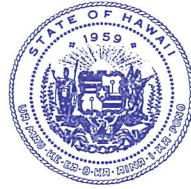


DAVID Y. IGE
GOVERNOR



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

JADE T. BUTAY
INTERIM DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

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

GRANT OF A TERM, NON-EXCLUSIVE EASEMENT AND ISSUANCE
OF A TEMPORARY RIGHT-OF-ENTRY PERMIT TO SERVCO PACIFIC INC.
FOR ACCESS PURPOSES, SITUATE AT MOKAUEA, KALIHI,
HONOLULU, O'AHU, HAWAI'I
TAX MAP KEY NO. (1) 1-2-025:002 (POR.)

O'AHU

CONTROLLING AGENCY:

Department of Transportation, Airports Division (DOTA).

APPLICANT:

Servco Pacific Inc., whose principal place of business is 2850 Pukoloa Street, Suite 300, Honolulu, Hawai'i 96819. Applicant is the fee simple owner of the land situated at 2101 Auiki Street, Honolulu, Hawai'i, also identified as Tax Map Key No. (1) 1-2-025:036 (the "Servco Property").

LEGAL REFERENCE:

Section 171-13, Hawai'i Revised Statutes, as amended.

LOCATION:

Portion of the former Kapālama Military Reservation lands situated at Mokauea, Kalihi, Honolulu, O'ahu, Hawai'i, identified as Tax Map Key No. (1) 1-2-025:002 (Por.), as shown on the attached map labeled Exhibit A.

EASEMENT AREA:

Easement 1B: Tax Map Key No. (1) 1-2-025:002 (Por.), consisting of 4,157 square feet, more or less (Easement Area), as shown on the attached map labeled Exhibit B.

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ZONING:

State Land Use District: Urban
County: I-3, Waterfront Industrial District

LAND TITLE STATUS

Ceded land, State land acquired under Public Law 88-233 (77 Stat 472)
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: YES ___ NO X

CURRENT USE:

Land improved with a paved two-lane road encumbered by Governor's Executive Order No. 4454, dated April 30, 2014, setting aside 11.344 acres designated to be part of Daniel K. Inouye International Airport under the control and management of the State of Hawai'i, Department of Transportation, Airports Division for Airport Purposes.

CONSIDERATION:

Fair market value as determined by an independent appraiser contracted by the State, pursuant to Section 171-17, HRS.

EASEMENT TERM:

Thirty-five (35) years.

PURPOSE:

Right, privilege and authority to construct, use, maintain and repair a road right-of-way over, under and across Airport lands to provide access to and from the Servco Property over Easement Area on a portion of the DOTA Property to Sand Island Access Road.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-23, Environmental Impact Statement Rules of the Department of Health, State of Hawai'i, a Final Environmental Impact Statement acceptance notice for the Kapālama Container Terminal and Tenant Relocations project was published in the OEQC's Environmental Notice on August 23, 2014. The subject area was included in the FEIS.

To the extent this easement is not covered in the FEIS, then pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawai'i, this disposition is exempt from requirements regarding preparation of an

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environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawai'i Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawai'i, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers 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 DOTA consulted with the U.S. Federal Aviation Administration (FAA) as to the appropriateness of the citation of the Environmental Exemption Class from the Comprehensive list for the Department of Transportation dated November 15, 2000. The FAA concurred on the appropriateness.

REQUIREMENTS:

The Applicant shall be required to:

1. Provide survey maps and descriptions for the Easement Area according to State of Hawai'i, Department of Accounting and General Services standards and at Applicant's own cost; and
2. Process and obtain from the Department of Planning and Permitting of the City and County of Honolulu final subdivision map approval for designation of the Easement Area at Applicant's own cost.

REMARKS:

By Quitclaim Deed dated September 3, 1987, Document No. 87-138490 (QD), Servco Pacific Inc. (Servco) acquired from the United States of America, through the Secretary of Army (Army), Parcel A and Parcel R-1, being portions of the former Kapālama Military Reservation lands, consisting of approximately 14.447 acres, further identified as Tax Map Key No. (1) 1-2-025:036. The acquisition by Servco of Parcel A and Parcel R-1 was together with a non-exclusive, temporary easement for access to Sand Island Access Road, identified as Easement 7. Easement 7 encumbered Tax Map Key No. (1) 1-2-025:002 (Por.), which at the time was land owned by the Army. The QD contained a clause stating that once the land which Easement 7 encumbered was no longer used by the United States for military purposes, the land would revert to the State of Hawai'i and Easement 7 would no longer be in effect. Subsequent to the Army conveyance to Servco, the United States of America determined that Tax Map Key No. (1) 1-2-025:002 (Por.) was no longer needed for military purposes. The land was then conveyed to the State of Hawai'i, through its Department of Transportation by Quitclaim Deed dated April 18,

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2000, Document No. 2000-072879. With the conveyance to the State of Hawai'i, Easement 7 is no longer in effect.

The Applicant is now requesting a 35-year term, non-exclusive easement for access purposes identified as Easement 1B. Easement 1B, which would replace the former temporary Easement 7, and will provide the Applicant with access to Sand Island Access Road from the Servco Property.

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.

RECOMMENDATION:

That the Board:

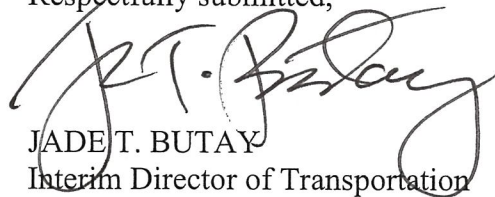
1. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize DOTA to issue a 35-year term, non-exclusive easement to Servco Pacific Inc. covering the Easement Area for right-of-way access purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current term, non-exclusive easement document 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 Director of Transportation or the Chairperson of the Board of Land and Natural Resources to best serve the interests of the State.
2. Authorize DOTA to issue a right-of-entry and access permit to Servco Pacific Inc. over and across the proposed Easement Area for right-of-way access under the terms and conditions cited above until such time as the non-exclusive easement is formally issued, which are by reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current right-of-entry permit, as may be amended from time to time;
 - B. The right-of-entry permit shall terminate upon issuance of the grant of easement document;

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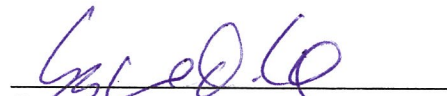
- C. Review and approval by the Department of the Attorney General; and
- D. Such other terms and conditions as may be prescribed by the Director of Transportation or the Chairperson of the Board of Land and Natural Resources to best serve the interests of the State.

Respectfully submitted,



JADE T. BUTAY
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member

