



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

ISSUANCE OF A MONTH-TO-MONTH REVOCABLE PERMIT TO GRACE  
PACIFIC LLC AT KALAELOA BARBERS POINT HARBOR, OAHU – TAX MAP  
KEY NO. (1) 9-1-14:026 (POR)

**LEGAL REFERENCE:**

Sections 171-6, 171-11, 171-13, 171-17, 171-55, and 171-59, Hawaii Revised Statutes, as amended.

**APPLICANT:**

Grace Pacific LLC ("Applicant"), a domestic limited liability corporation, whose address is 949 Kamokila Boulevard, Suite 100, Kapolei, Hawaii 96707

**CHARACTER OF USE:**

To allow Applicant and its permitted agents (assignees, contractors, sub-contractors, and agents) the right to enter upon the premises for the purposes of stockpiling sand and aggregate and the operation of a hot mix asphalt plant on 111,025 sq. ft. (2.55 acres) of unimproved paved lands; and 524,951 sq. ft. (12.05 acres) of unimproved unpaved lands.

**LOCATION:**

Portion of government lands, situated at Kalaeloa Barbers Point Harbor, Oahu, Tax Map Key No. (1) 9-1-014, portion of 026, as shown on the attached map labeled Exhibit "A."

**AREA:**

The total area is 14.6 acres, more or less, of unimproved unpaved land.

**CONSIDERATION:**

Annual payment of \$42,481.31 based on the appraised benchmark fair market rental value for revocable permits for unimproved (i.e., no utilities) unpaved land in and around Kalaeloa Barbers Point Harbor. The appraisal report is dated 2017 and includes an appraised annual escalations of 2.6% per year.

**ZONING:**

State Land Use District: Urban  
City & County of Honolulu: Waterfront Industrial (I-3)

**TERM:**

Month-to-month for up to one year, with the option to continue for additional one-year periods, not to exceed a total of five (5) years, without approval from the Board.

**COMMENCEMENT DATE:**

August 1, 2018

**TRUST LAND STATUS:**

Acquired after statehood. Non-ceded.

**CURRENT USE STATUS:**

Applicant operates on the subject parcel pursuant License No. M02095200, as amended, for the purposes of stockpiling sand and aggregate and the operation of a hot mix asphalt plant.

**LAND TITLE STATUS:**

Acquired by the Department of Transportation Harbors Division through eminent domain proceedings; issuance of Governor's Executive Order is pending.

**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."

A declaration of exemption from preparation of an environmental assessment has been made by the Director of Transportation for this proposed use.

**APPLICANT REQUIREMENTS:**

Applicant shall be required to comply with all permit terms, including all exhibits, addendums, and other lease documents, and specifically shall be required to:

1. At all times during the term of the revocable permit, comply with all applicable laws, statutes, ordinances, rules and regulations whether state, county, federal, which are now or hereafter may be in effect;
2. At its sole cost and expense, remove all property, tools, equipment, temporary improvements, machinery and unused or surplus materials, if any, and other property stored or placed upon the premises, and the ingress and egress thereto;
3. Use due care for public safety and shall be responsible for any damage or injury caused by its officers, employees and agents in the course and scope of their employment to the extent that its liability for such damage or injury has been determined by a court or otherwise agreed to. Permittee shall pay for such damage and injury to the extent permitted by law provided that an appropriation is enacted for that purpose;
4. At its sole cost and expense, sweep, repair, and maintain Hanua Street, the ingress and egress to the property, and other roadways; collect and dispose of rubbish; provide site security; manage all required stormwater permits; and maintain the drainage system; and
5. Comply with terms of the existing right-of-entry agreement, as may be amended in the future, between DOTH and Kapolei Property Development that permits access to the subject parcel from Malakole Street to Hanua Street.
6. Comply with terms of the terms of right-of-entry agreement, as may be amended to be in effect August 1, 2018, between DOTH and Kapolei Property Development that permits access to the subject parcel from Malakole Street to Hanua Street including to include the above and the relocation of the paved road as a part of the regional drainage plan, and replacement with crushed coral.

**REMARKS:**

In December 2012, the Department of Transportation Harbors Division (DOTH) acquired the subject property through eminent domain proceedings and DOTH accepted a pre-existing license agreement (License No. M02095200, as amended) between the previous land owner, Campbell Hawaii Investor LLC, and Grace Pacific (GP), the Applicant, as a condition of the acquisition.



This license agreement allows GP's use of the subject parcel for stockpiling of sand, aggregate, recycled road material (segregated glass-phalt) and the operation of a hot mix asphalt plant on approximately 14.6 acres. At this site, GP produces over 200,000 tons of asphalt pavement each year for Oahu's road construction industry. The buildings are all portable and include a guard shack, two offices, two equipment storage containers, a quality control lab, and a one-lane truck load out station. There are no utilities at the site. GP receives electricity through portable generators. Potable water is provided by a vendor. Non-potable water is delivered and stored on site. Sewer services are also provided by a vendor.

The proposed use under the revocable permit is the existing use. There is no expansion of the footprint, and the use has no new impact on harbor operations or the operations on neighboring parcels by DOTH and other harbor users.

DOTH and Applicant access to the property wherein GP operates is, and will continue to be, through a right-of-entry agreement between the DOTH and neighboring land owner Kapolei Property Development (see Exhibit "B"), and the Applicant is a DOTH assignee of this right-of-entry. As a condition of the assignment, GP is responsible for the roadway sweeping, repair, and maintenance, rubbish collection and disposal, site security, and management of its stormwater permits, and maintenance of the drainage system.

The DOTH has also recently completed its Kalaeloa Barbers Point Harbor 2040 Master Plan and the Environmental Impact Statement for several projects at the harbor, including the relocation of tenants for the development of a fuel pier. While the DOTH may proceed with design, permitting and implementation of the priority projects for the modernization of this harbor, discussions between the DOTH and the Department of Transportation Highways Division have resulted in coordinated planning to align and the new Kalaeloa Barbers Point Access Road in a manner that improves access to the harbor. In addition, Kapolei Property Development, the neighboring land owner, is scheduled to complete the new area-wide drainage canal in December 2018, and the DOTH is interested in purchasing over 80 acres of land on the harbor-side of the drainage canal for future harbor expansion (see Exhibit "C").

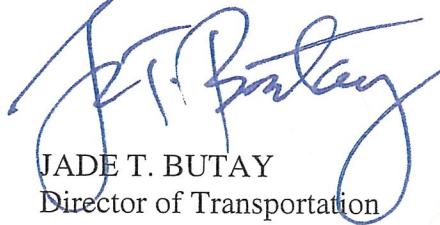
In the longer term, this land acquisition enables DOTH to relocate its tenants, including the Applicant, and following through with design, permitting, and implementation of the priority projects for the modernization of this harbor through the next ten years.

#### **RECOMMENDATION:**

That the Board authorize the Department of Transportation Harbors Division to issue a month to month permit, and extended annually with the approval of the Board, to the Applicant for the above stated purposes, subject to the terms and conditions as may be


prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,



JADE T. BUTAY  
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE CASE  
Chairperson and Member  
Board of Land and Natural Resources

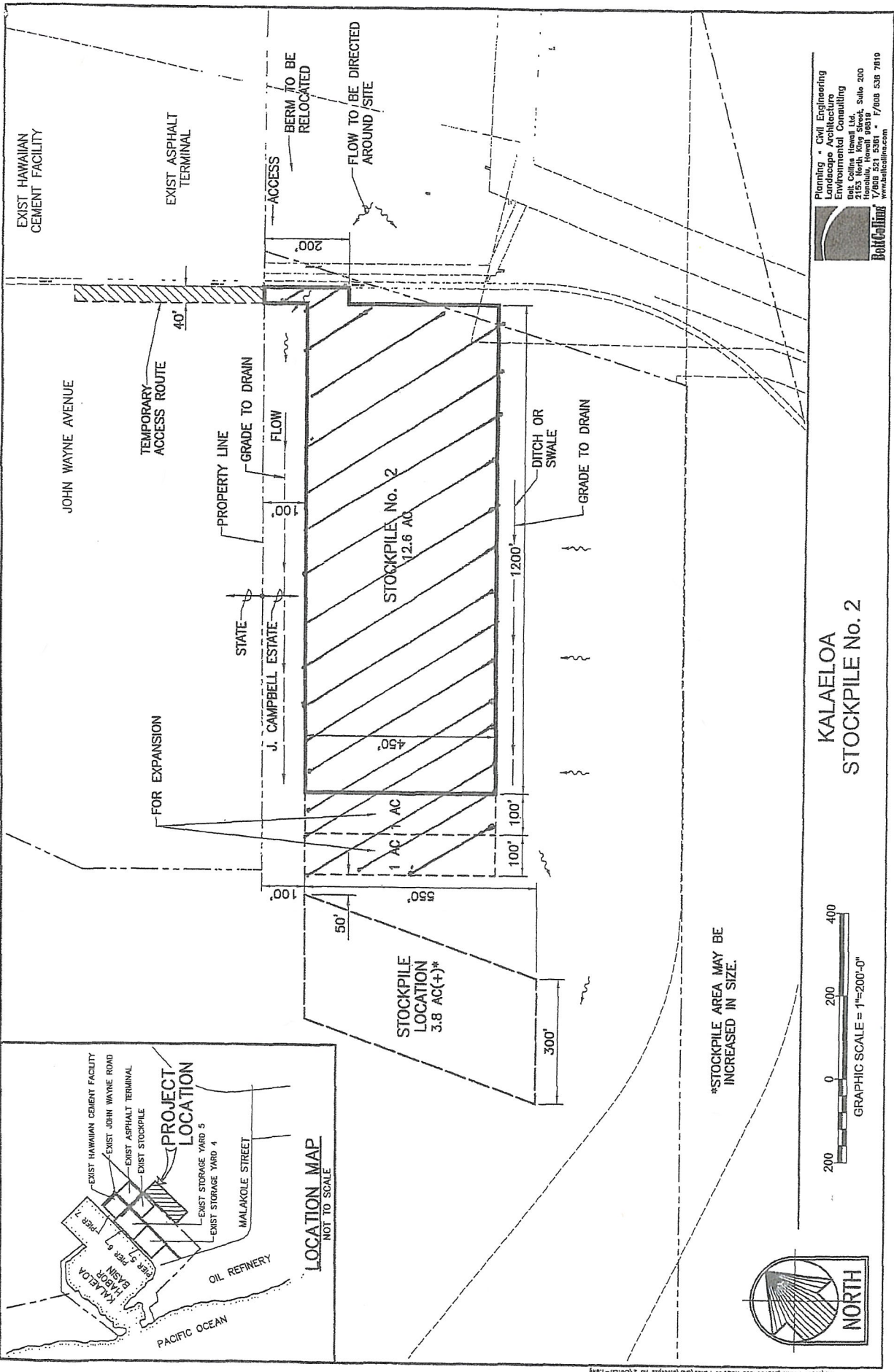
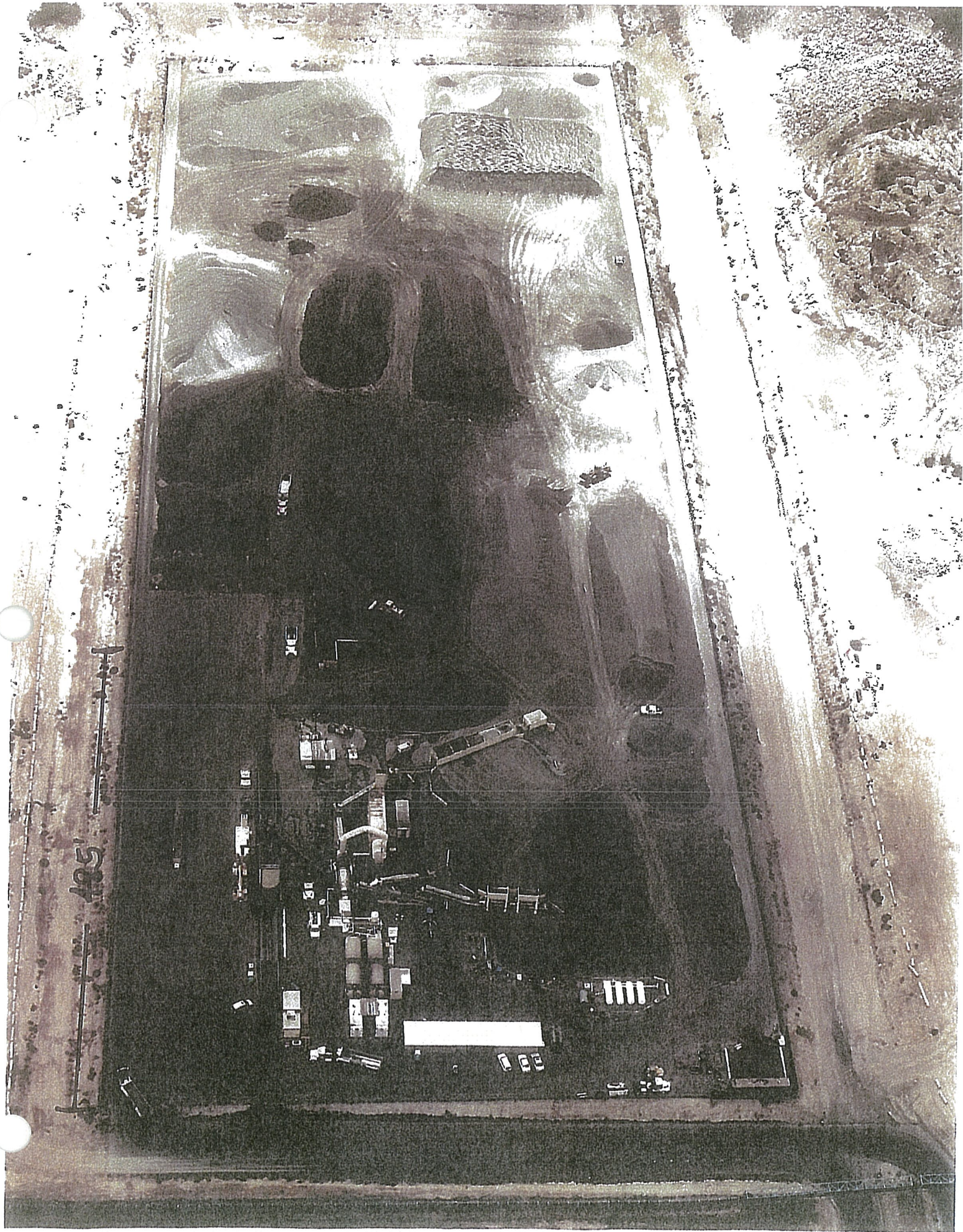


Exhibit "A"







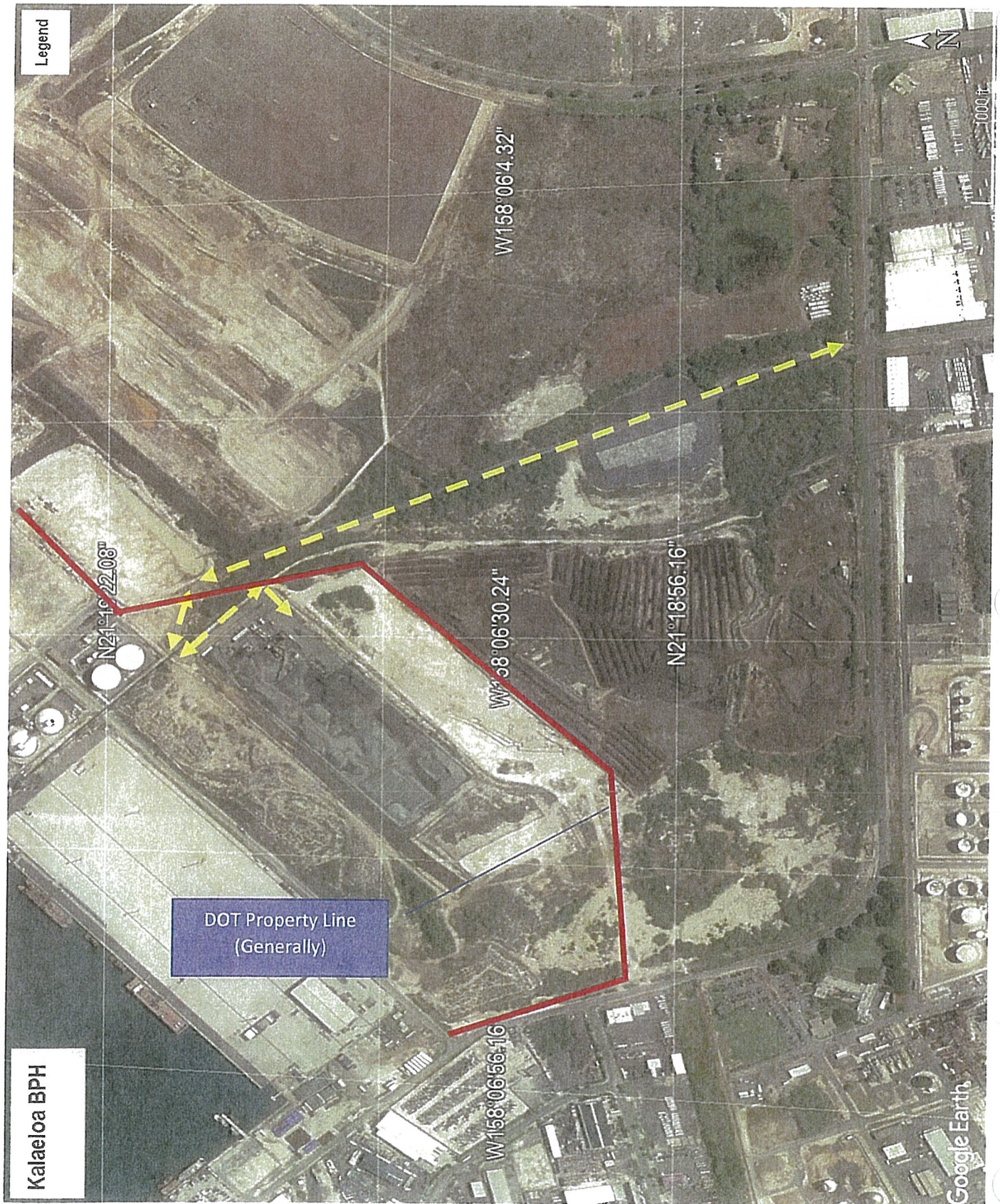


Exhibit B



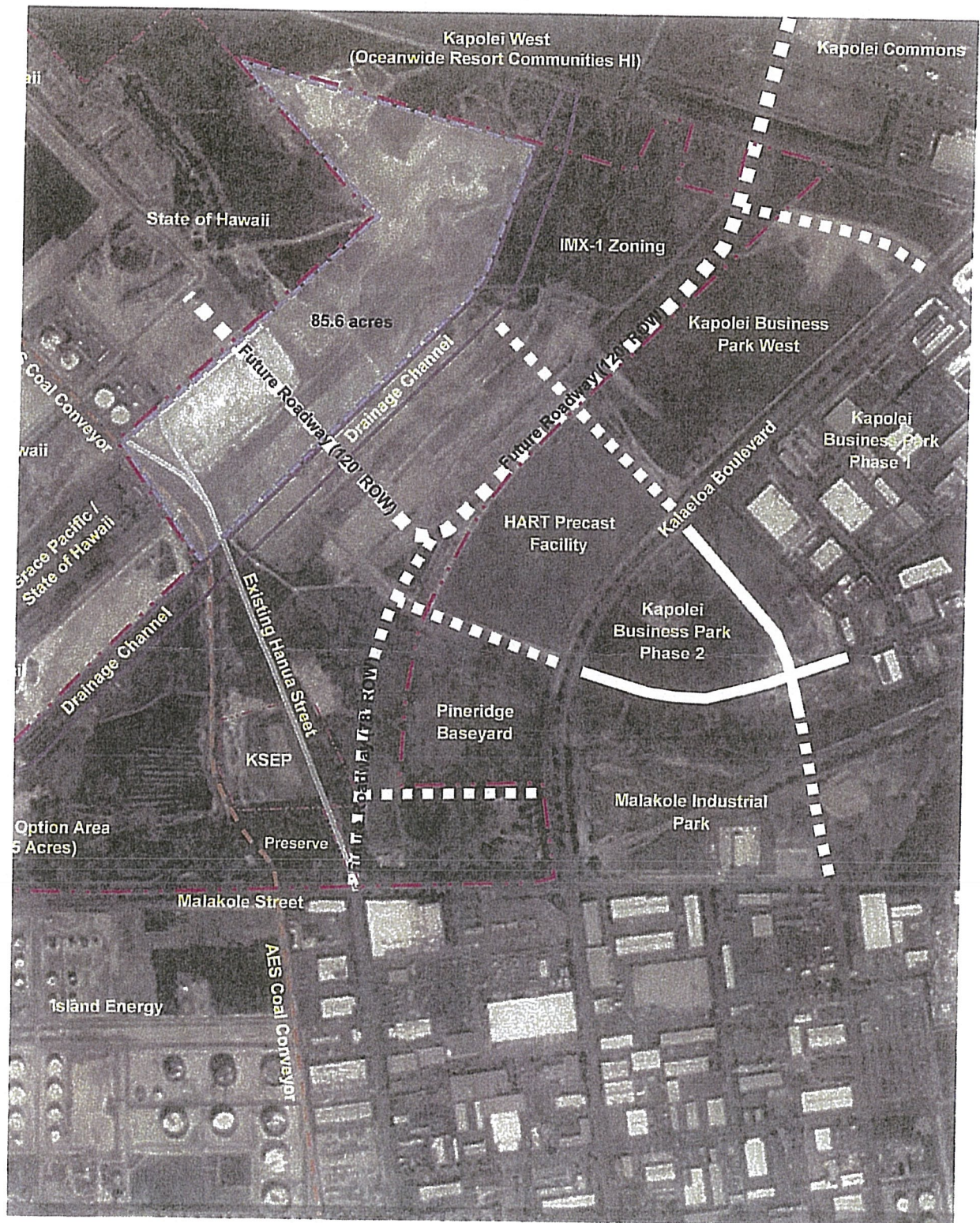


EXHIBIT C

