REQUEST APPROVAL FOR PUBLIC AUCTION – 65-YEAR LEASE FOR USE OF THE MARITIME CENTER AND SURROUNDING AREA, SITUATED AT PIER 7, HONOLULU HARBOR, OAHU, TAX MAP KEY NOS. (1) 2-1-001:058 (P) AND (1) 2-1-001:057 (P), GOVERNOR’S EXECUTIVE ORDER NO. 3542

LEGAL REFERENCE:

Sections 171-6, 171-13, 171-14, 171-15, 171-16, 171-17, 171-35, 171-36 and other applicable sections of Chapters 171, Hawaii Revised Statutes, as amended.

CHARACTER OF USE:

To occupy and use the premises for a museum and related facilities.

LOCATION:

Portion of governmental lands at Pier 7, Honolulu Harbor, Oahu, Tax Map Key Nos. (1) 2-1-001:058 (P) and (1) 2-1-001:057 (P) as shown on the attached map labeled Exhibit A.

AREA: See attached Exhibit A

- Parcel IA: 1,290 square feet of nonexclusive use for landscaping by the LESSEE, vehicular access by the United States Coast Guard (USCG) for the maintaining, installing, and servicing of its existing range light and as a turnaround area for emergency and service vehicles.

- Parcel IB: 15,345 square feet of exclusive land used by the LESSEE for the construction of museum building and related facilities including improvements.

- Parcel IC: 2,000 square feet of exclusive land for use by the LESSEE for landscaping and for the main public entrance to the improvements.

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- Parcel ID: 6,500 square feet of nonexclusive land used for a loading area, parking for handicapped visitors of the LESSEE, vehicular access for the USCG for the maintenance of its range light within Parcel IA, emergency vehicle access, pedestrian access, service vehicles access for cruise boat operations conducted from Parcel IE. Parking of vehicles within the parcel other than those aforementioned is prohibited.

- Parcel IF: 2,800 square feet of nonexclusive land for USCG’s vehicles, service vehicles for cruise boats utilizing Parcel IE, access for vehicles of LESSOR required in the maintenance, repair, etc., of Parcel IE. LESSEE has the right to install a maximum of 7 structural supports approved by LESSOR along a 2-foot-wide strip. Additionally, the LESSEE shall have the right of the air space 15 feet above Parcel IF and extending to a maximum height of 72 feet for the construction of improvements.

CONSIDERATION:

Upset price determined by appraisal as of January 1, 2022, by Conboy, Hastings & Associates, Ltd. Lease rental to be determined by public auction.

ZONING:

State Land Use Commission: Urban
City and County of Honolulu: State Jurisdiction: Aloha Tower Project, B-2 Community Business District

TERM:

a. 65-year lease, subject to public auction.
b. Auction rate based on upset price of $628,300.00 per annum, as determined by fair market appraisal as of January 1, 2022.

COMMENCEMENT DATE:

To be determined by the Director of Transportation.

TRUST LAND STATUS:

Subsection 5(a) of the Hawaiian Admission Act (non-ceded lands).
CURRENT USE STATUS:


LAND TITLE STATUS:

Land acquired by Department of Transportation, Harbors Division (DOTH), through eminent domain proceedings by issuance of Governor’s Executive Order No. 3542.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Any Environmental Assessment, Environmental Impact Statement, and/or Traffic Study requirements will be completed by the Applicant for its proposed use and purpose.

APPLICANT REQUIREMENTS:

The Applicant must meet minimum prequalifications requirements of Public Auction as follows:

- Individual/Company must be legally registered to conduct business in the State of Hawaii
- Must be in good standing with DCCA
- Will be required to obtain current State Tax Clearance Form
- Will be required to obtain current City and County of Honolulu’s Tax Clearance Form
- Has not had, during the five (5) years preceding the date of this public auction, a previous sale, lease, license, permit, or easement covering public lands canceled for failure to satisfy the terms, conditions, and covenants thereof.

The Applicant’s operation must include a harbor and wharfage operation component.

The Applicant must also invest a minimum of $8 million to $12 million toward improvements of the area and its direct surroundings.
RECOMMENDATION:

That the Board authorize DOT to conduct a public auction for a 65-year lease for the area described in Harbor Lease No. H-87-30 for the above-stated purposes, subject to the following terms and conditions:

1. The successful bidder of Public Auction must complete any studies needed, including but not limited to Environmental Assessment, Environmental Impact Statement, Cultural Studies, and Traffic Studies to implement for the improvements of the lease area.
2. The Applicant must invest a minimum of $8 million to $12 million toward improvements of rebuilding Pier 7 area and its direct surroundings.

Respectfully submitted,

JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:

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

Attachment