

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

January 9, 2026

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

Hawaii

Issuance of a Revocable Permit to The Food Basket Inc., for Limited Industrial Uses Allowed Under the Current County of Hawaii Zoning Code Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-050:096.

APPLICANT:

The Food Basket Inc., a Hawaii nonprofit corporation.

LEGAL REFERENCE:

Sections 171-13 and -55 Hawaii Revised Statutes (HRS).

LOCATION:

Portion of Government lands of Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-050:096, as shown on the attached map labeled Exhibit A.

AREA:

15,000 square feet, more or less.

\* It is to be noted that the existing parcel is 15,000 square feet and the current zoning requires a minimum 20,000 square foot lot size. The boundaries of the subject parcel were determined prior to the current County of Hawaii zoning and are accepted as a non-conforming size by the County.

ZONING:

State Land Use District: Urban  
County of Hawaii CZO: ML-20; limited industrial – 20,000sf minimum\*

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:

Encumbered by General Lease No. S-3606, The Food Basket Inc., Lessee, for uses allowed under the County Zoning Code. Lease to expire on 01/15/2026 and lessee is seeking a new non-profit lease at nominal rent.

CHARACTER OF USE:

Limited industrial uses allowed under the current County of Hawaii Zoning Code, ML-20 purposes.

REVOCABLE PERMIT COMMENCEMENT DATE:

January 16, 2026.

REVOCABLE PERMIT MONTHLY RENTAL:

As an interim measure staff is recommending charging nominal rent of \$40 per month in deference to the non-profit status of the applicant.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental amount.

DCCA VERIFICATION:

The Food Basket Inc. is in good standing with the Business Registration Division of the DCCA.

JUSTIFICATION FOR REVOCABLE PERMIT:

Use of a revocable permit in this instance is appropriate. The lease is expiring on 01/15/2026. The revocable permit is an interim measure to serve the time between the expiration of the existing lease and issuance of a new non-profit direct lease to The Food Basket Inc., if approved. The Food Basket Inc. has been operating its retail store on this site since 2011. Staff finds it imperative to keep the building occupied to prevent vandalism and as not to displace a local eleemosynary business that is vital to the Hilo community and surrounding areas.

## CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, staff proposes the subject request is exempt from the preparation of an environmental assessment pursuant to:

Exemption Class No. 1: "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," and Part 1, Item 51: "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."

The property is located within the existing and established Kanoelehua Industrial area which is zoned urban and industrial and is currently used for those purposes. Given that the property and surrounding areas are already disturbed and heavily developed, the area is not considered to be located within a sensitive environment. Further, no new uses that are inconsistent with current and past uses will occur as a result of the issuance of the proposed revocable permit and no significant adverse or cumulative impacts are anticipated. Therefore, staff believes that any impact from this action can be considered de minimis and should be declared exempt from the preparation of an environmental assessment and the requirements of §11-200.1-17, HAR.

## PUBLIC TRUST ANALYSIS

The subject property is zoned Urban and Industrial and has been fully developed with existing improvements. Additionally, the surrounding properties are all developed and being used for commercial and industrial purposes. An unoccupied improved lot in the middle of other lots developed for industrial purposes is not a suitable site for public use and recreation. Therefore, it is not appropriate for this property to become vacant and unencumbered in order to facilitate the public to access, use and recreate on the property. As the property is ceded land, the current use of the property provides for the betterment of Native Hawaiians, one of the public trust purposes under Section 5(f) of the Admissions Act. Furthermore, having a tenant occupying the property and paying rent not only generates revenue to support Department programs, also alleviates the cost to manage a vacant property. This allows the Department to use its revenues and resources to manage public lands and provide lands for public use which is another public trust purpose under Section 5(f) of the Admissions Act.

The Department and the Board are responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these fiduciary duties, the Legislature and the Board determined that the Department should use a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs. Annual lease revenues currently support the Special Land and Development Fund (SLDF), with revenues coming primarily from leases for commercial, industrial, resort, geothermal and other renewable energy projects. The SLDF revenues collected by the Department's Land Division cover the entire annual operating budget for the Land Division, the Department's Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of the Department. The revenues fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services.

The SLDF is a critical and increasingly important funding source for various divisions within the Department to deal with emergency response to natural catastrophes such as fire, rockfall, flood or earthquake and hazard investigation and mitigation. The SLDF also is critical for staff support of various programs and funding conservation projects on all state lands. It has also become an important source of state match for federally funded endangered species and invasive species initiatives that otherwise would not go forward.

Aside from the rent revenue and the unsuitability for public use, the issuance of a revocable permit is consistent with public trust obligations as it provides the permittee, as an eleemosynary business that provides much needed support to Hilo community, the opportunity to continue contributing to the economic and social wellbeing of Hilo and surrounding areas.

#### BACKGROUND:

Under the provisions of the special disaster legislation (Act 4, First Session Law of Hawaii 1960), the subject property was encumbered by General Lease No. S-

3606 (GLS-3606) issued to Hilo Equipment and Manufacturing Co. for a term of 55 years commencing on January 16, 1961 and expiring on January 15, 2016.

The Food Basket Inc. became the lessee by way of an assignment approved by the Board at its meeting of June 23, 2011, item D-3.

At its meeting of May 23, 2014, item D-4 as amended, the Board approved a 10-year extension of the lease, moving the expiration date to January 15, 2026.

REMARKS:

The Food Basket Inc. (Food Basket) operates as the Hawaii Island Food Bank striving to end hunger in the community. It accomplishes this goal by providing food assistance to the elderly and young alike through programs such as the Kupuna Pantry and Keiki Backpack programs. It also provides access to healthy food by supporting the SNAP program, the DA BUX and DA BOX programs and through the Kokua Harvest program.

Food Basket not only provides vital food resources to the hungry in the community, but it also enriches local farmers by purchasing fresh food locally from these incredible farms. This partnership connects the consumer to the producer and increases islandwide food security.

Staff strongly recommends issuance of a revocable permit as an interim solution for the time between expiration of the current lease and issuance of new non-profit direct lease. It is not in the best interest of the public trust to have this vital business interrupted during the processing of a new lease. The revocable permit will stabilize the tenancy until a new non-profit lease can be approved. Staff intends to return to the Board within 2 months with a request for the new non-profit lease.

No agency or community comments were solicited as this request would be a continuation of the prior use.

The applicants have 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.

The proposed use has continued since 1961 and will continue throughout the revocable permit. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. 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.

RECOMMENDATION: That the Board:

1. Determine whether the proposed revocable permit is consistent with the public trust. If the Board determines that this action is consistent with the public trust, then the Board is recommended to approve the following:
2. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, 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 as a de minimis activity.
3. Authorize the issuance of a revocable permits to The Food Basket Inc. covering the subject area for uses allowed under the current County of Hawaii Zoning Code, 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,

*Candace Martin*

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Candace Martin  
Land Agent

APPROVED FOR SUBMITTAL:



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Ryan K.P. Kanakaole, Acting Chairperson

# EXHIBIT A

