

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

June 13, 2025

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

25HD-062  
Hawaii

Issuance of a Revocable Permit to Wesco Distribution, Inc., for General Industrial Uses Allowed Under the Current County of Hawaii Zoning Code Purposes, Lot 6, Hilo Industrial Development, Pohaku Street Section, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-058:032.

APPLICANT:

Wesco Distribution, Inc., a Delaware corporation.

LEGAL REFERENCE:

Sections 171-13 and -55 Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-058:032, as shown on the attached map labeled Exhibit A.

AREA:

20,000 square feet, more or less.

ZONING:

State Land Use District: Urban

County of Hawaii CZO: \*MG-1a; general industrial – 1 acre minimum

\*Lot was subdivided into current size prior to current County Zoning Code. Lot is legal but non-conforming to current Code.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Encumbered by General Lease No. S-4309, Western Pacific Investments,  
Lessee, for commercial/industrial purposes. Lease to expire on 06/22/2025.

CHARACTER OF USE FOR REVOCABLE PERMITS AND DIRECT LEASE:

General industrial uses allowed under the current County of Hawaii Zoning Code,  
MG-1a purposes.

REVOCABLE PERMIT COMMENCEMENT DATE:

June 23, 2025 or later date to be determined by the Chairperson.

REVOCABLE PERMIT MONTHLY RENTAL:

As an interim measure staff is recommending charging the same monthly rate  
the tenant has been paying, which includes land and improvements. The current  
sublease rental is \$6,338.00 per month (\$76,056.00 annually).

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental equal to \$12,676.00

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES
Good standing confirmed:	YES

JUSTIFICATION FOR REVOCABLE PERMIT:

Use of a revocable permit in this instance is appropriate. The lease is expiring on  
06/22/2025. The revocable permit is an interim measure to serve the time  
between the expiration of the existing lease and negotiation with applicant for  
issuance of a new direct lease or public auction of a new lease. Staff finds it  
imperative to keep the building occupied to prevent vandalism and as not to  
displace a long-standing local business. To date, staff has received no inquiries  
from third parties as to the availability of the site for leasing.

PROPERTY CHARACTERISTICS:

Utilities – Electric, water, telephone and internet.

Slope – 2-20%

Elevation – 60 feet

Rainfall – 135 inches per year

Legal access – Staff has verified legal access from Kukila Street.

Subdivision – Staff has verified the subject property is a legally subdivided, non-conforming lot.

Encumbrances – Currently encumbered by GLS-4309; expires 06/22/2025.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states, "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing," and Item 51 that states, "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing." The proposed revocable permit is a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR.

BACKGROUND:

General Lease No. S-4309 was sold at public auction on 06/23/1970 to The Investment Corporation (TIC) as unimproved land for industrial purposes for a period of 40 years. TIC completed construction of a steel-framed, masonry walled warehouse of approximately 5,280 square feet in 1979.

At its meeting of 12/18/1987, agenda item F-1-c, the Board consented to the assignment of the lease from TIC to Western Pacific Investments (WPI).

At its meeting of 11/20/1997, agenda item D-34, the Board approved as amended, the sublease agreement between WPI and WESCO Distribution, Inc. (WESCO). This sublease has been renewed every 5 years since that time with the most recent renewal for the period of 06/23/2020 thru 06/22/2025.

At its meeting of 04/08/2010, agenda item D-6, the Board approved a 15-year extension of the lease subject to lessee making improvements of at least

\$114,485.00 consisting of refurbishing of the front facade, replacement of the front door, repainting the entire warehouse structure, installing a new guardrail on an existing retaining wall and some other smaller repair and maintenance items.

Also at this meeting, the Board approved the sublease renewals to WESCO for 5-year periods beginning 04/01/2000 and 04/01/2005 without a rent increase in accordance with the policy at that time which did not allow for rent participation on subleases of improvements not owned by the State unless expressly written in the lease.

### REMARKS:

In December 2024, WPI had indicated to the Hawaii District Land Office (HDLO) that it would be applying for a lease extension pursuant to Act 149, Session Laws of Hawaii 2018. WPI was sent an application package.

In March 2025, WPI (through Mr. Martin Rabbett) notified HDLO that it would not be seeking an extension of the lease. HDLO approached WESCO regarding its plans for relocation by the expiration of the lease on June 22, 2025. WESCO expressed its desire to maintain its current tenancy on the subject premises and inquired about its options. HDLO provided WESCO with an application for a revocable permit and guidelines for a direct lease.

WESCO has submitted the application for a revocable permit to serve as interim tenancy until it evaluates the options presented for a long-term disposition. Staff is recommending issuance of the revocable permit as being in the best interests of the State by generating income on the property and preventing vandalism and illegal occupation which does occur on vacant properties.

Further, with the instability of the economy, WESCO would suffer losses if required to relocate in the current market; potentially resulting in failure of the business.

No agency or community comments were solicited as this request would be a continuation of the prior use.

The applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

The proposed use has continued since 1970 and will continue throughout the revocable permit. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would

involve negligible or no expansion or change in use of the subject area beyond that previously existing.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1-16, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment as a de minimis activity.
2. Based on the testimony and facts presented, find that approving the revocable permit, under the conditions and rent set forth herein, would serve the best interests of the State.
3. Authorize the issuance of a revocable permit to Wesco Distribution, Inc., covering the subject area for uses allowed under the current County of Hawaii Zoning Code, MG-1a purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
  - b. Review and approval by the Department of the Attorney General; and
  - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

*Candace Martin*

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Candace Martin  
Land Agent

APPROVED FOR SUBMITTAL:



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Dawn N. S. Chang, Chairperson

# EXHIBIT A

