

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HARBORS DIVISION
79 S. NIMITZ HIGHWAY
HONOLULU, HAWAII 96813

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
EDWIN H. SNIFFEN

IN REPLY REFER TO:

HAR-PM.0000740.22

August 18, 2022

VIA EMAIL: suzanne.case@hawaii.gov

TO: (1) JADE T. BUTAY, DIRECTOR
(2) SUZANNE D. CASE, CHAIRPERSON – DLNR
C/O DARLENE FERREIRA
(3) OLIVIA N. PHAM, ACTING SUPERVISOR, HAR-PM

FROM: EDUARDO P. MANGLALLAN 
DEPUTY DIRECTOR – HARBORS

SUBJECT: CONSENT TO SUBLEASE UNDER HARBOR LEASE NO. H-05-24, FRESH ISLAND FISH, LLC, LESSEE, TO NAMI KAZE LLC, PIER 38, HONOLULU HARBOR, ISLAND OF OAHU, TAX MAP KEY NO. (1) 1-5-042:007 (P), GOVERNOR'S EXECUTIVE ORDER NOS. 1346 AND 4092

Attached is the subject submittal for your approval. Please have submittal placed on the next Land Board agenda.

If there are any questions, please call Mr. Derrick Carne, Property Manager, Harbors Division, at (808) 587-1947.

Attachment



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

CONSENT TO SUBLEASE UNDER HARBOR LEASE NO. H-05-24, FRESH ISLAND FISH, LLC, LESSEE, TO NAMI KAZE LLC, PIER 38, HONOLULU HARBOR, ISLAND OF OAHU, TAX MAP KEY NO. (1) 1-5-042:007 (P), GOVERNOR'S EXECUTIVE ORDER NOS. 1346 AND 4092

LEGAL REFERENCE:

Sections 171-6, 171-7, 171-11, and 171-36 Hawaii Revised Statutes, as amended.

APPLICANT:

Fresh Island Fish, LLC (Applicant), is a domestic limited liability company whose mailing address is 1135 N. Nimitz Highway, Honolulu, Hawaii 96817.

SUBLEASE CHARACTER OF USE:

To be used as a restaurant space, subject to such terms and conditions as may be prescribed by the Director of Transportation.

LOCATION:

Government land situated at Honolulu Harbor, island of Oahu, Tax Map Key No. (1) 1-5-042:007 (P), as shown on the attached Exhibit A. As stated below, a portion of said lands has been set aside to the State of Hawaii, Department of Transportation, Harbors Division (DOTH), by Governor's Executive Order Nos. 1346 and 4092.

ZONING:

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

AREA:

Approximately 3,125 square feet of retail space as shown on Exhibit A.

ITEM M-6

SUBLEASE TERM:

Upon acceptance of the Premises as required by the Sublease and continuing for a period of nine (9) years, three (3) years firm.

SUBLEASE CONSIDERATION:

Sublessee shall pay Percentage Rent to Sublessor in the amount of six percent (6%) of gross sales.

LAND TITLE STATUS:

Owned by the State of Hawaii; management and control of the property was transferred to the DOTH by Executive Order Nos. 1346 and 4092.

TRUST LAND STATUS:

Subsection 5(a) of the Hawaii Admission Act (non-ceded).

CURRENT USE STATUS:

The Applicant currently uses the subject portion of the facility for maritime retail space. In general, the main premises is used for storage, processing, wholesale distribution of seafood products and ancillary services and products, including, but not limited to, the operation of a seafood restaurant and retail sales of seafood products and produce, as permitted uses of the Premises under Harbor Lease No. H-05-24.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This use is exempt from the Office of Environmental Quality Control requirements pursuant to Section 11-200.1, Hawaii Administrative Rules (HAR), which exempts the following:

“Exemption Type 1: Operations, repairs, or maintenance of existing structures, facilities, equipment or topographical features, involving minor expansion or minor change of use beyond that previously existing.”

The DOTH deems the action as de minimis and exempts it from the preparation of an exemption notice in accordance with Section 11-200.1-16(b), HAR.

The exemption declaration for the action described above is based on the Exemption List for the DOTH, reviewed and concurred to by the Environmental Council on February 1, 2022.

REMARKS:

The Applicant is requesting consent to Sublease a portion of its facility under Harbor Lease No. H-05-24, to Nami Kaze LLC (Nami Kaze), approximately 3,125 square feet of retail space. The retail space was formerly occupied by Uncle's Fish Market & Grill. Nami Kaze now intends to operate the space as a restaurant specializing in fish and vegetable dishes, highlighting Hawaii caught fish. Nami Kaze will also be providing educational opportunities and community outreach programs throughout the year, focusing on educating Hawaii's youth on the food preparation techniques and education of locally sourced ingredients. The premises location within the Domestic Commercial Fishing Village and the permitted use of the retail space present an ideal operating location for Nami Kaze.

Additionally, in accordance with the Harbor Lease No. H-05-24 Sublease Evaluation Policy, DOTH has reviewed the proposed Sublease document, analyzed the financial information submitted for the Sublease Evaluation Worksheet, and will evaluate any sandwich profit on an annual basis. In the event annual sandwich profits are realized throughout the term of the Sublease, Sublessor will pay DOTH 30% of the sandwich profit while retaining the remaining 70%, in accordance with the Sublease Evaluation Policy.

RECOMMENDATION:

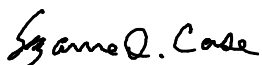
That the Board authorize the DOTH to consent to Sublease of Harbor Lease No. H-05-24 for the above stated purposes, subject to the terms and conditions outlined above and incorporated herein by reference, and such terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State.

Respectfully submitted,



JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



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

**Fresh Island Fish, LLC
Pier 38, Honolulu Harbor**

EXHIBIT A



