



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

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

Oahu

Cancellation and Re-Issuance of Revocable Permits Situated at Kalaeloa Barbers
Point Harbor, Island of Oahu

BACKGROUND:

Initially the Department of Transportation, Harbors Division (DOTH) had planned to submit a request for renewals of their existing revocable permits. However, because of the Consent Decree of October 2005 between the United States Environmental Protection Agency and the Department of Transportation (DOT) additional conditions regarding environmental issues were added to DOTH's standard revocable permit form. In reviewing its revocable permits issued at Kalaeloa Barbers Point Harbor Staff has determined that instead of requesting for the renewal of existing revocable permits, a more appropriate request would be for cancelling and re-issuing revocable permits to existing tenants as shown in attached listing, labeled Exhibit A.

In addition, DOTH has contracted a licensed appraiser for appraisal consulting services to assist in establishing a rent value to charge for the use of State lands under a revocable permit. Upon receipt of the appraisal report and determination of rent values, staff will obtain DOT Director's approval for the implementation of new rents. As an interim step to rent increases for all dated Harbors Division revocable permits, we will be following the formula approved by the Board of Land and Natural Resources at its meeting held August 26, 2016, Item D-11. Annual increases of 1.5% multiplied by the number of years since issuance of the revocable permit.

With this submittal, Harbors Division will be starting with Kalaeloa Harbor.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Kalaeloa Barbers Point Harbor, Island of Oahu

COMMENCEMENT DATE:

June 1, 2017

MONTHLY RENTAL:

See Attached Listing marked Exhibit A for Interim Rent.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Chapter 11-200 Hawaii Administrative Rules (HAR), the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 as listed on the Comprehensive Exemption List for the State of Hawaii Department of Transportation, amended November 15, 2000, 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."

REMARKS:

Letters were sent to the existing revocable permit tenants at Kalaeloa Barbers Point Harbor, informing them that we are in the process of appraising Harbors' properties to determine revocable permit rental rates and that to update terms and conditions including but not limited to environmental requirements for the use of Harbor's properties.

Due to changing cargo operational requirements, staff has determined that month-to-month tenancy is appropriate. Allowing Harbors with the ability to move or vacate the tenant with a 30 day notice to meet the needs of cargo operations.

Tenants are current in their rental payments and have no contracts cancelled in the last five (5) years.

RECOMMENDATION: That the Board:

1. Authorize cancellation of all existing revocable permits (listed on Exhibit A) effective May 31, 2017;
2. Authorize the re-issuance of a revocable permits to existing tenants for the existing purposes as shown on Exhibit A, 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. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member
Board of Land and Natural Resources

KALAELOA BARBERS POINT HARBOR
 REVOCABLE PERMITS
 June 2017

CONTRACT	TENANT	TAXMAP	EFFECTIVE	PURPOSE	AREA (SQ FT)	CURRENT MONTHLY RENT	NO. OF YRS SINCE ISSUANCE	PROPOSED MONTHLY RENT
H-16-2784	CLEAN ISLANDS COUNCIL	(1) 9-1-014:024 (P)	11/1/2016	Storage of Marine Oil Spill Response Equipment	12,000	\$ 2,640.00	1	\$ 2,679.60
H-94-1842	CLEAN ISLANDS COUNCIL	(1) 9-1-014:024 (P)	8/1/1994	Storage of 20-foot container to store oil spill cleaning equipment and boat	400	\$ 32.00	23	\$ 43.04
H-90-1682	HAWAII STEVEDORES, INC.	(1) 9-1-014:008 (P)	12/1/1990	Portable office, storage of equipment and dunnage.	2,800	\$ 112.00	27	\$ 157.36
H-13-2738	HAWAIIAN CEMENT	(1) 9-1-014:024 (P)	1/1/2003	Off Loader to Support Operations under its Existing Harbor Lease H-98-10	3,808	\$ 628.32	14	\$ 760.27
H-06-2538	HEALY TIBBITTS BUILDERS, INC.	(1) 9-1-014:024 (P)	4/1/2006	Storage yard for: (a) marine construction equipment, materials and supplies; (b) trade fixtures; and (c) other items that are accessory to a marine construction business.	93,775	\$ 8,439.75	11	\$ 9,832.31
H-08-2615	MARISCO, LTD.	(1) 9-1-014:024 (P)	5/1/2008	Mooring of vessels scheduled for repair on drydock	5,000	\$ 600.00	9	\$ 681.00
H-99-2186	MARISCO, LTD.	(1) 9-1-014:024 (P)	12/1/1999	Parking and storage of equipment only. Maintenance is not allowed.	33,065	\$ 1,984.00	18	\$ 2,519.68
H-00-2224	MARISCO, LTD.	(1) 9-1-014:008 (P)	8/15/2000	Site for drydock	10,500	\$ 630.00	17	\$ 790.65
H-01-2298	MARITIME LICENSE CENTER	(1) 9-1-014:026 (P)	10/18/2001	Train mariners to meet Standards Training, Certification and Watch Keeping (STCW) requirements.	6,000	\$ 480.00	16	\$ 595.20
H-04-2464	MCCABE HAMILTON AND RENNY	(1) 9-1-004 (P)	6/1/2005	Stevedore equipment and gear Storage	3,420	\$ 786.60	12	\$ 928.19
H-03-2422	TROUBLE FREE CORP	1st/9-1-14P	8/1/2003	Boat building	3,968	\$ 476.16	14	\$ 576.15