



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 PROCEED WITH ACQUIRING LANDS FOR HONOLULU HARBOR, ISLAND OF OAHU, DEPARTMENT OF TRANSPORTATION, HARBORS DIVISION FOR PUBLIC PURPOSE; AND, DELEGATE TO THE CHAIRPERSON OF THE BOARD OF LAND AND NATURAL RESOURCES THE AUTHORITY TO INITIATE WORK TO ACQUIRE THE LANDS FOR FINAL BOARD APPROVAL

LEGAL REFERENCE:

Sections 107-10, 171-6, 171-11, 171-17, 171-30, 171-31, 171-55, and 171-95 Hawaii Revised Statutes (HRS), as amended; Hawaii Administrative Rules, Section 13-221-5; and HRS Chapter 101.

APPLICANT:

State of Hawaii, Department of Land and Natural Resources (DLNR) for the Department of Transportation, Harbors Division (DOT Harbors) whose mailing address is 79 South Nimitz Highway, Honolulu, Hawaii 96813.

CHARACTER OF USE:

For the movement of commercial cargo, pier and facilities and support services for the loading, off-loading, handling of overseas and inter-island cargo and related maintenance of cargo equipment within the DOT Harbors' commercial harbors located at Honolulu Harbor, Island of Oahu.

LOCATION:

Honolulu Harbor, Island of Oahu. Lands located west of the Kapalama Container Terminal and yard currently under construction by DOT Harbors. The 14.45-acre property is located at 2101 Auiki Street, Hawaii 96819, identified as Tax Map Key No. (1) 1-2-025:036 and currently owned by Servco Pacific, Inc. (Servco) as shown on the attached map labeled Exhibit A.

CONSIDERATION:

To be determined by appraisal pursuant to Section 171-30, HRS; or price pursuant to Chapter 101, HRS.

ZONING:

State Land Use Commission: Urban
City and County of Honolulu: I-2, Intensive Industrial

COMMENCEMENT DATE:

To be determined by the Chairperson of the Board of Land and Natural Resources (BLNR).

TRUST LAND STATUS:

Private property (to be acquired by the State of Hawaii), non-ceded lands.

CURRENT USE STATUS:

According to the City and County of Honolulu property tax records, the 14.45-acre property owned by Servco is located at 2101 Auiki Street, Hawaii 96819, (Exhibit B). Current uses listed at the 2101 Auiki Street address are the Servco Auto Parts Center, the Servco Distribution Center, Vehicle Processing Center, and Servco Pacific, Inc.

LAND TITLE STATUS:

To be acquired by the BLNR through the DLNR and eminent domain proceedings and transfer the management of the lands to the DOT Harbors by Governor's Executive Order.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Upon approval by the Board that the acquisition serves a public purpose, the DOT Harbors will initiate and conduct an environmental assessments for the use of public funds regarding the proposed acquisition of the 14.45-acre property located at 2101 Auiki Street, Hawaii 96819, identified as Tax Map Key No. (1) 1-2-025:036 to ensure compliance with Chapter 343, HRS, before seeking final board approval to acquire the lands.

REMARKS:

The BLNR has the exclusive responsibility to acquire land, if required by the State for public purposes as provided within Section 171-30, HRS. The DLNR, on behalf of DOT Harbors, is requesting the BLNR to approve the DLNR and DOT Harbors proceeding with acquiring the subject property for public purposes as stated herein; and, to delegate to the Chairperson of the BLNR the authority to initiate work to acquire the lands for final Board approval.

The sale of the 14.45-acre Servco property is a surprise to the DOT Harbors, and a rare opportunity to acquire lands from a landowner with apparent plans to relocate from the property. The property is near the new 88-acre Kapalama Container Terminal and yard currently under construction by DOT Harbors. Phase I is approximately 74 percent completed; and, the DOT Harbors is currently soliciting construction bids for Phase II. The acquisition provides for the future expansion of Honolulu Harbor to support and promote competition for the movement of cargo throughout the DOT Harbors commercial harbor system.

Overseas cargo will be received at Piers 41-43, Honolulu Harbor, with plans for cargo destined to the neighbor islands containers to be transshipped through interior roads to the Piers 39, 40, and 41— like a hub and spoke wheel. Expanded cargo yards are needed to receive the influx of containers from newer PAHSA and Matson vessels that will have higher capacity container carrying vessels and where a significant number of PASHA containers will be destined to the neighbor islands will be transshipped through Young Brothers. With the newer vessels increasing their capacity to carry more containers per voyage, the DOT Harbors also anticipates a greater number of empty outgoing containers placed at Honolulu Harbor to ports west and east of Hawaii - requiring more space to expand the cargo yards. Thus, the DOT Harbors is interested in acquiring the subject property for the future expansion of Piers 41-43 cargo yards and ensure efficient and safe movement of inter-island cargo; and, for overseas cargo transshipped to Hilo Harbor, Nawiliwili Harbor, Kahului Harbor, Kauanakakai Harbor and Kaunapali Harbor — thus contributing to lower costs or slowing the cost of shipping goods to Hawaii and the neighbor islands.

With 98 percent of all imported consumer goods being shipped to Hawaii through the commercial harbors, the acquisition of the property will provide the DOT Harbors with the ability to expand cargo capacities and improve cargo movement into and out of the new overseas terminal and through the Kalihi Kai neighborhood.

Upon receiving verbal approval from the Governor and Director of Transportation to proceed with the acquisition, the DOT Harbors has prepared its allotment request to obtain Governor's approval through Budget and Finance to finance the acquisition as authorized by Act 40, SLH 2019, Item C-21, Sections 14, 18, and 20 for \$89,425,800. Following the guidance of the DLNR, the DOT Harbors will conduct its own due diligence activities to include and not limited to other environmental survey such as a Phase I Environmental Assessment and or other hazardous material surveys, as applicable; and pay for (1) appraisal pursuant Section 171-30, HRS; (2) survey maps and descriptions according to State Department of Accounting standards; (3) obtaining a title report; removing encumbrances or deed provisions subject to the Department of Attorney General's review and approval; (4) obtaining any title insurance if required, subject to the review and approval by the DLNR; (5) obtaining prior to the acquisition all necessary entitlements (e.g., land use, county zoning, etc.) as may be required subject to the review and approval of the DLNR; (6) mapping changes, if required; (7) conveyance taxes, if applicable, or insure that sellers are appropriately charged, and provide conveyance tax certifications necessary to record the conveyance documents; (8) and, all fees and provide closing instructions to an escrow agent, if used, and provide the BLNR with the final settlement statements.

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for the Department of Transportation, Harbors Division
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RECOMMENDATION:

The BLNR has the exclusive responsibility to acquire land, if required by the State for public purposes as provided within Section 171-30, HRS. The DLNR, on behalf of DOT Harbors, requests the BLNR to approve the DLNR/DOT Harbors to proceed with acquiring lands as it serves a public purpose and supports cargo movements at Honolulu Harbor and delegate to the Chairperson of the BLNR the authority to initiate work to acquire the lands for final board approval.

Respectfully submitted,



JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



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

Attachments: Exhibits A and B



Untitled Map

Write a description for your map.

2101 Auliki Street

TMK *1) 1-2-025:36

EXHIBIT B