



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

REQUEST APPROVAL TO ISSUE A MONTH-TO-MONTH PERMIT AND ISSUANCE OF A LEASE BY DIRECT NEGOTIATION WITH MCCABE, HAMILTON & RENNY CO., LTD. FOR A PASSENGER SHIP GANGWAY, PIER 2, HONOLULU HARBOR, OAHU, TAX MAP KEY NO. 1ST/2-1-15 (PORTION), GOVERNOR'S EXECUTIVE ORDER NO. 4238

LEGAL REFERENCE:

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

APPLICANT:

McCabe, Hamilton & Renny Co., Ltd. ("Applicant"), is a domestic profit corporation, whose business registration address is 521 Ala Moana Boulevard, Suite M-311, Honolulu, Hawaii 96813.

CHARACTER OF USE:

To allow Applicant and its permitted agents (assignees, contractors, sub-contractors, and agents) to replace an existing passenger ship gangway with a new retractable and articulating gangway at the Honolulu Harbor, Pier 2 Passenger Terminal.

LOCATION:

Portion of governmental lands situated at Pier 2, Honolulu Harbor, Oahu, Tax Map Key No. 1ST/2-1-15 (Portion), Governor's Executive Order No. 4238.

AREA:

Approximately 380 square feet and 232 square feet of front span gangway as depicted on the attached maps, Exhibits "A-C."

ITEM M-12

CONSIDERATION:

| | Total Sq. Ft | Rate/Month (By Appraisal) ¹ | Total |
|---------------------------|--------------|---|-----------------|
| Scissors Lift | 120 | \$0.78 | \$93.60 |
| Gallery Back Span Gangway | 260 | \$1.28 | \$332.80 |
| Front Span Gangway | 232 | \$0.20 | <u>\$ 45.24</u> |
| | | | \$471.64 |

^{1/} Determined by appraisal pursuant to §171-17, HRS dated April 1, 2017.

ZONING:

State Land Use District: Urban
City and County of Honolulu: Waterfront Industrial Precinct (Kakaako Special Design District)

TERM:

- a. Month-to-month permit pursuant to §171-55, HRS
- b. Fifteen (15) Years. The Applicant will be investing a minimum of \$135,000.00 to improve the facility. The Department of Transportation (DOT) requests your approval for a reduction or waiver in rent not to exceed one (1) year subject to the DOT's reviewing the Applicant's plans for compliance with §171-6(7), HRS as a substantial improvement.

COMMENCEMENT DATE:

As determined by the Director of Transportation.

TRUST LAND STATUS:

A portion of the subject property was acquired pursuant to Section 5(b) of The Admissions Act.

CURRENT USE STATUS:

Applicant installed a passenger gangway for passengers disembarking at the second-floor gallery of the Pier 2 Passenger Terminal. The current design of the passenger gangway adjusts vertically to the height of the vessels door and change in the tide but does not articulate forward and aft with the tide/surge into the harbor.

LAND TITLE STATUS:

Acquired by the DOT, Harbors Division, through eminent domain proceedings; issuance of Governor's Executive Order No. 4238.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This use is exempt from Office of Environmental Quality Control requirements pursuant to Hawaii Administrative Rules 11-200-8(a), Exemption Class 1: where "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."

The Applicant's proposed request for a month-to-month permit to provide time to obtain a fifteen (15) year lease is for the existing gangway constructed under Revocable Permit No. H-07-2605.

Anticipated Office of Environmental Quality Control Declaration of Exemption publication date of April 8, 2019.

REMARKS:

Applicant and its permitted agents (assignees, contractors, sub-contractors, and agents) requests approval to remove the existing gangway, refurbish the existing scissors lift, construct and install a new extending gangway that articulates with the surge into the harbor, at the Harbors Division's Honolulu Harbor pier improvements.

Currently, Applicant has an existing month-to-month permit under Revocable Permit No. H-07-2605 for the existing gangway (See Exhibits "A-C").

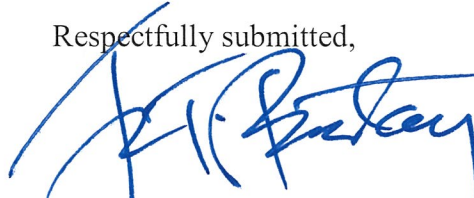
Maritime and maritime related operations. The Applicant requests to replace and install a new gangway to receive passengers at the second-floor of the Pier 2 Passenger Terminal, located at Honolulu Harbor. Pier 2 is Honolulu Harbor's primary passenger terminal and home to the NCL Pride of America. The Applicant is a stevedoring company that provides equipment and services to passenger ships and is also involved with other maritime related operations.

Disposition Encourages Competition. There are three (3) stevedoring companies, Matson Terminals, Hawaii Stevedores and McCabe. Each company decides on the market it competes in and serves. Matson Terminals and Hawaii Stevedores invest in container cranes to discharge container ships. Whereas, Hawaii Stevedores and McCabe compete to deliver stevedoring services to passenger ships. McCabe's investment to provide terminal gangways for disembarking and embarking passengers at the Pier 2 Passenger Terminal provides competition for stevedoring companies to service passenger ships. More than 200,000 passengers utilize the Pier 2 Passenger Terminal each year.

RECOMMENDATION:


That the Board authorize the DOT Harbors Division to issue a month-to-month permit and authorize the Director to negotiate a fifteen (15) year lease with the Applicant for the above stated purpose, 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 to best serve the interests of the State.

Respectfully submitted,



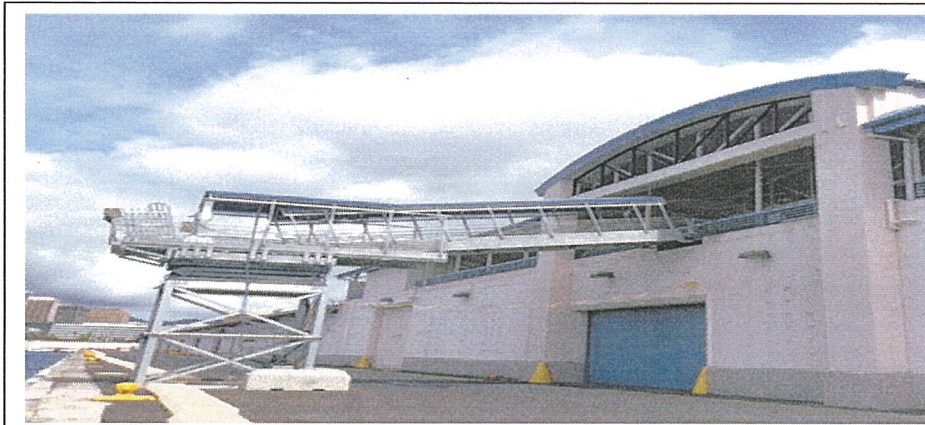
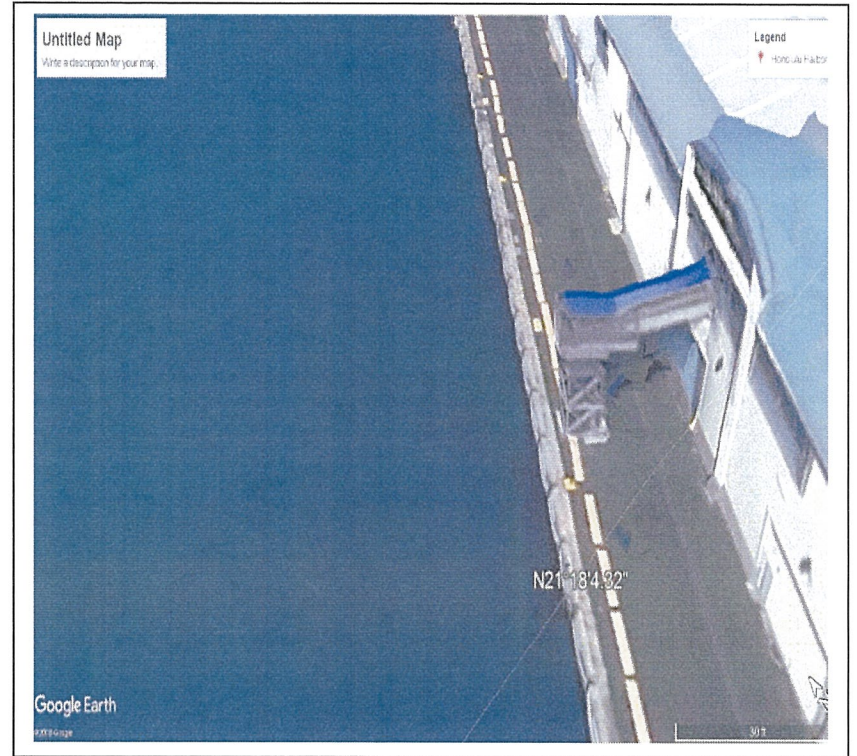
JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE CASE
Chairperson and Member
Board of Land and Natural Resources

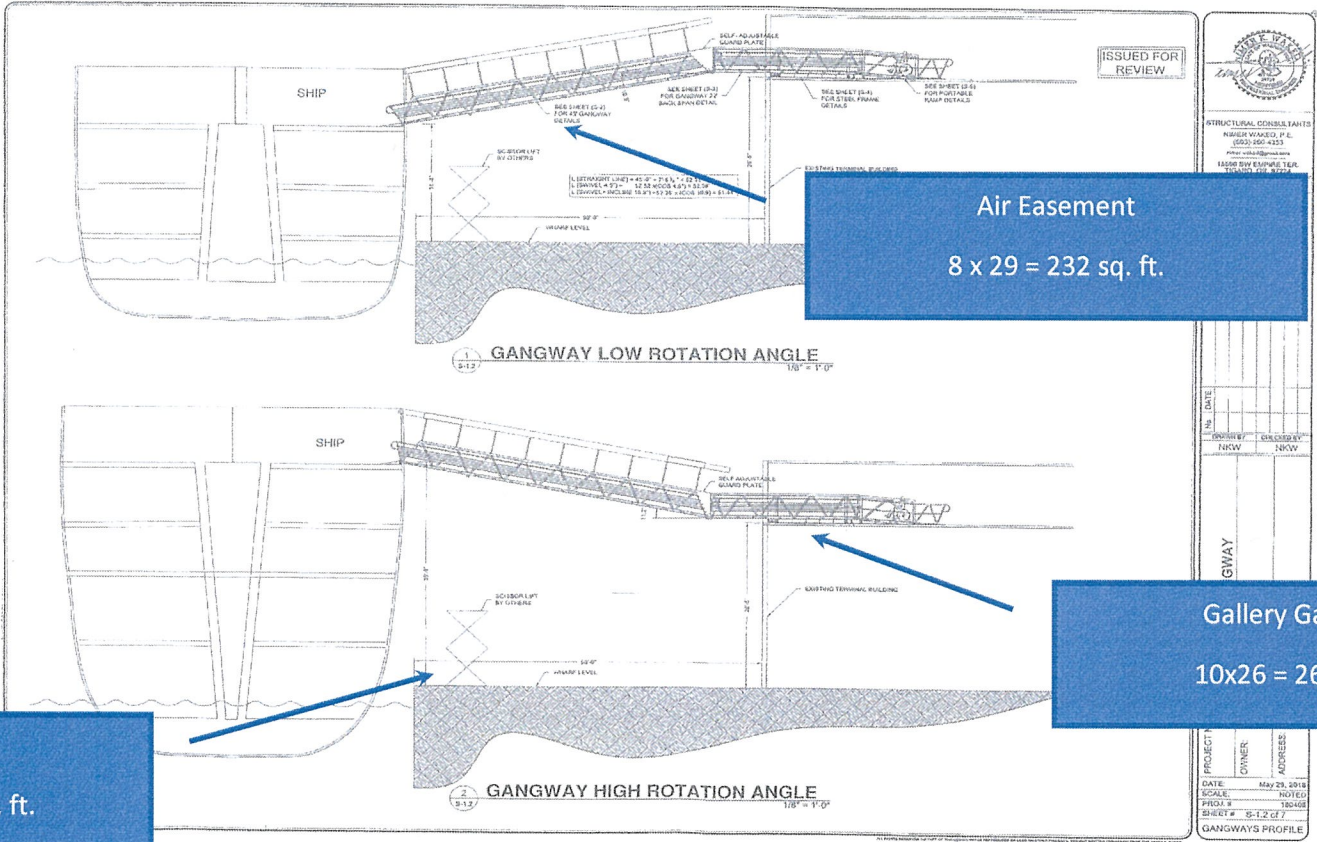
Atts: Exhibits "A-C"



Existing Gangway at Pier 2
Passenger Terminal

EXHIBIT A

Proposed New Gangway



Scissors Lift
10 x 12 = 120 sq. ft.

Air Easement
8 x 29 = 232 sq. ft.

Gallery Gangway
10x26 = 260 sq. ft.