



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

IN REPLY REFER TO:

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

OAHU

ISSUANCE OF A REVOCABLE PERMIT TO SALTCHUK RESOURCES, INC. AT
THE OFFICE SPACE ON FLOOR 7 OF ALOHA TOWER, PIER 9, HONOLULU
HARBOR, HONOLULU, OAHU, TAX MAP KEY NO. (1) 2-1-001, PORTION OF 013

LEGAL REFERENCE:

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

APPLICANT:

Saltchuk Resources, Inc. ("Applicant"), a foreign profit corporation, whose business address is 450 Alaskan Way South, Seattle, Washington, 98104

CHARACTER OF USE:

To allow Applicant and its permitted agents (assignees, contractors, sub-contractors, and agents) the right to enter upon and take possession of the premises for the purposes of establishing a business office for maritime purposes.

LOCATION:

The office space on the seventh floor of the structure known as Aloha Tower located on Pier 9, Honolulu Harbor, at 1 Aloha Tower Drive, Oahu, Tax Map Key No. (1) 2-1-001, portion of 013, as shown on the attached map labeled Exhibit "A."

AREA:

610 square feet of office space located on the seventh floor of Aloha Tower

CONSIDERATION:

\$1,830.00 per month

ZONING:

State Land Use Commission: Urban
City and County of Honolulu: Aloha Tower Development Corporation,
Commercial/Residential; B-2 Business Community

TERM OF REVOCABLE PERMIT:

Twelve (12) months

COMMENCEMENT DATE:

To be determined by the Director of Transportation

CURRENT USE STATUS:

Encumbered under Governor's Executive Order 3542 issued to the Department of Transportation for Harbors Purposes

LAND TITLE STATUS:

Subsection 5(a) of The Admission Act (non-ceded)

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This use is exempt from Office of Environmental Quality Control requirements pursuant to Sub-Chapter 11-200-8 of the Hawaii Administrative Rules that exempts the "operation, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing."

APPLICANT REQUIREMENTS:

Saltchuk Resources, Inc. shall:

1. Obtain the following insurance during the term of the revocable permit and name the Department of Transportation, Harbors Division as additional insured:
 - (a) Bodily injury or property damage caused by Applicant's or its permitted agent's negligence in the form of a general liability insurance policy with a combined single limit of not less than \$500,000.00 for bodily injury and damage to property per occurrence, and \$1,000,000 in the aggregate.
 - (b) Automobile insurance for any vehicles used to access and are on the Premises with a minimum limit of not less than \$500,000.00 per occurrence and \$1,000,000 in the aggregate.

- (c) All insurance required to be maintained by Applicant and its permitted agents hereunder shall be pursuant to policies in form and substance consistent with policies of similar type issued to businesses similar to Applicant and its permitted agents and issued by companies of sound and adequate financial responsibility, who are authorized to do business in the State of Hawaii, all as reasonably satisfactory to the State.
 - (d) Applicant shall name the State as an additional insured on the policies or provide other assurances, reasonably acceptable to the State, that Applicant's insurance policies shall be primary, not in excess of or pro rata and noncontributing as to and with any other insurance held or maintained by the State, for any injury or claim arising on the Premises due to Applicant's negligence or the negligence of its permitted agents. The "State" shall include the State's officers and employees acting within the scope of their duties.
 - (e) Applicant shall provide proof of all required insurance to the State either by production of the actual insurance policies or by an insurance certificate on an ACORD form or some other written form reasonably acceptable to the State, together with appropriate written evidence, reasonably satisfactory to the State, that the insurance premiums have been paid.
2. Use due care for public safety and agrees to defend, hold harmless, and indemnify the State, its officers, agents, and employees, or any person acting for and on its behalf, from and against all claims or demands for damage, including claims for property damage, personal injury, or death, arising on, about or in connections with the exercise of the rights and privileges herein granted, caused directly or approximately by any failure on the part of the Applicant in its use of the premises.
 3. Take all necessary steps to ensure that any of its work involving the premises will not cause any permanent damage to property or improvements situated on, adjacent to, or near the Premises.
 4. Upon expiration of the revocable permit, at its sole cost and expense, restore the premises to the condition it was in immediately prior to commencement of the revocable permit, to the satisfaction of the State within thirty days after such expiration; provided that any improvements made by the Applicant as a condition of an abatement of rent shall be owned by the State upon the expiration of the revocable permit.
 5. Take all necessary steps to ensure that the work done on the premises does not interfere with any of the operational activities of any adjacent tenants or operations, including but not limited to the Department of Transportation Harbors Division.
 6. At all times during the term of the revocable permit, comply with all applicable laws, statutes, ordinances, rules and regulations, whether State, County, or Federal, which are now or hereafter may be in effect.

The terms and conditions of the revocable permit are not limited to the foregoing, and additional requirements will be included in the revocable permit.

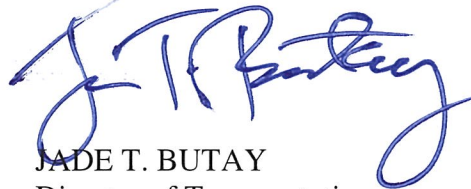
REMARKS:

Applicant is a maritime company currently operating in Hawaii through its subsidiaries which include Foss Maritime Company, Hawaiian Tug and Barge, and Young Brothers. Applicant seeks to establish its first local office in a space currently vacant in the Aloha Tower. Given the long-term vacancy of the space, a series of improvements may be made by the Applicant and consideration may be adjusted accordingly to account for the improvements for which the Department of Transportation Harbors Division has granted prior written approval. The consideration does include water and electric utilities, but the Applicant will be responsible for other utilities service the office space.

RECOMMENDATION:

That the Board authorizes the issuance of a revocable permit to the Applicant for the subject area for the purposes cited above, subject to the terms and conditions outlined above and incorporated herein by reference, and such terms and conditions as may be prescribed by the Director of Transportation.

Respectfully submitted,



JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE CASE
Chairperson and Member
Board of Land and Natural Resources