next reopening will not occur until the year 2017. Staff did not solicit comments on the subject request as it is for housekeeping purposes only. Staff has no objection to the request.

Staff now brings this request to the Board for its approval.

RECOMMENDATION: That the Board

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS/ Hawaii Administrative Rule Sections 11-200-8(a)(1) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, 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. Consent to the sublease of General Lease No. S-5805 between Waikiki Community Center, named as Sublessor, to: Native Hawaiian Hospitality Association, United Self Help, Waikiki Beach Chaplaincy Inc. and International Church of the Foursquare Gospel, dba Hope Chapel, named as its sublessees, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following terms and conditions:
  - A. The standard terms and conditions of the most current consent to sublease 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,



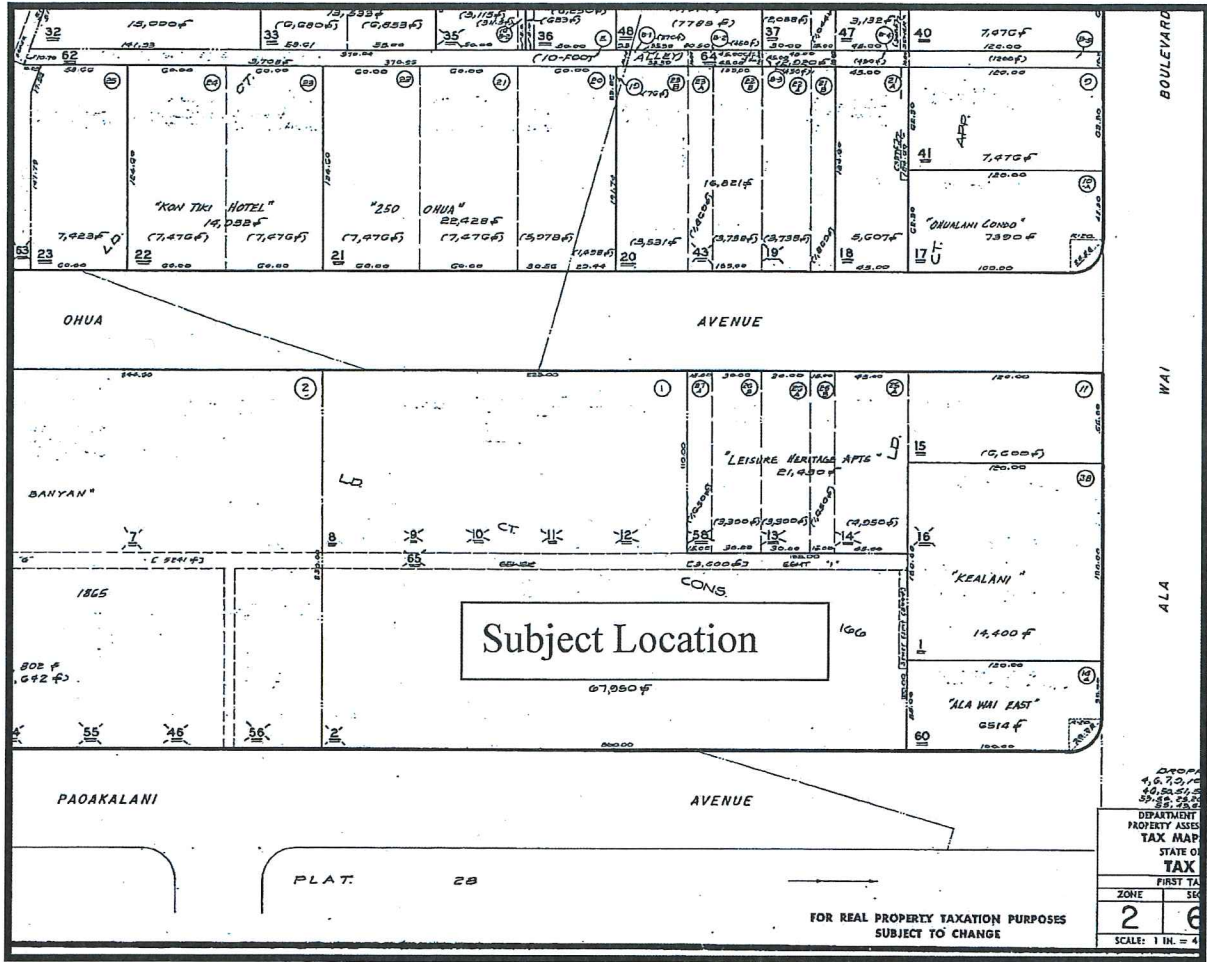
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Timmy Chee  
Land Agent

APPROVED FOR SUBMITTAL:



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

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TMK (1) 2-6-025:008

EXHIBIT 1

**EXEMPTION NOTIFICATION**

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Consent to Sublease General Lease S-5805 to: Native Hawaiian Hospitality Association, United Self Help, Waikiki Beach Chaplaincy Inc. and International Church of the Foursquare Gospel, dba Hope Chapel.

Project / Reference No.: GL S-5805

Project Location: Honolulu, Oahu, TMK (1) 2-6-025:008

Project Description: Request Consent to Sublease General Lease S-5805

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8(a)(1), and 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, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing".

The subject request extends the existing use of the subject premises to serve community services purposes. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties: Not applicable.

Recommendation: It is recommended that the Board find 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.

  
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Suzanne D. Case, Chairperson

  
\_\_\_\_\_  
Date

**EXHIBIT 2**