

# **Lot Consolidation Analysis**

## **KANOELEHUA INDUSTRIAL AREA, HILO, HAWAII**

**Prepared for:**

**State of Hawaii,  
Department of Land and Natural Resources**

**June 2015**

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**MUNEKIYO HIRAGA**

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**Appendix B.** Additional Maps of Kanoelehua Industrial Area

# **I. INTRODUCTION**

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## A. PURPOSE OF PROJECT

The State of Hawaii, Department of Land and Natural Resources (DLNR) owns approximately 59 acres of land in the Kanoelehua Industrial Area (KIA) in Hilo on the island of Hawaii. The DLNR leases its lands within the KIA to various tenants for industrial, commercial, and utility uses. Revenues from these lands support important DLNR programs. Many of these leases were entered into in the 1960s and are set to expire in the next several years. With the approaching expiration of these leases, DLNR has commissioned a market study, master lease feasibility study, and this Lot Consolidation Analysis Report for KIA to assist with long-term planning efforts for the area moving forward.

The KIA is comprised primarily of smaller parcels. On average, DLNR leases in KIA are for parcels less than 1.0 acre in size. The purpose of this Report is to assess whether there are opportunities to consolidate smaller parcels to allow for more efficient land use and development, create more desirable leasehold parcels for potential tenants, and thereby generate greater lease revenues for DLNR.

## B. PROJECT DESCRIPTION

This Lot Consolidation Analysis Report assesses land and improvement conditions for contiguous KIA parcels with leases expiring within two (2) years of each other, and, will analyze the potential for the affected parcels to be consolidated for redevelopment and/or re-lease.

## C. BENEFITS OF LOT CONSOLIDATION

Lot consolidation presents several potential benefits that could make DLNR's lands more attractive to potential tenants.

- **Opportunities for larger buildings.** Hawaii County regulations do not permit buildings to straddle lot lines. As such, a series of smaller adjacent parcels could contain separate buildings on each, but a single larger building spanning the parcels would not be permitted without lot consolidation. The potential for larger buildings within KIA could attract tenants or uses who may not have been interested if leases were limited to smaller parcels with smaller building footprints.

- **Opportunities for more efficient site management.** County zoning establishes minimum setbacks for buildings from lot lines. In certain zoning districts, front, side, and rear setbacks are required. Where side setbacks are required, the maximum building footprint on two (2) separate parcels would be less than the allowable building footprint if the two (2) parcels were consolidated. This is because a consolidated parcel would not require side setbacks where the former property boundary existed prior to the consolidation. In general, the Limited Industrial and General Industrial zoning designations found within KIA only establish front and/or rear setbacks. As such, lot consolidation would not necessarily result in a larger buildable area by eliminating the need for side yard setbacks. However, there could still be numerous site design efficiencies achieved through lot consolidation. As mentioned above, consolidation would allow for larger buildings to be built where former property lines were drawn. In addition, vehicular access and parking could be consolidated and provided in a more efficient manner through lot consolidation. Local brokers have indicated that many of the smaller parcels within KIA lack sufficient off-street parking and side yard space required for maneuverability of large trucks and storage of containers and other equipment. Lot consolidation could help to address this issue. Hawaii County requires off-street parking requirements to be met within the parcel it is serving; exceptions to allow for shared or off-site parking may be granted at the plan approval phase. However, if separate parcels were consolidated into a single lot, the parking and associated vehicular access points could be consolidated into one area, allowing for more efficient use of the site.
- **Address existing nonconformities, where present.** Buildings that straddle lot lines are considered existing, non-conforming structures. While non-conformities are generally allowed to remain so long as improvements to the structure do not exceed 50 percent of the building value, the long-term potential for the structure is limited without remedying the non-conformity. In the case of buildings straddling lot lines, the non-conformity would be addressed by consolidating the parcel to remove the underlying property boundary.

As demonstrated above, lot consolidation presents numerous potential benefits for prospective lessees. The option to consolidate lots would make DLNR's lands more attractive to potential tenants and may also expand the pool of interested tenants who would be seeking larger lots and/or buildings. The benefits created by lot consolidation or the option to consolidate could translate into higher lease rates and revenue for DLNR.

## **II. DESCRIPTION OF PROJECT AREA**

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### A. REGIONAL LOCATION

Kanoelehua Industrial Area (KIA) is located in the urbanized region of Hilo in the vicinity of the Hilo International Airport. See **Figure 1**. To the west of KIA are the Wailoa River State Park and the Waiakea Pond with Downtown Hilo beyond. The Coconut Island Park is located to the north. The State of Hawaii, Department of Land and Natural Resources (DLNR) owns 79 parcels within the KIA area which are leased to tenants via 70 leases. See **Figure 2**<sup>a</sup>. Leases governing these parcels are set to expire between 2016 and 2044, with several leases currently operating on a month-to-month basis.

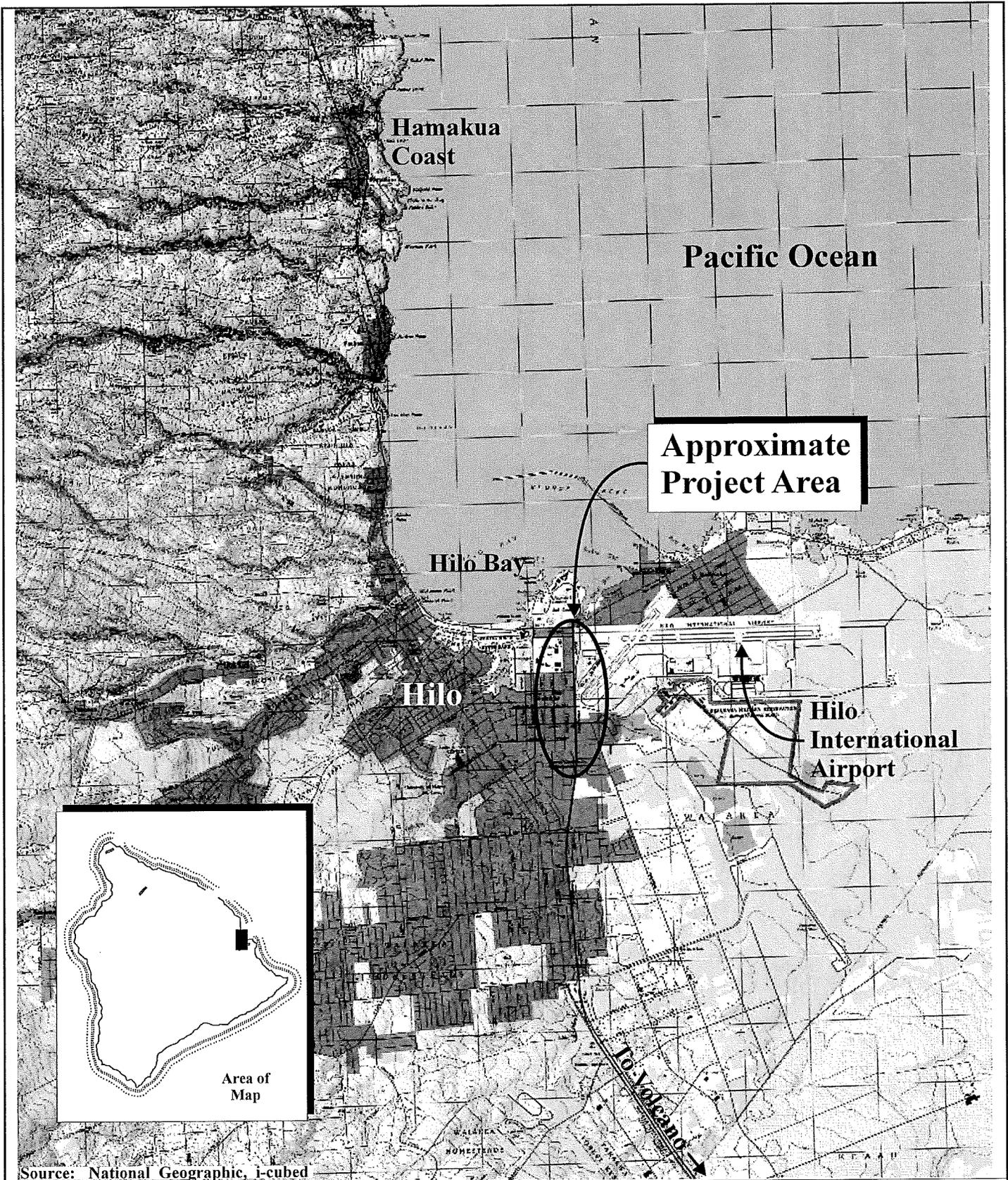
### B. LAND USE DESIGNATIONS

The majority of parcels are currently occupied by industrial and commercial uses, with limited office and utility uses occurring on DLNR's KIA lands. The County of Hawaii's (County) Land Use Pattern Allocation Guide (LUPAG), a component of the Land Use Element of the County's General Plan, designates the lands underlying the KIA leased parcels as Industrial, Medium Density Urban, and High Density Urban. Consistent with the industrial character of the KIA, the majority of DLNR's lands in the area are zoned General Industrial and Limited Industrial. There are a few parcels zoned Neighborhood Commercial. Maps illustrating the existing land uses and land use designations are presented in Chapter III.

A description of the zoning districts underlying DLNR's KIA lands is provided in **Table 1** below while a list of permitted uses by zoning district is presented in **Appendix "A"**.

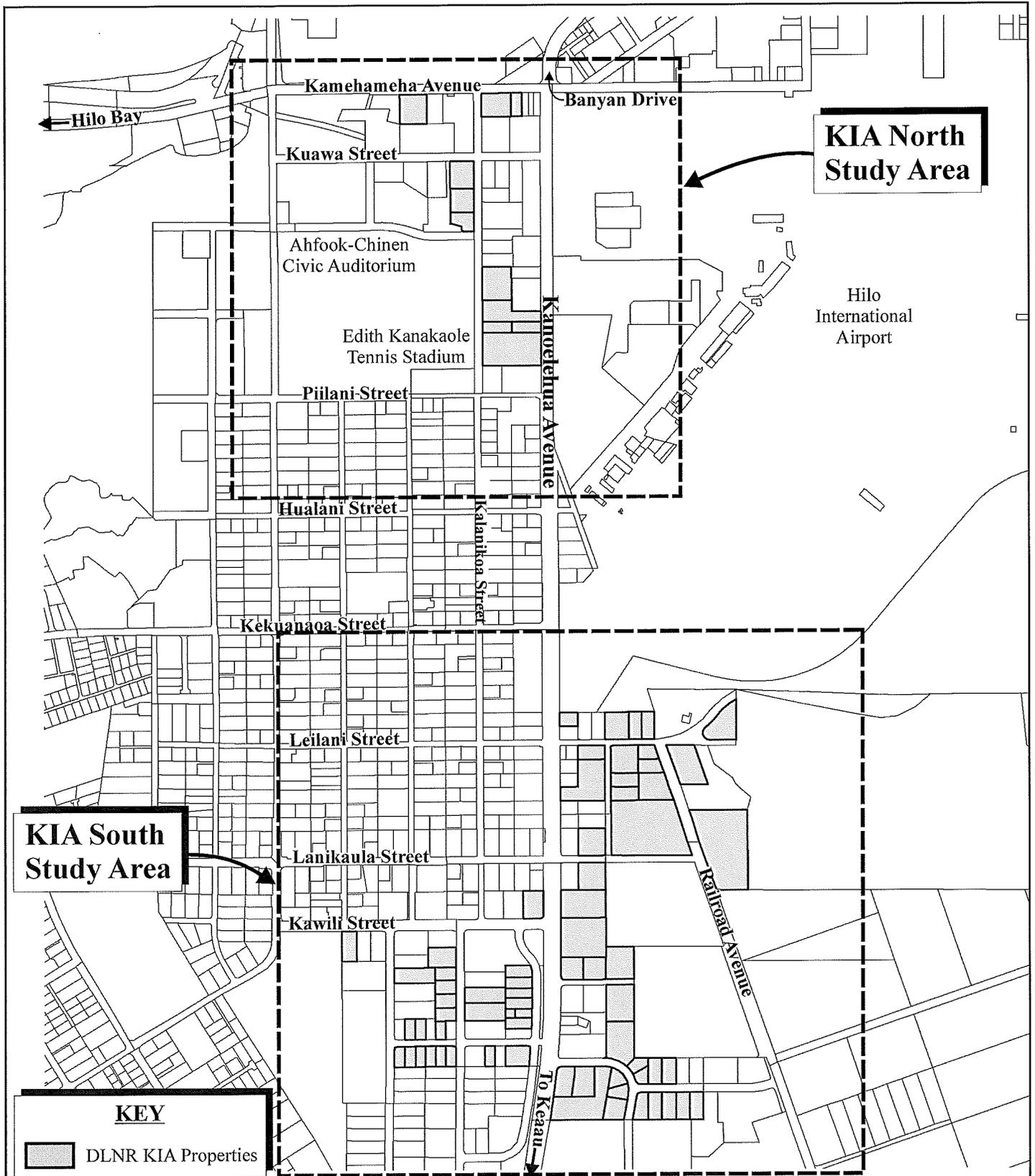
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<sup>a</sup> Given the relatively large geographic limits of the KIA, the discussion and analysis provided in this report separates the KIA into a "North Study Area" and a "South Study Area".



**Figure 1** Kanoelehua Industrial Area  
Regional Location Map





**KIA South Study Area**

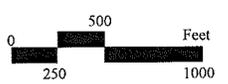
**KIA North Study Area**

**KEY**

DLNR KIA Properties

Source: County of Hawaii and Department of Land and Natural Resources

**Figure 2** Kanoelehua Industrial Area Overall Study Area



Prepared for: State of Hawaii, Department of Land and Natural Resources

**Table 1. KIA Zoning Districts**

Zoning District	Description
Limited Industrial (ML)	The ML district applies to areas for business and industrial uses which are generally in support of but not necessarily compatible with permissible activities and uses in other commercial districts.
General Industrial (MG)	The MG district is intended for heavier industrial uses compared to the ML district. The MG district applies to areas for uses that are generally considered to be offensive or have some element of danger.
Neighborhood Commercial (CN)	The CN district applies to strategically located centers suitable for commercial activities which shall be of such size and shape as will accommodate a compact shopping center which supplies goods and services to a residential or working population on a frequent need or convenience basis. This district is distinguished from a central commercial district which provides general business and broad services to a city or region.

In general, the ML and MG districts allow for limited commercial uses, such as bakeries, bars, restaurants, home improvement centers, laboratories, and storage facilities. Various manufacturing, repair, and storage uses are permitted in these zoning districts, with a greater variety of uses allowed in the MG district compared to the ML district. Examples of industrial uses allowed in both ML and MG districts include cleaning and dyeing plants, contractor’s yards, food manufacturing and processing, heavy equipment sale, service, and rental, publishing/printing plants, utility facilities, warehousing, and wholesaling and distribution. Heavier industrial uses only allowed in the MG district include bulk storage of flammable or explosive products, concrete or asphalt batching, freight movers, lumberyards, major repair establishments, saw mills, and automobile body and fender establishments.

It is noted that business services, commercial or personal services, offices, and general retail establishments are not permitted uses within the ML or MG districts. Only retail sales that are incidental or subordinate to permitted uses within the zoning district are allowed.

**C. NATURE OF KANOELEHUA INDUSTRIAL AREA LEASES**

As noted previously, the DLNR has 70 leases in the KIA encompassing approximately 79 Tax Map Key (TMK) parcels. These leases cover approximately 59 acres and generate \$2.1 million in annual lease revenue for the DLNR. See **Table 2** for a summary of the lease characteristics at the KIA. Leased areas within the KIA range from 0.22 acre to nearly five (5) acres and average approximately 0.84 acre. The lease rates range from \$8,280 per acre per year to \$80,000 per acre per year, with an average rate of

approximately \$42,284. While there is a limited number of listings for leases of industrial land in the State, DLNR’s lease rates at KIA are generally lower than the market rates advertised for neighbor islands and suburban areas of Oahu. In general, the lease provisions governing the KIA properties state that the annual rent amount be reopened and redetermined every 10 years. The rental rate shall be the preceding rental rate or the fair market value, as determined by an appraiser, whichever is higher. Because rental rates are adjusted every 10 years, the lease rates can trail market trends, particularly towards the end of lease terms or the 10 year increments.

**Table 2.** Summary of Kanoelehua Industrial Area Leases

<b>DLNR Leases at Kanoelehua Industrial Area</b>				
Number of Leases	70			
Number of Parcels	80			
Total Land Area (acres)	58.8			
Total Annual Lease Revenue	\$2,125,989			
<b>Lease and Property Characteristics</b>				
	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>	<b>Median</b>
Lease Area (acres)	0.22	4.82	0.84	0.47
Lease Rate (\$/acre/year)	\$8,280	\$80,000	\$42,284	\$43,594
Year Structure Built	1929	2005	1968	1965.5
Building Size (sq. ft.)	1,632	50,194	10,248	7,500
Improvement to Land Value (I/L) Ratio	0.12	6.91	1.10	0.96

Source: Department of Land and Natural Resources.

Prepared by: Munekiyo Hiraga, 2015.

The building structures within the KIA are older, many of which were built in the 1960s when the leases originated. The average year structures were built on KIA leased lands is 1968. Buildings range in size from 1,632 square feet to over 50,000 square feet and average 10,248 square feet.

An indication of the building condition and age within the KIA is the improvement to land value ratio, or I/L ratio. This ratio compares the assessed value of the improvements on a parcel to the assessed value of the land. An I/L ratio less than 1.0 indicates that the land is more valuable than the improvements built on it. The I/L ratio for KIA parcels varies widely from 0.12 to 6.91, with an average of 1.10. The average I/L ratio of 1.10 means that the value of improvements on KIA parcels is 1.10 times the value of the underlying land. In many cases, analysts identify parcels with an I/L ratio of less than 1.0 as potential opportunities for redevelopment because the underlying land is more valuable than the improvements.

## **III. METHODOLOGY**

# III. METHODOLOGY

## A. DATA SOURCES

This lot consolidation analysis was based on data from several sources. Department of Land and Natural Resources' (DLNR) 70 leases for its properties at the Kanoelehua Industrial Area (KIA) were reviewed along with a database summarizing the key terms and conditions of the properties and leases. This database included information, such as location, parcel number, lease area, lease term, annual rent, and existing use. Additional information on existing structures and assessed values was obtained from DataQuick ProspectFinder FARM (now called CoreLogic), a private data and market research service that aggregates real property tax information from local assessor's offices. Information on existing land use designations, such as the General Plan's Land Use Pattern Allocation Guide and County Zoning, were obtained from the County of Hawaii Planning Department and the Hawaii Statewide Geographic Information Systems (GIS) Program.

## B. CRITERIA FOR IDENTIFYING OPPORTUNITY SITES

Following review of the existing leases within KIA, the various terms and conditions and property information, several criteria were established for identifying opportunities for lot consolidation. Primary and secondary criteria were identified and are described below.

### 1. Primary Criteria

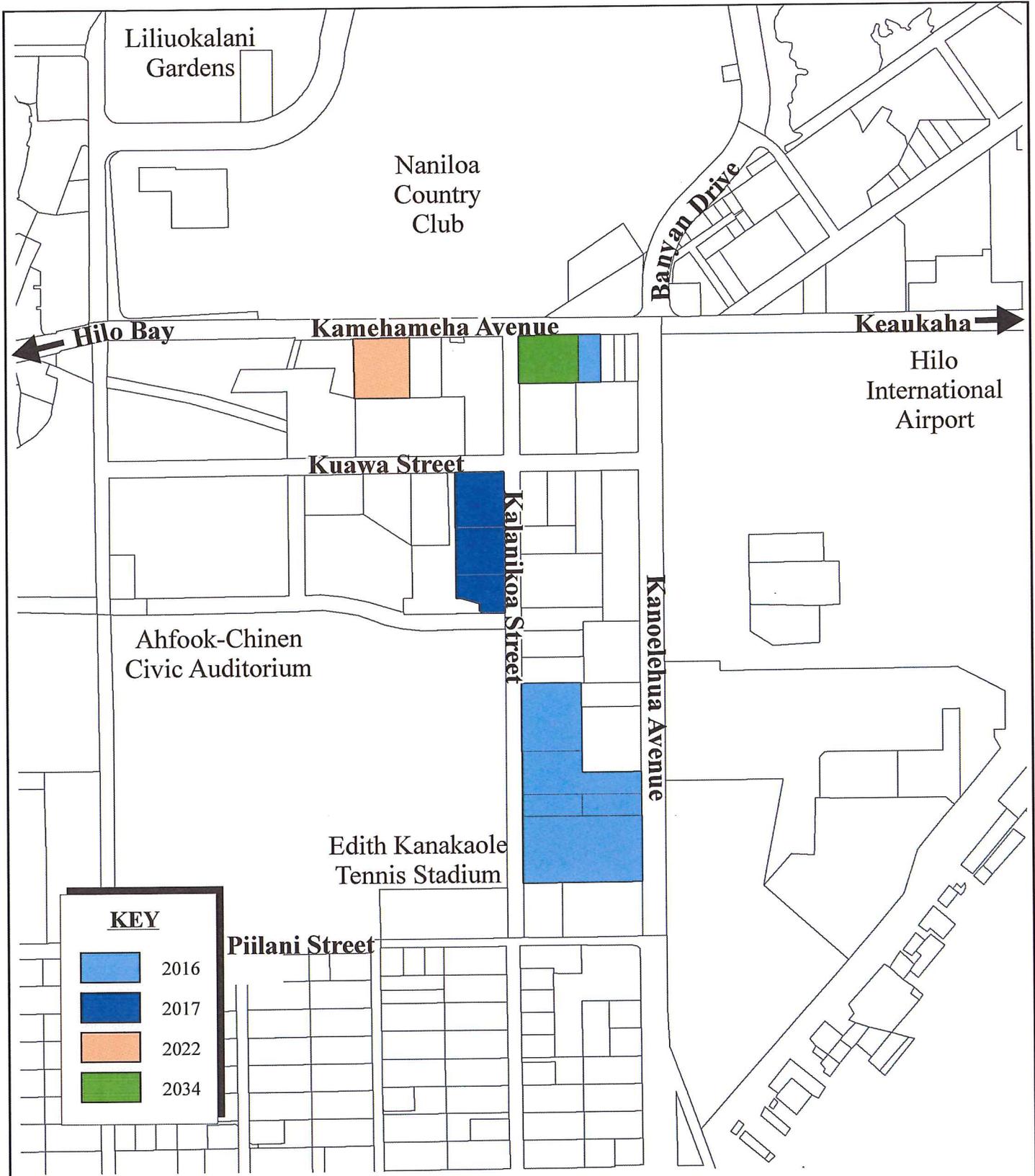
- **Adjacent Parcels** – As noted earlier, DLNR's landholdings within the KIA are not all contiguous. There are clusters of parcels distributed throughout the KIA that are owned and leased by DLNR. Refer to **Figure 2**. A critical criteria for identifying opportunities for lot consolidation was parcel adjacency. A minimum of two (2) adjacent parcels that are owned and leased by DLNR are needed for lot consolidation.
- **Lease Expiration Year** – The term remaining on DLNR leases varies throughout the area, with leases expiring from 2016 through 2044. There are also several leases that are currently operating on a month-to-month basis. To the extent that leases of adjacent parcels are held by different tenants, lease expiration becomes a key consideration for lot consolidation. For DLNR to re-lease adjacent parcels under a single lease with the option for lot consolidation, the parcels need to have their

existing leases terminating at or around the same time. For example, if two (2) adjacent parcels both have leases expiring in 2016, DLNR could re-lease the parcels under a single lease at that time. On the other hand, if the adjacent parcels have terms that are ten (10) years apart, re-leasing as a single long-term lease would be much more difficult. To address this criteria, the analysis identified adjacent parcels that have leases expiring in the same year or within a two (2) year period. There are several years with a large number of leases expiring; 21 leases are set to expire in 2016 and another 12 will expire in 2025. Adjacent parcels with leases expiring in these years were looked at first for opportunities for consolidation. In addition to these two (2) years, other adjacent parcels with leases expiring in or around the same time were also considered. See **Figure 3** and **Figure 4**.

- **Improvement to Land Value Ratio (I/L Ratio)** – Redevelopment opportunities go hand in hand with lot consolidation and often serves as a driving factor when looking at consolidation of parcels or redrawing property lines. Lot consolidation provides the opportunity to redevelop on a larger site with a different and often more efficient site plan. If there are existing buildings on a parcel that are substantial and in good condition, the incentive to redevelop the property would be diminished. Without the impetus to redevelop the parcel, there is little incentive to consolidate parcels. To gauge properties’ redevelopment potential, this analysis utilizes an improvement-to-land value ratio, or I/L ratio. The I/L ratio is the ratio of the assessed value of the improvements (buildings) to the assessed value of the underlying land. An I/L ratio less than 1.0 indicates that the land is worth more than the structures built upon it. On the other hand, an I/L ratio greater than 1.0 means that the building’s value is greater than the underlying land value. For the purposes of identifying redevelopment opportunities, analysts often utilize an I/L ratio threshold of 1.0. See **Figure 5** and **Figure 6**.

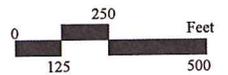
## 2. **Secondary Criteria**

- **Year Structure Built** – Similar to the I/L Ratio, the age of existing structures on a parcel were considered for the purposes of identifying redevelopment and lot consolidation opportunities. To the extent that building age can provide a general approximation of building conditions, the year structures were built can be informative. It is noted that building age alone does not determine whether a site is suitable for redevelopment

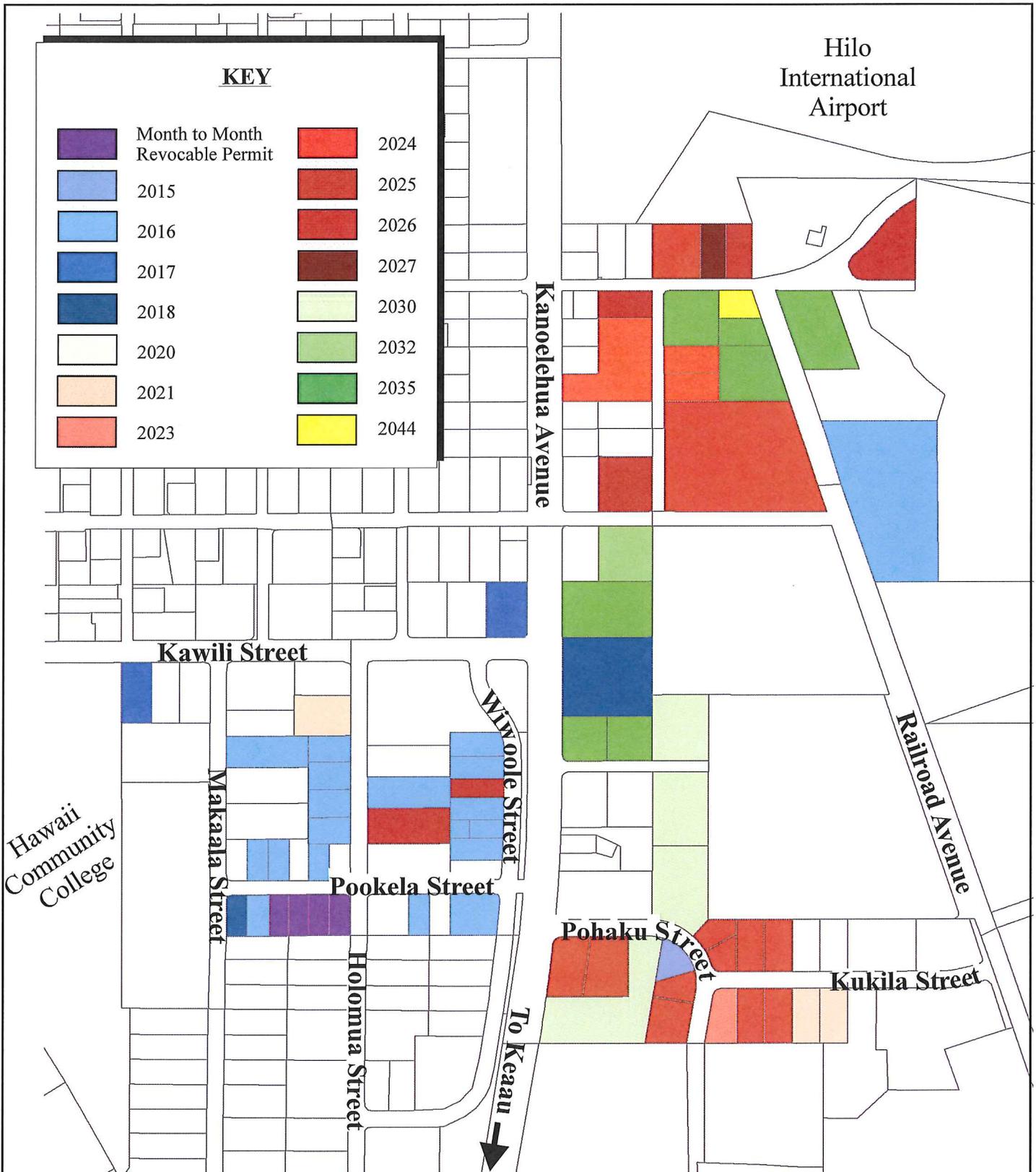


Source: County of Hawaii and Department of Land and Natural Resources

**Figure 3** Kanoelehua Industrial Area  
North Study Area  
Lease Expiration Year

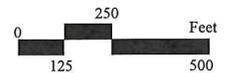


Prepared for: State of Hawaii, Department of Land and Natural Resources

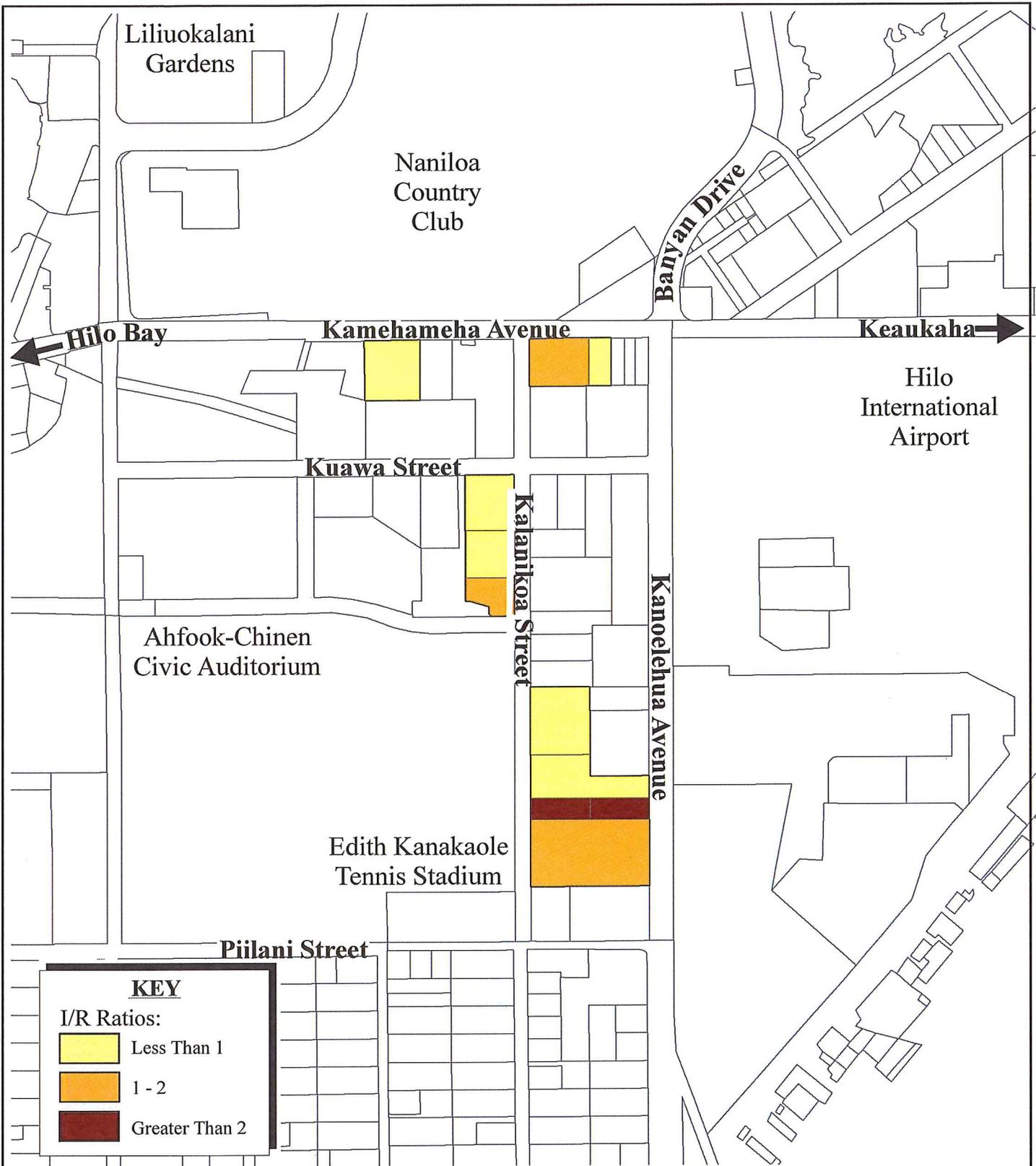


Source: County of Hawaii and Department of Land and Natural Resources

**Figure 4** Kanoelehua Industrial Area  
South Study Area  
Lease Expiration Year

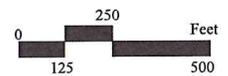


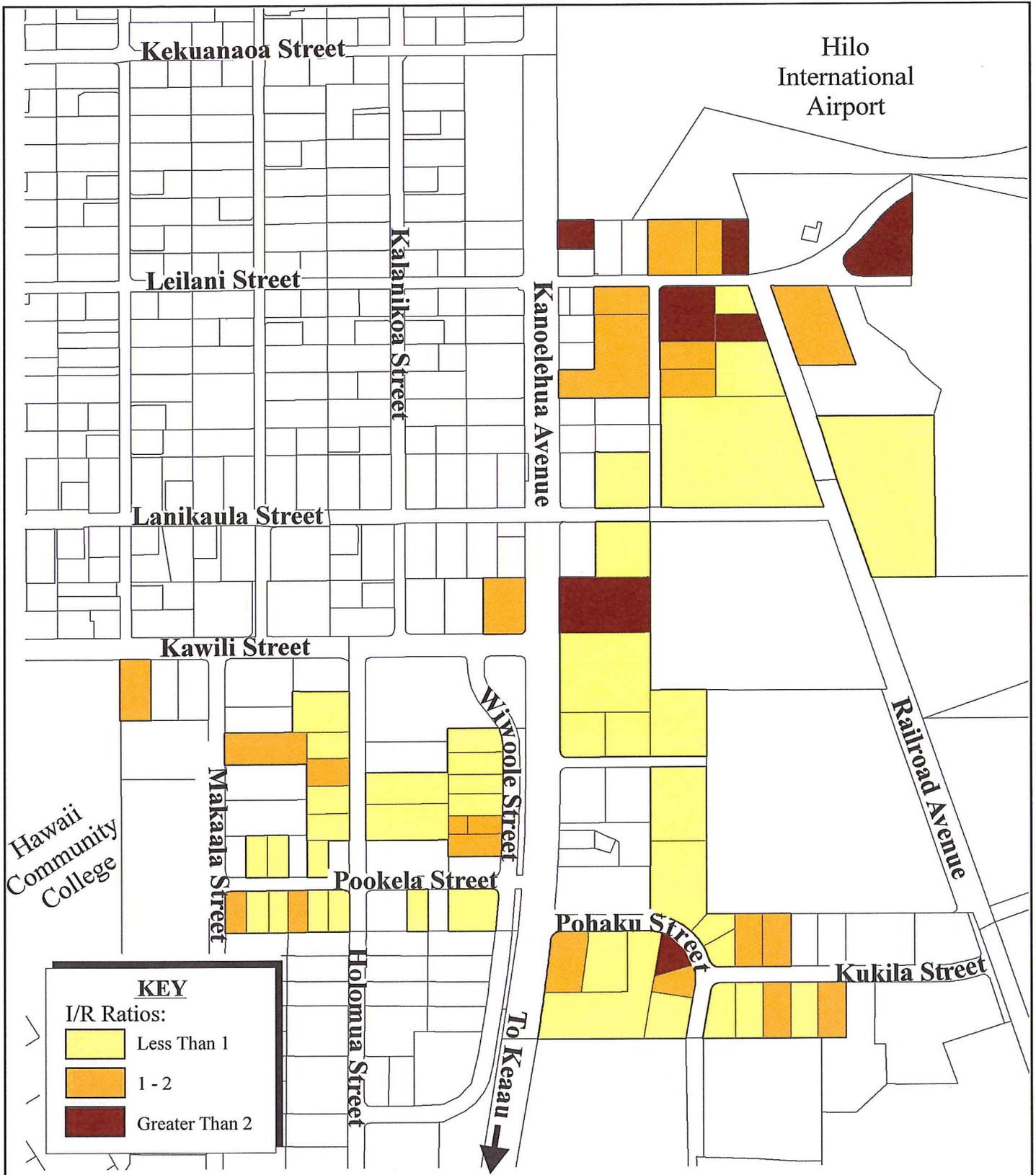
Prepared for: State of Hawaii, Department of Land and Natural Resources



Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

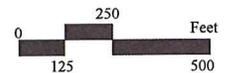
**Figure 5** Kanoelehua Industrial Area  
North Study Area Improvement  
to Land Value Ratio





Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

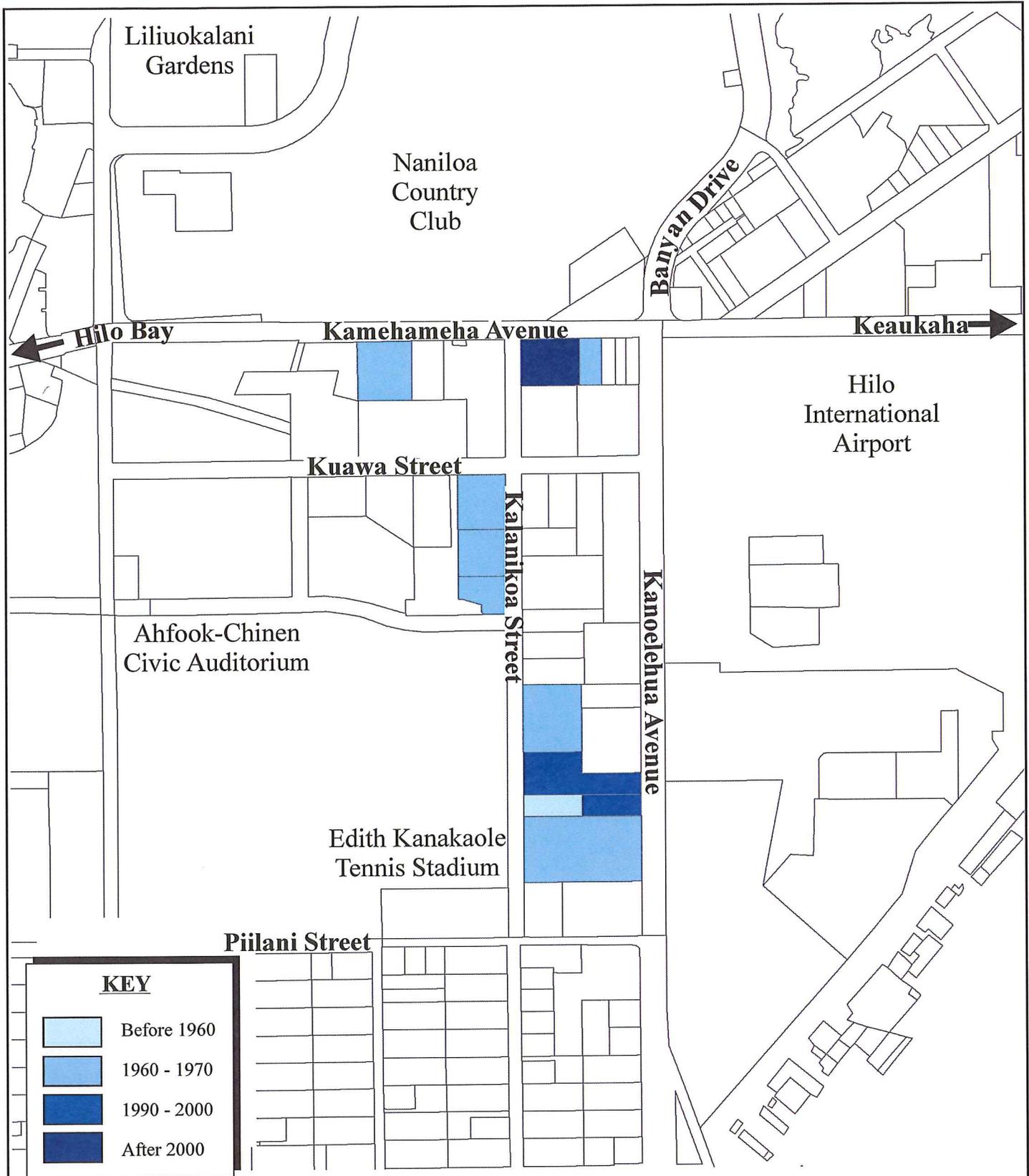
**Figure 6** Kanoelehua Industrial Area  
South Study Area Improvement  
to Land Value Ratio



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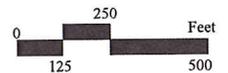
or not as building condition is dependent on numerous factors including the degree of repair and maintenance work that occurs throughout the life of the building. Nevertheless, year structure built, when considered in conjunction with other factors such as the I/L ratio, is pertinent for the lot consolidation analysis. See **Figure 7** and **Figure 8**.

- **Zoning** – The DLNR’s landholdings within the KIA are zoned for General Industrial (MG), Limited Industrial (ML), and Neighborhood Commercial (CN) uses. See **Figure 9** and **Figure 10**. For the purposes of lot consolidation, adjacent parcels with the same underlying zoning present better opportunities for consolidation than parcels with different or conflicting zoning. While it would be possible to consolidate parcels with different zoning designations, the different zoning designations carry with them differing development regulations, such as setbacks, minimum building site areas, height limits, and minimum land area for building sites). The differing zoning designations present additional difficulties for development, and as such, adjacent lots with different zoning designations were not considered for consolidation as part of this analysis.
- **Existing Non-Confirming Structures** – The County’s zoning code establishes building setbacks and other development parameters for each zoning district. The regulations do not permit buildings to straddle lot lines. In other words, a single structure cannot be built on multiple parcels. However, some of DLNR’s KIA properties have buildings that straddle lot lines, covering multiple parcels. These buildings would be considered existing, non-conforming structures by the County. In general, when improvements are made to existing, non-conforming structures, the buildings must be brought into compliance if the improvements exceed 50 percent of the building value. Thus, while the existing non-conforming structures may be allowed to remain in place in the near term, the non-conformity will inhibit the building owner’s ability to construct improvements to the structure over time. In order for the non-conforming structure to be brought into compliance, the underlying parcels would need to be consolidated such that the structure is no longer straddling lot lines, or the building must be demolished. As such, parcels with non-conforming structures built across lot lines were included as opportunities for lot consolidation regardless of other factors or criteria.



Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

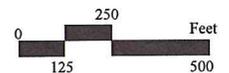
**Figure 7** Kanoelehua Industrial Area  
North Study Area Year of  
Building Construction



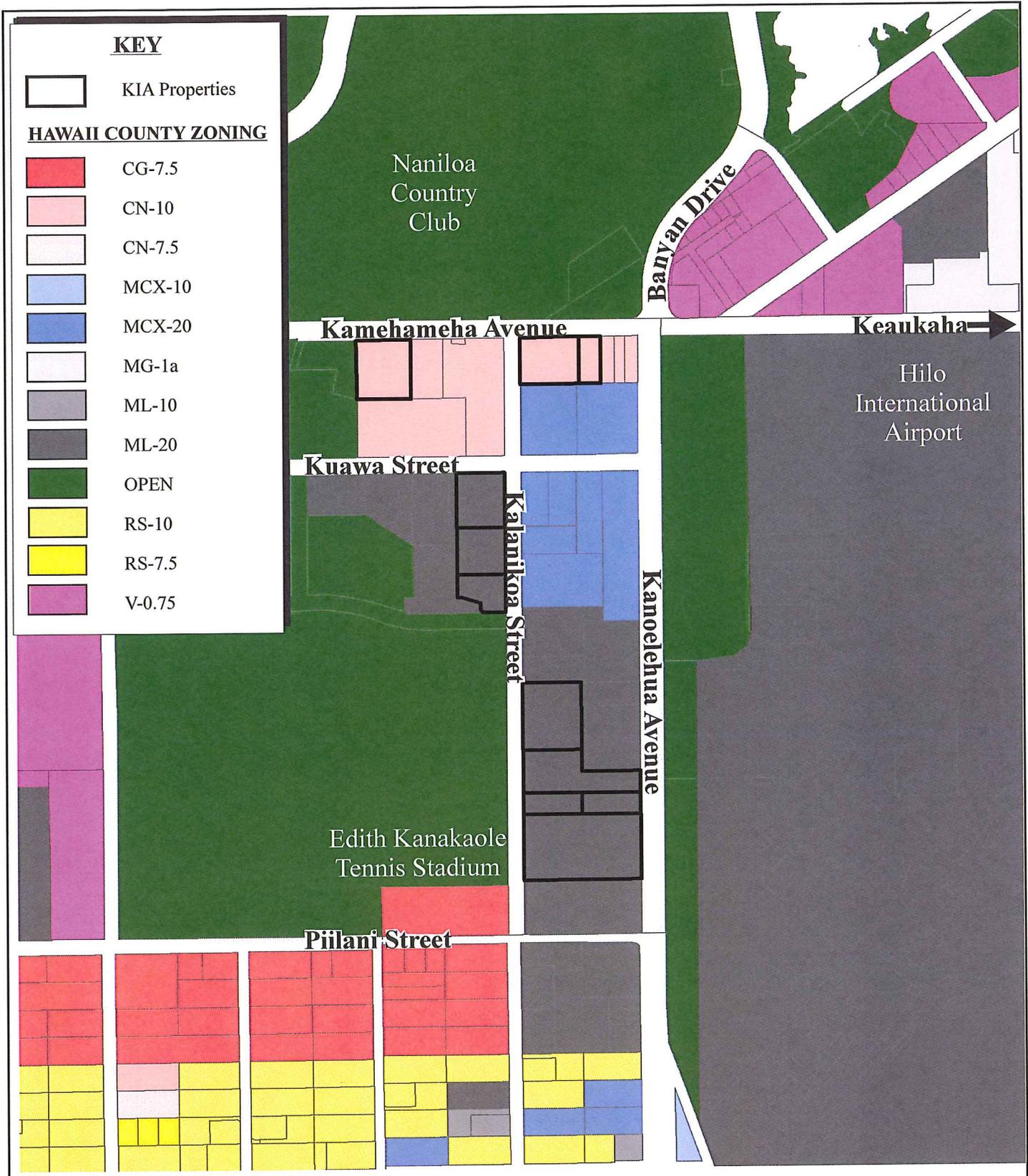


Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

**Figure 8** Kanoelehua Industrial Area  
South Study Area Year of  
Building Construction

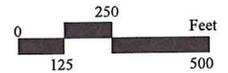


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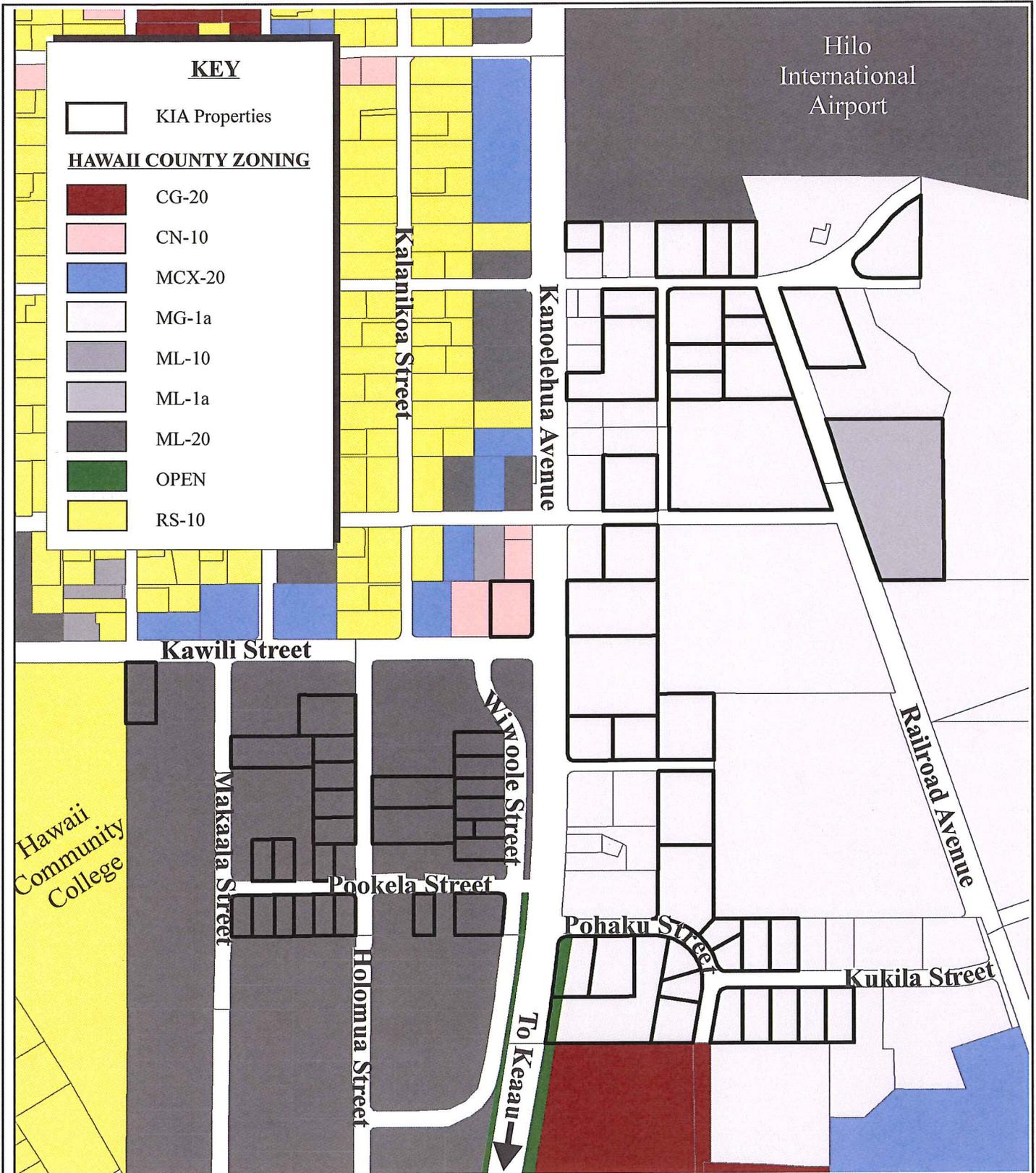


Source: County of Hawaii and Department of Land and Natural Resources

**Figure 9** Kanoelehua Industrial Area  
 North Study Area Hawaii  
 County Zoning Designations



Prepared for: State of Hawaii, Department of Land and Natural Resources



Source: County of Hawaii and Department of Land and Natural Resources

**Figure 10** Kanoelehua Industrial Area  
 South Study Area Hawaii  
 County Zoning Designations



## **C. ANALYSIS OF LOT CONSOLIDATION OPPORTUNITY SITES**

The criteria identified above were assessed through database analysis and GIS mapping. Initially, the three (3) primary criteria were utilized to identify potential opportunity sites. This initial phase identified adjacent parcels with leases expiring in 2016 and 2025 and I/L ratios less than or equal to 1.0. The years 2016 and 2025 were used for the initial phase of identifying opportunity sites because there are a large number of leases expiring in those years. Once these potential opportunities were identified, a more detailed analysis of each potential opportunity site was conducted, including a review of the secondary criteria, to confirm the appropriateness of the site for potential consolidation in the future.

In addition to the potential opportunity sites that were identified through the initial analysis of the three (3) primary criteria, the database of leases and maps of DLNR's KIA holdings were carefully reviewed to identify other potential opportunity sites that may have not been recognized through strict interpretation of the primary criteria. For example, in certain instances, there were adjacent leases with I/L ratios that were just over 1.0. These parcels would not necessarily have been identified during the initial analysis but could still potentially be an opportunity for redevelopment and lot consolidation if the improvement value was just slightly higher than the land value. The I/L ratio threshold of 1.0 is a general rule of thumb but was not used as a strict measure for identifying potential opportunity sites. Analysis was also done to identify additional opportunity sites outside of the lease expiration years of 2016 and 2025 using both the primary and secondary criteria.

It is noted that there are identified opportunity sites which contain some parcels with an I/L ratio below 1.0 and some parcels with an I/L ratio above 1.0. In these instances, the collective I/L ratio of all parcels identified for consolidation is usually near or below 1.0. For those opportunity sites containing individual parcels with higher I/L ratios and more substantial improvements/buildings in good condition, the redevelopment may be focused on just those parcels with older, more dilapidated buildings. In other words, the site identified for potential lot consolidation and redevelopment may contain a building that would remain along with others that would be redeveloped.

Following the identification and analysis of the potential lot consolidation opportunity sites, a physical site visit was conducted for each opportunity site to better understand the on-the-ground conditions and verify the preliminary findings of the analysis.

The identification of a site as an opportunity for consolidation does not mean that DLNR and/or its tenants must follow through with the consolidation. Rather, this analysis

simply points out potential opportunities for consideration. In addition, while this analysis may identify opportunity sites which contain more than two (2) parcels for consolidation, DLNR and/or its tenants may choose to consolidate just a subset of the parcels included in the opportunity site. This analysis of potential lot consolidation opportunities tended to be more inclusive rather than exclusive.

# **IV. OPPORTUNITIES ANALYSIS**

## IV. OPPORTUNITIES ANALYSIS

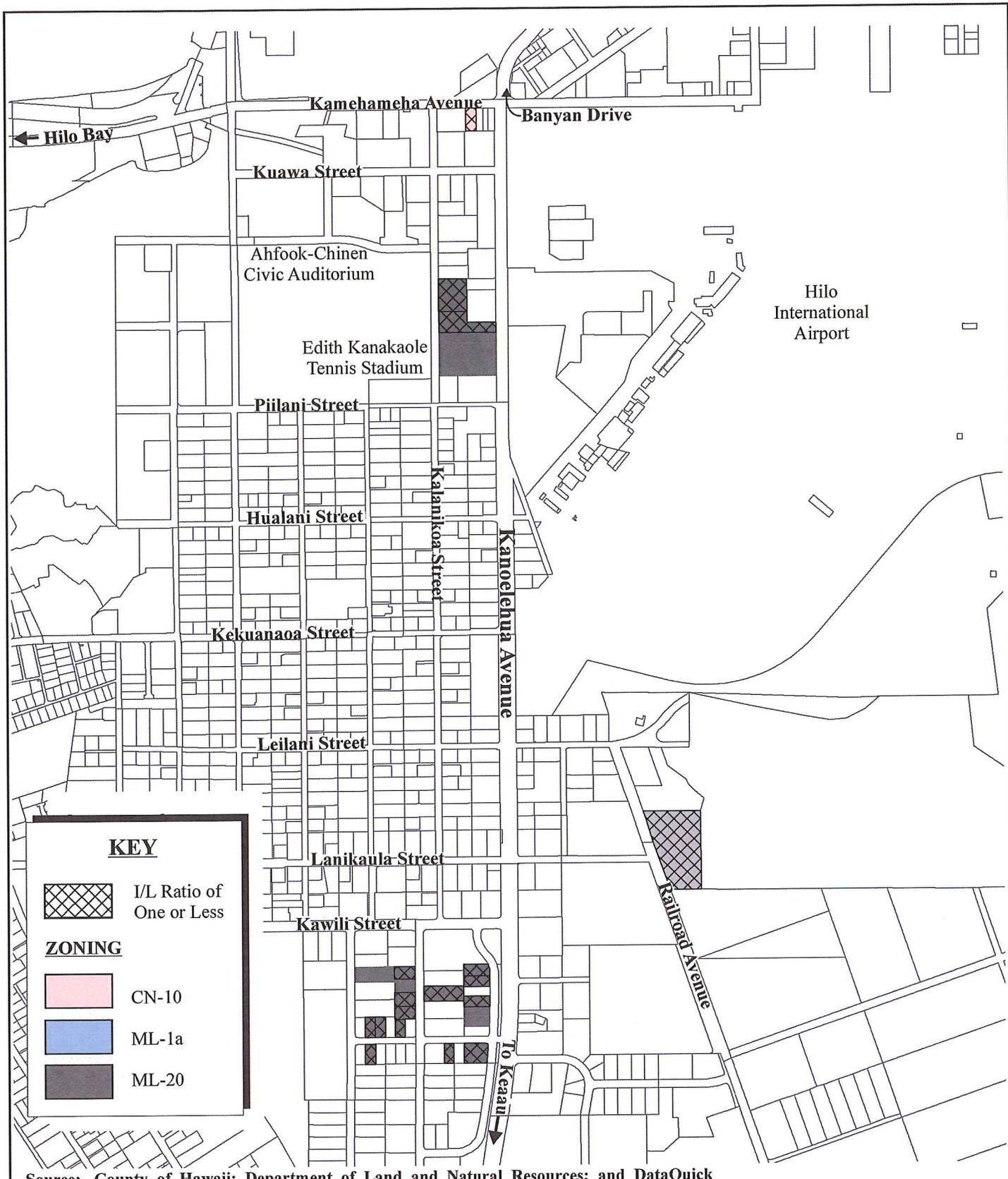
The review of the criteria discussed in the previous chapter yielded a number of opportunity sites that are potential candidates for consolidation. As noted earlier, the years 2016 and 2025 have the largest number of leases expiring; 21 and 12, respectively. As such, these years were examined first using the established criteria to identify the potential for consolidation.

Utilizing geographic information system (GIS) querying protocols on all parcels, initial potential consolidation opportunity sites were identified as adjacent parcels displaying like criteria. Query (GIS overlay) criteria and their graphical outcomes are summarized in **Table 3**.

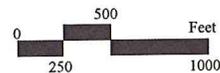
**Table 3.** GIS Query Criteria and Mapping Results

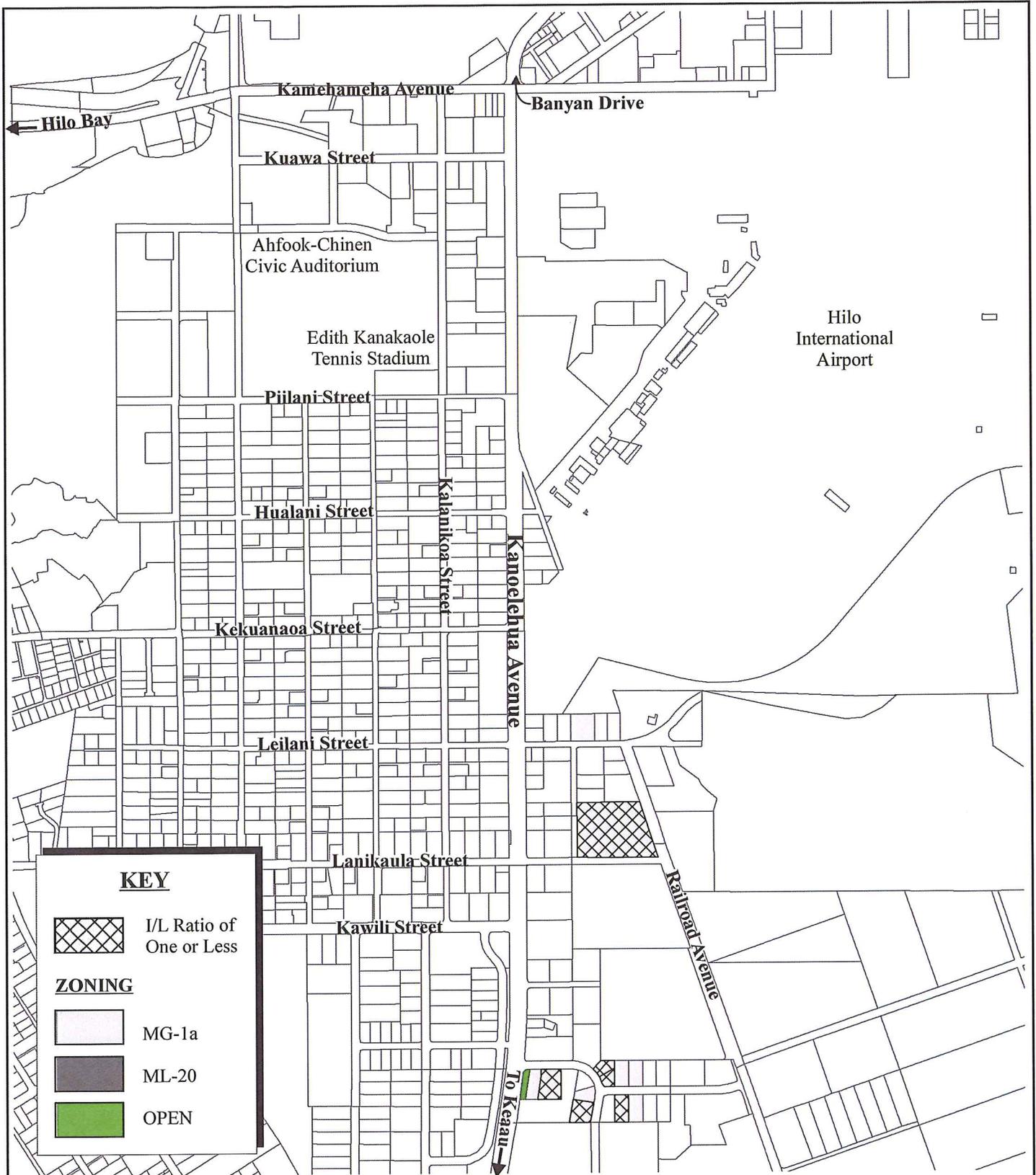
Primary Criteria	Secondary Criteria	Lease Expiration Year	Figure Reference
I/L Ratio	Zoning	2016	See <b>Figure 11</b>
I/L Ratio	Zoning	2025	See <b>Figure 12</b>
I/L Ratio	Existing Use	2016	See <b>Figure 13</b>
I/L Ratio	Existing Use	2025	See <b>Figure 14</b>
I/L Ratio	Year of Building Construction	2016	See <b>Figure 15</b>
I/L Ratio	Year of Building Construction	2025	See <b>Figure 16</b>

Following the initial findings utilizing GIS querying protocols, a second analysis was done of all parcels for all lease expiration years to determine if other parcels met the criteria for lot consolidation. In total, seventeen (17) opportunity sites were identified. These sites will be further described in Chapter V.



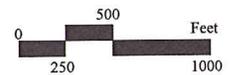
**Figure 11** Kanoelehua Industrial Area  
Zoning and I/L Ratio for  
Leases Expiring in 2016



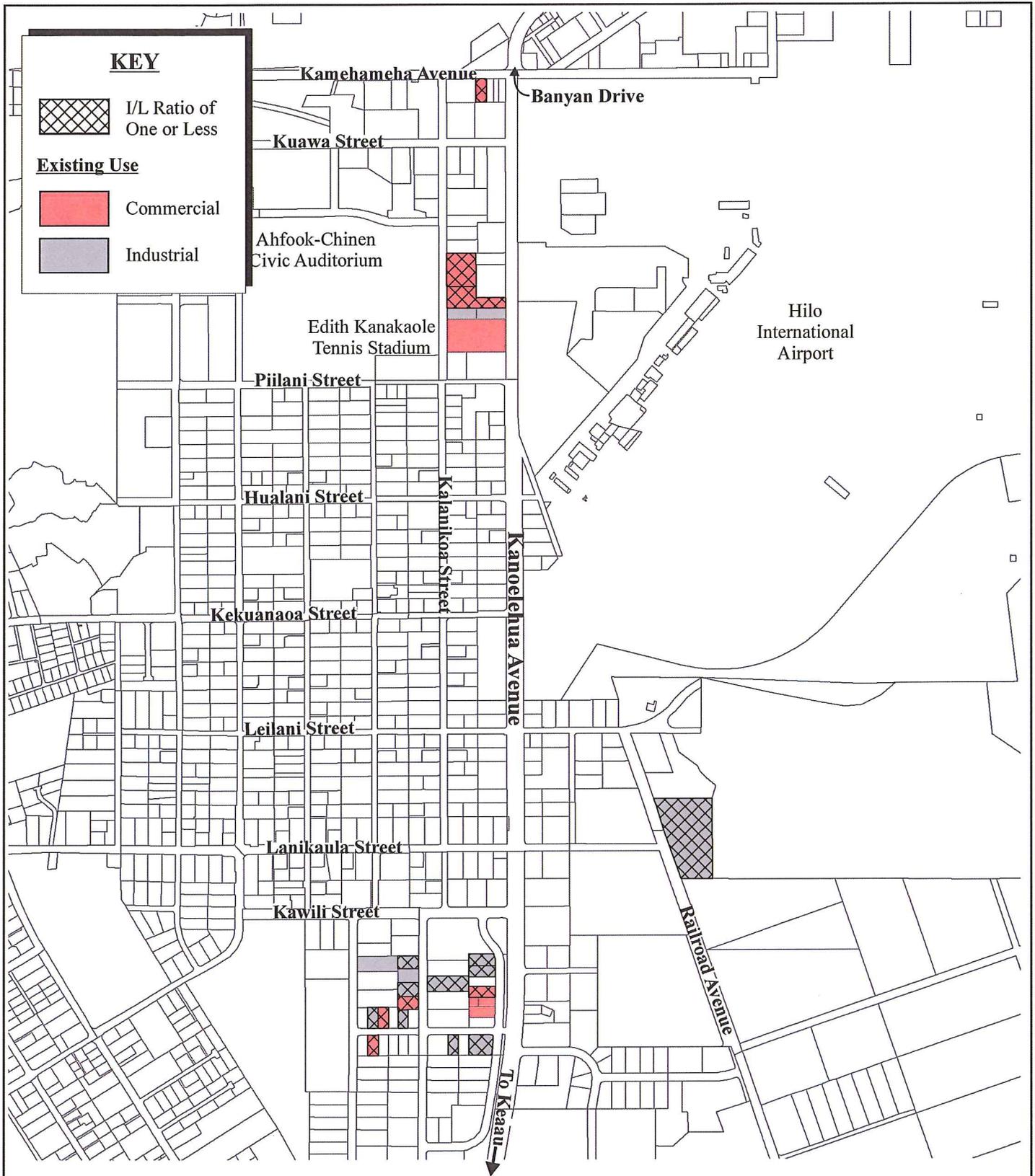


Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

**Figure 12** Kanoelehua Industrial Area  
Zoning and I/L Ratio for  
Leases Expiring in 2025

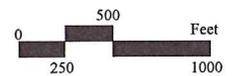


Prepared for: State of Hawaii, Department of Land and Natural Resources

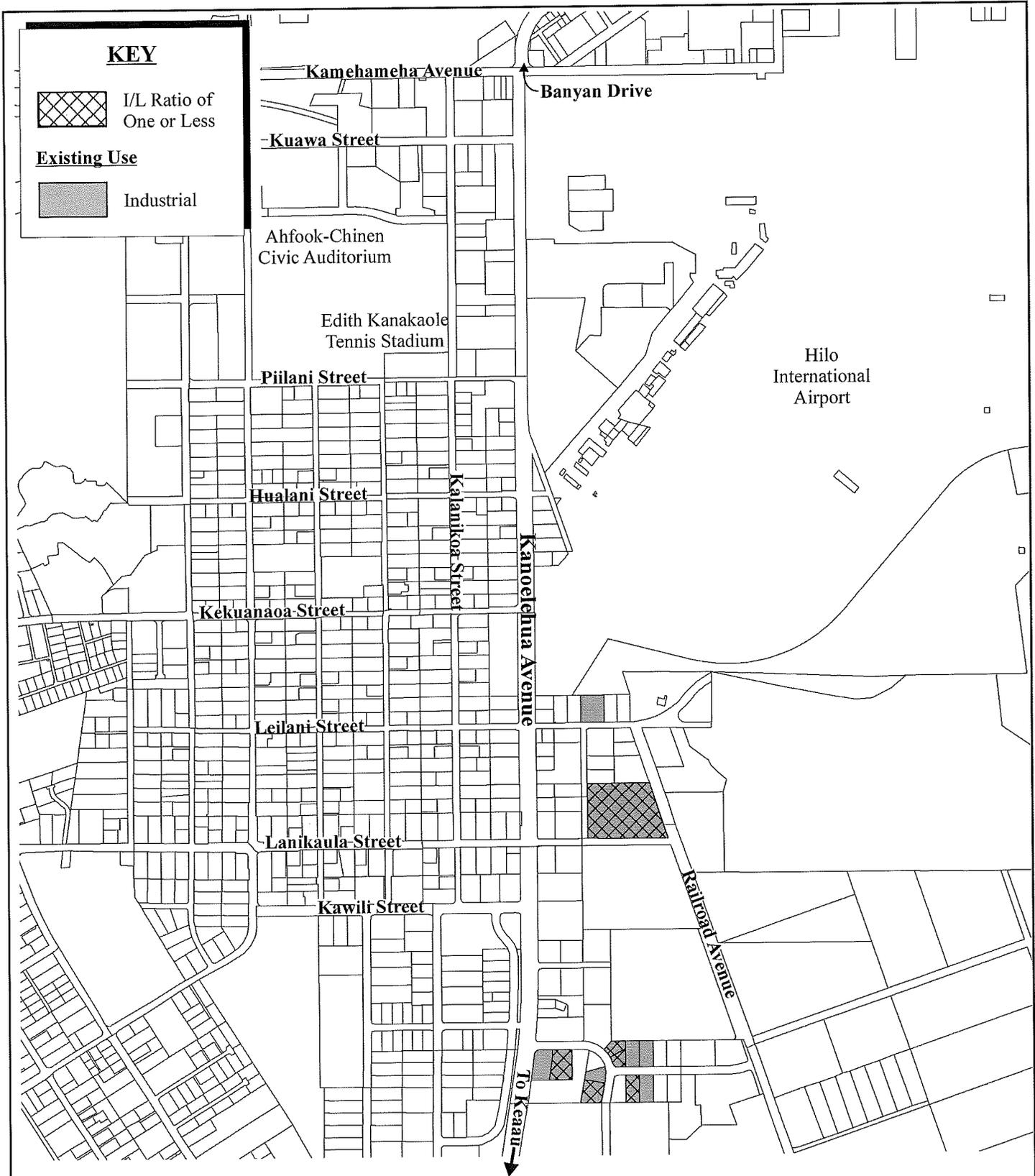


Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

**Figure 13** Kanoelehua Industrial Area  
Existing Use and I/L Ratio for  
Leases Expiring in 2016



Prepared for: State of Hawaii, Department of Land and Natural Resources



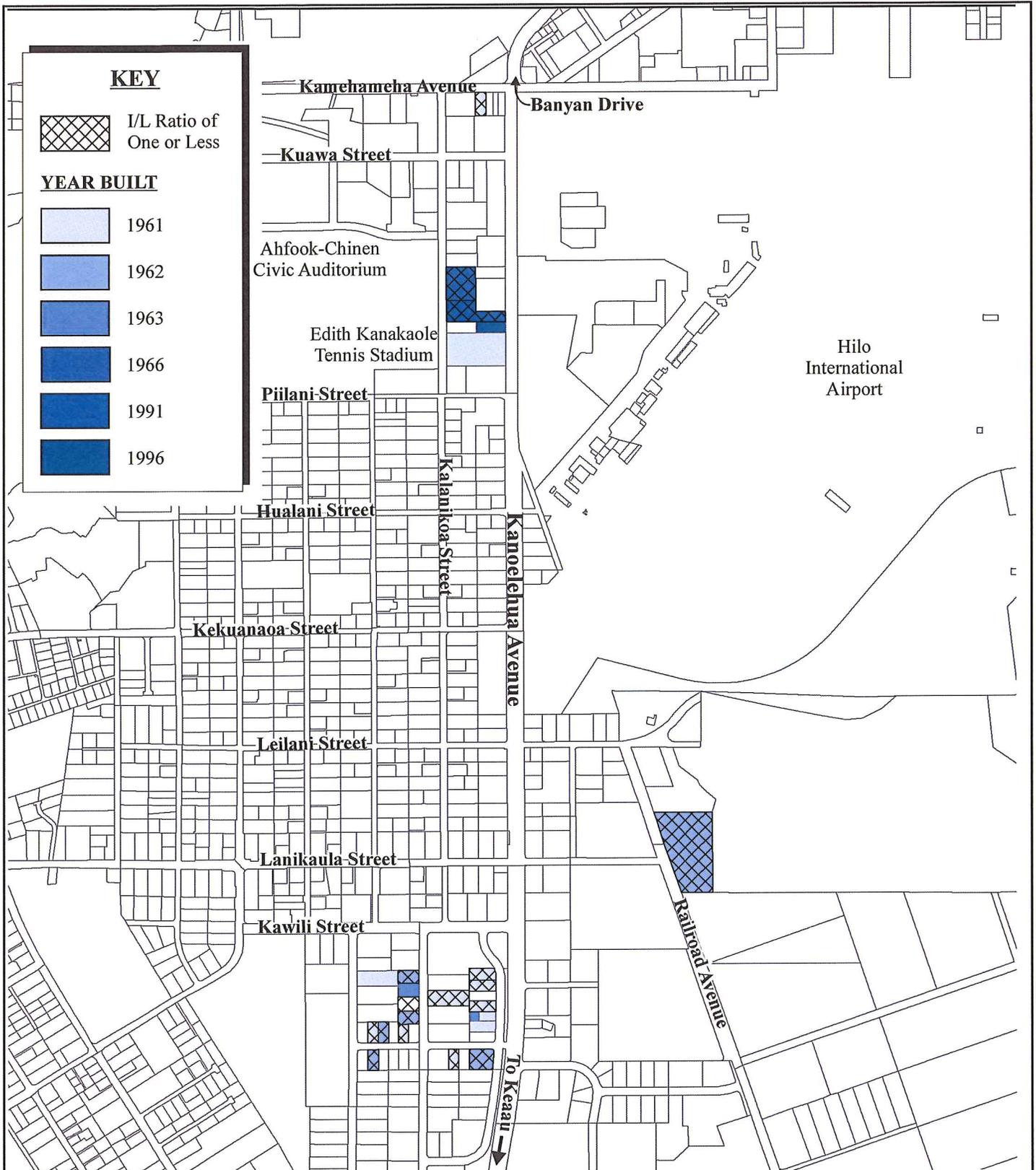
Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

**Figure 14** Kanoelehua Industrial Area  
Existing Use and I/L Ratio  
for Leases Expiring in 2025



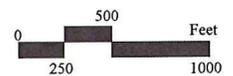
MUNEKIYO HIRAGA

Prepared for: State of Hawaii, Department of Land and Natural Resources

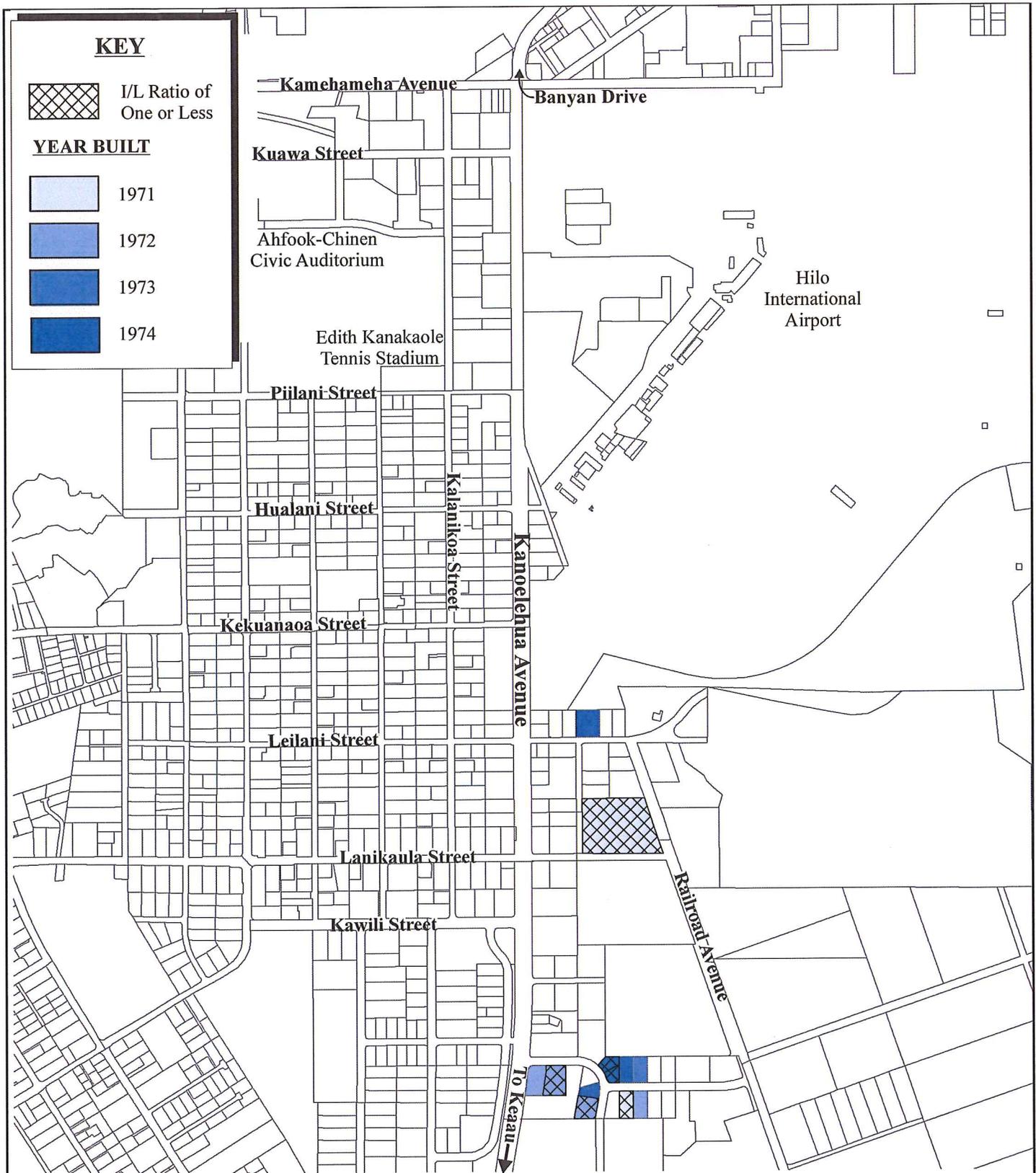


Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

**Figure 15** Kanoelehua Industrial Area  
Year of Building Construction and I/L  
Ratio for Leases Expiring in 2016

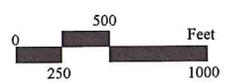


Prepared for: State of Hawaii, Department of Land and Natural Resources



Source: County of Hawaii; Department of Land and Natural Resources; and DataQuick

**Figure 16** Kanoelehua Industrial Area  
 Year of Building Construction and I/L  
 Ratio for Leases Expiring in 2025



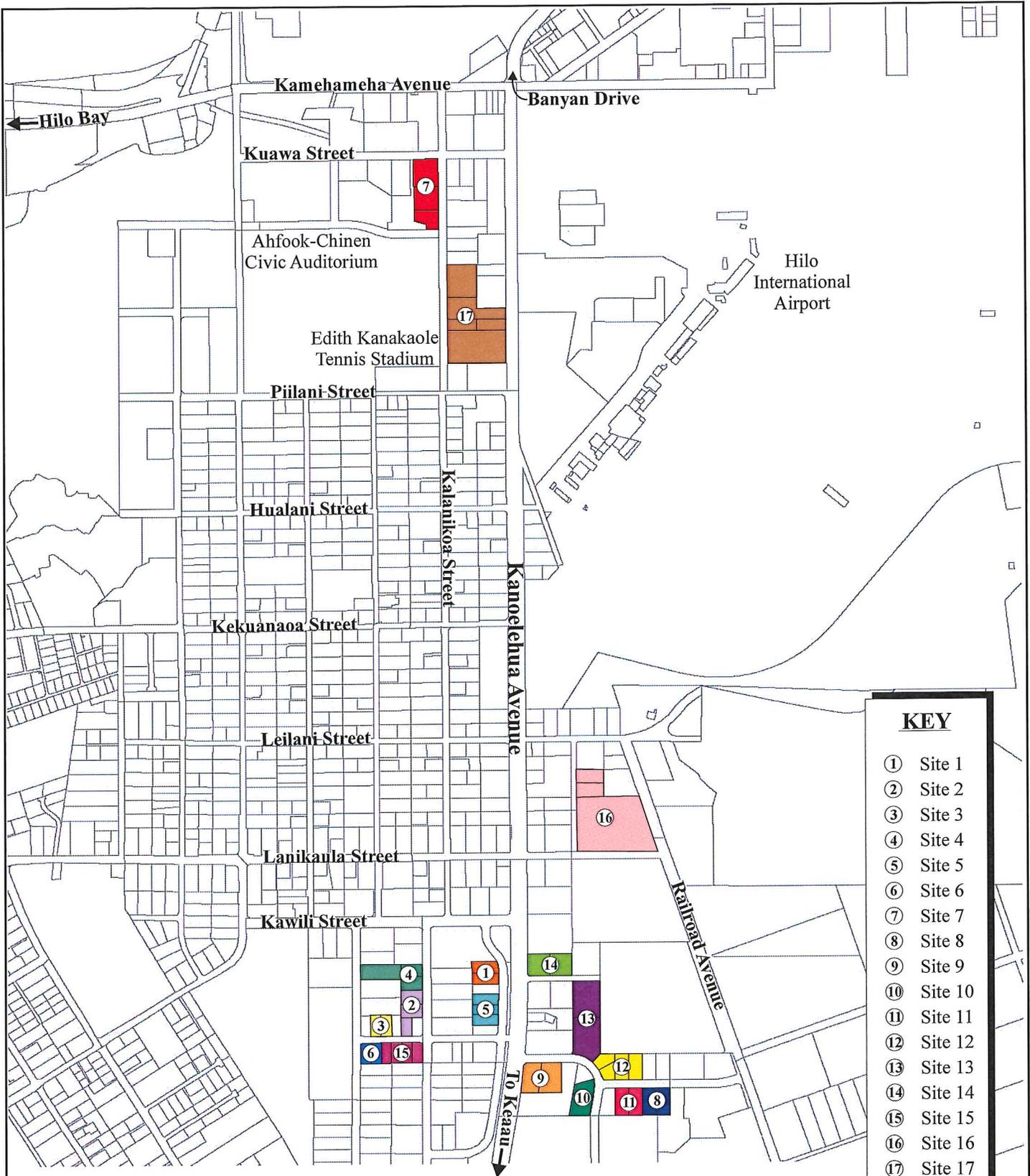
Prepared for: State of Hawaii, Department of Land and Natural Resources

## **V. OPPORTUNITY SITES**

## V. OPPORTUNITY SITES

This chapter provides an overview of each of the seventeen (17) opportunity sites that were identified through a review of the Department of Land and Natural Resources' (DLNR) Kanoelehua Industrial Area (KIA) lands against the established primary and secondary criteria described in Chapter III. Fifteen (15) of the seventeen (17) opportunity sites are located within the KIA “south” study area, while two (2) are located in the KIA “north” study area. See **Figure 17**.

The discussion of each site includes key lease and property characteristics, a map and aerial photo showing the site location, as well as photos of the existing structures. The information is then summarized in a table which discusses the opportunities associated with lot consolidation in regards to the assessment criteria.

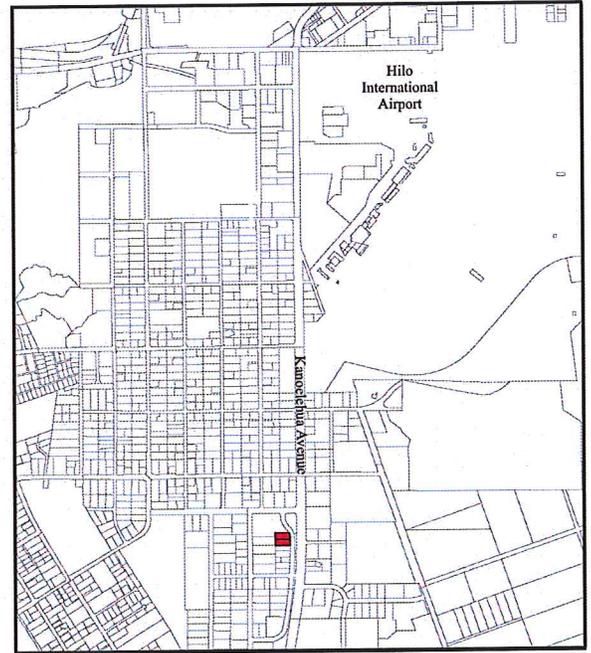


Source: County of Hawaii, Department of Planning

**Figure 17** Kanoelehua Industrial Area Opportunity Sites Reference Map



**A. SITE 1**



**Table 4. Site 1 Lease and Property Characteristics**

	<b>Parcel 11</b>	<b>Parcel 12</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-049:011	(3)2-2-049:012	----
<b>Lease No.</b>	GL-3596	GL-3593	----
<b>Lease Start Date</b>	1/16/1961	1/16/1961	----
<b>Lease Expiration Date</b>	1/15/2016	1/15/2016	----
<b>Current Tenant</b>	Hill, Lesley	Hilo Automotive Supply	----
<b>Existing Use</b>	Industrial	Industrial	----
<b>Annual Rent</b>	\$17,940.00	\$16,320.00	\$34,260.00
<b>Parcel Area (acres)</b>	0.382	0.367	0.749
<b>Building Size (sq. ft.)</b>	3,840	7,520	11,360
<b>Year of Building Construction</b>	1961	1961	----
<b>Lot Coverage Ratio</b>	23.08%	47.04%	34.81%

	Parcel 11	Parcel 12	TOTALS
I/L Ratio	0.47	0.98	0.73 <sup>a</sup>
Zoning	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 5. Site 1 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Wiwoole Street
Lease Expiration	1/15/2016	Both leases expire on the same date
I/L Ratio (Combined Total)	0.73	Value of land exceeds value of improvements
Year Structures Built	1961	Structures are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	Yes	Existing structures appear to straddle the property line <sup>b</sup>
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Consolidation would resolve potential non-conformity issues with regards to existing structures that appear to be straddling the property line.</li> <li>• Low I/L ratios present the opportunity to redevelop the parcels with a higher use.</li> </ul>		

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<sup>a</sup> I/L Ratio “Total” calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

<sup>b</sup> Overlay of TMK parcels on aerial map is approximate. Location of structures with respect to lot lines should be verified by a land surveyor.

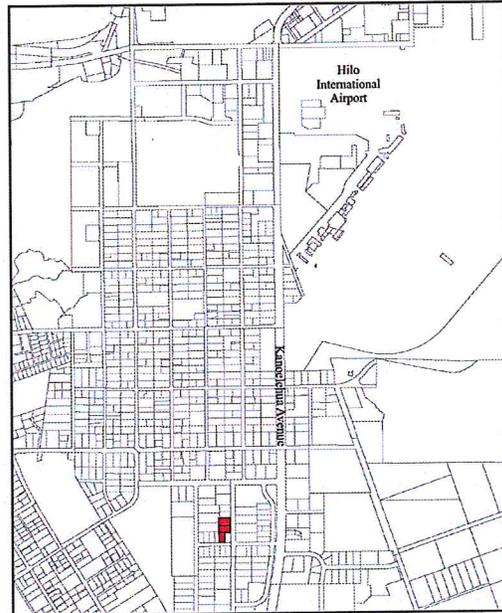


**Photo No. 1: Parcel 11**



**Photo No. 2: Parcel 12**

**B. SITE 2**



**Table 6. Site 2 Lease and Property Characteristics**

	Parcel 83	Parcel 97	Parcel 98	TOTALS
<b>TMK No.</b>	(3)2-2-050:083	(3)2-2-050:097	(3)2-2-050:098	----
<b>Lease No.</b>	GL-3594	GL-3600	GL-3670	----
<b>Lease Start Date</b>	1/16/1961	1/16/1961	3/20/1961	----
<b>Lease Expiration Date</b>	1/15/2016	1/15/2016	3/16/2016	----
<b>Current Tenant</b>	Izuno, Raymond T.	Hilo Mechanical, Inc	Machida Inc.	----
<b>Existing Use</b>	Industrial	Industrial	Commercial	----
<b>Annual Rent</b>	\$11,700.00	\$14,740.00	\$14,750.00	\$41,190.00
<b>Parcel Area (acres)</b>	0.224	0.344	0.344	0.912
<b>Building Size (sq. ft.)</b>	1,980	N/A <sup>a</sup>	5,000	6,980
<b>Year of Building Construction</b>	1961	N/A <sup>a</sup>	1962	----
<b>Lot Coverage Ratio</b>	20.29%	N/A <sup>a</sup>	33.37%	N/A
<b>I/L Ratio</b>	0.39	0.39	0.65	0.49 <sup>b</sup>

<sup>a</sup> Information on the existing structure was not available through the County of Hawaii’s Real Property Tax website.  
<sup>b</sup> I/L Ratio “Total” calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

	Parcel 83	Parcel 97	Parcel 98	TOTALS
<b>Zoning</b>	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 7. Site 2 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Parcels share frontage on Holomua Street; Parcel 97 also fronts Pookela Street
Lease Expiration	1/15/2016, 3/16/2016	Leases expire in the same year, within two (2) month span
I/L Ratio (Combined Total)	0.49	Value of land exceeds value of improvements
Year Structures Built	1961 - 1962	Structures are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Low I/L ratios present the opportunity to redevelop the parcels with a higher use.</li> <li>• Although this site encompasses three (3) parcels, not all parcels need to be consolidated. For example, since Parcels 97 and 98 share frontage on Holomua Street, the lessee(s) or DLNR may consider consolidating these two (2) parcels only.</li> </ul>		



**Photo No. 1: Parcel 97**

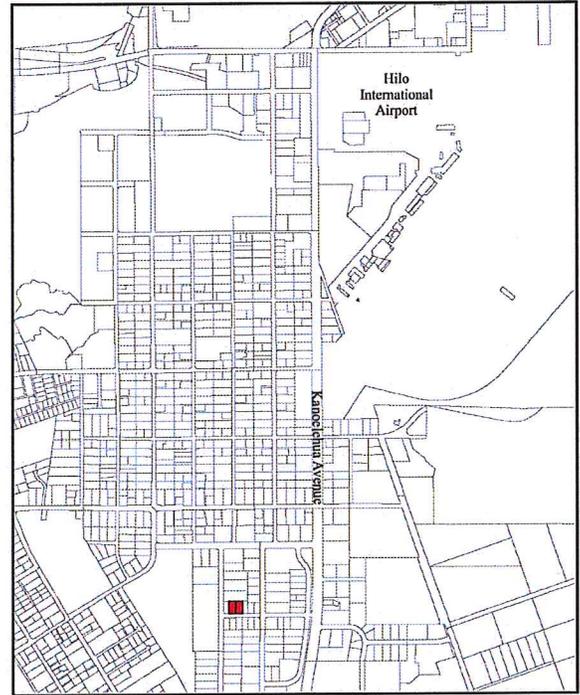


**Photo No. 2: Parcel 98**



**Photo No. 3: Parcel 83**

**C. SITE 3**



**Table 8. Site 3 Lease and Property Characteristics**

	<b>Parcel 85</b>	<b>Parcel 86</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-050:085	(3)2-2-050:086	----
<b>Lease No.</b>	GL-3598	GL-3595	----
<b>Lease Start Date</b>	1/16/1961	1/16/1961	----
<b>Lease Expiration Date</b>	1/15/2016	1/15/2016	----
<b>Current Tenant</b>	Mauna Kea Infrared, LLC	Heide & Cook, LLC	----
<b>Existing Use</b>	Commercial	Industrial	----
<b>Annual Rent</b>	\$12,840.00	\$12,840.00	\$25,680.00
<b>Parcel Area (acres)</b>	0.258	0.258	0.516
<b>Building Size (sq. ft.)</b>	4,434	5,600	10,034
<b>Year of Building Construction</b>	1962	1961	----
<b>Lot Coverage Ratio</b>	39.45%	49.83%	44.64%

	Parcel 85	Parcel 86	TOTALS
I/L Ratio	0.80	0.74	0.77 <sup>a</sup>
Zoning	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 9. Site 3 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Pookela Street
Lease Expiration	1/15/2016	Both leases expire on the same date
I/L Ratio (Combined Total)	0.77	Value of land exceeds value of improvements
Year Structures Built	1961 – 1962	Structures are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Low I/L ratios present the opportunity to redevelop the parcels with a higher use.</li> </ul>		

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<sup>a</sup> I/L Ratio “Total” calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

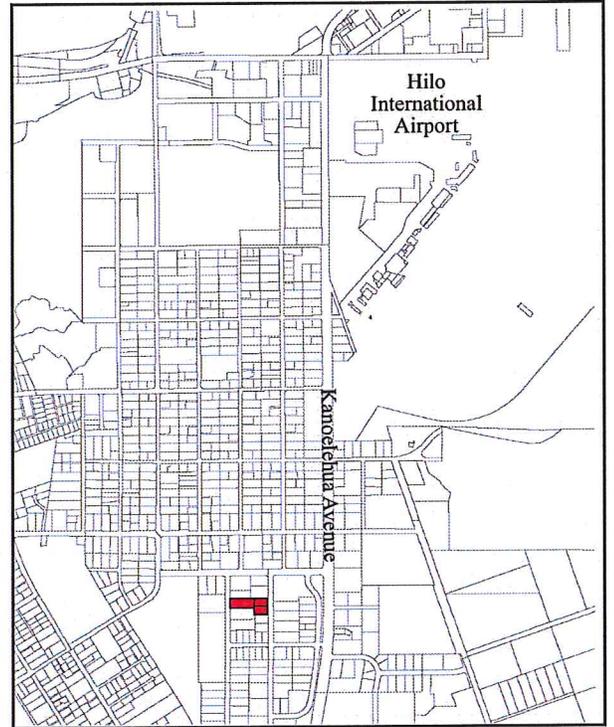


**Photo No. 1: Parcel 85**



**Photo No. 2: Parcel 86**

**D. SITE 4**



**Table 10. Site 4 Lease and Property Characteristics**

	<b>Parcel 90</b>	<b>Parcel 95</b>	<b>Parcel 96</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-050:090	(3)2-2-050:095	(3)2-2-050:096	----
<b>Lease No.</b>	GL-3599	GL-3622	GL-3606	----
<b>Lease Start Date</b>	1/16/1961	3/20/1961	1/16/1961	----
<b>Lease Expiration Date</b>	1/15/2016	3/19/2016	1/15/2016	----
<b>Current Tenant</b>	Central Supply, Inc.	Matsubara, Hiroshi, & Nade	The Food Basket, Inc.	----
<b>Existing Use</b>	Industrial	Industrial	Industrial	----
<b>Annual Rent</b>	\$26,000.00	\$15,480.00	\$8,550.00	\$50,030.00
<b>Parcel Area (acres)</b>	0.78	0.32	0.34	1.44
<b>Building Size (sq. ft.)</b>	11,040	2,304	10,486	23,830
<b>Year of Building Construction</b>	1961	1962	1963	----

	Parcel 90	Parcel 95	Parcel 96	TOTALS
Lot Coverage Ratio	32.70%	16.53%	69.98%	37.99%
I/L Ratio	1.34	0.66	1.61	1.24 <sup>a</sup>
Zoning	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 11. Site 4 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Parcels 95 and 96 share frontage on Holomua Street; Parcel 90 has frontage on Makaala Street
Lease Expiration	1/15/2016	Leases expire in the same year, within two (2) month span
I/L Ratio (Combined Total)	1.24	Value of land is slightly less than value of improvements
Year Structures Built	1961 - 1963	Structures are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>Although this site encompasses three (3) parcels, not all parcels need to be consolidated. For example, since Parcels 95 and 96 share frontage on Holomua Street, the lessee(s) or DLNR may consider consolidating these two (2) parcels only.</li> <li>Furthermore, it is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate parcels, but not necessarily redevelop all existing buildings.</li> </ul>		

<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

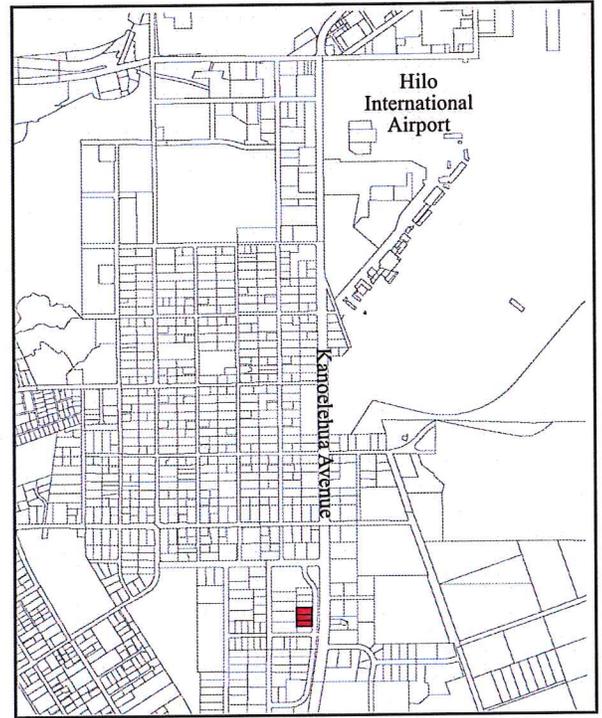


**Photo No. 1: Parcel 95**



**Photo No. 2: Parcel 96**

**E. SITE 5**



**Table 12. Site 5 Lease and Property Characteristics**

	Parcel 14	Parcel 15	Parcel 16	Parcel 17	TOTALS
<b>TMK No.</b>	(3)2-2-049:014	(3)2-2-049:015	(3)2-2-019:016	(3)2-2-049:017	----
<b>Lease No.</b>	GL-3602	GL-3603		GL-3591	----
<b>Lease Start Date</b>	1/16/1961	1/16/1961		1/16/1961	----
<b>Lease Expiration Date</b>	1/15/2016	1/15/2016		1/15/2016	----
<b>Current Tenant</b>	Mar-Les Corporation	Shepard, Jieyu		Vetpro, Inc.	----
<b>Existing Use</b>	Commercial	Commercial	Commercial	Commercial	----
<b>Annual Rent</b>	\$16,200.00	\$13,740.00		\$16,180.00	\$46,120.00
<b>Parcel Area (acres)</b>	0.364	0.105	0.188	0.354	1.01
<b>Building Size (sq. ft.)</b>	7,200	2,252	4,308	7,980	21,740
<b>Year of Building Construction</b>	1961	1963	1961	1961	----

	Parcel 14	Parcel 15	Parcel 16	Parcel 17	TOTALS
<b>Lot Coverage Ratio</b>	45.41%	17.64%	33.75%	51.75%	49.37%
<b>I/L Ratio</b>	0.98	1.41	1.27	1.19	1.15 <sup>a</sup>
<b>Zoning</b>	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 13. Site 5 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Wiwoole Street
Lease Expiration	1/15/2016	Leases expire on the same date
I/L Ratio (Combined Total)	1.15	Value of land is slightly less than value of improvements
Year Structures Built	1961 - 1963	Structures are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>Although the site encompasses four (4) parcels, not all parcels need to be consolidated. The lessee(s) or DLNR may consider consolidating two (2) or three (3) parcels only.</li> <li>It is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate parcels, but not necessarily redevelop all existing buildings.</li> </ul>		

<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.



**Photo No. 1: Parcel 14**



**Photo No. 2: Parcel 15**

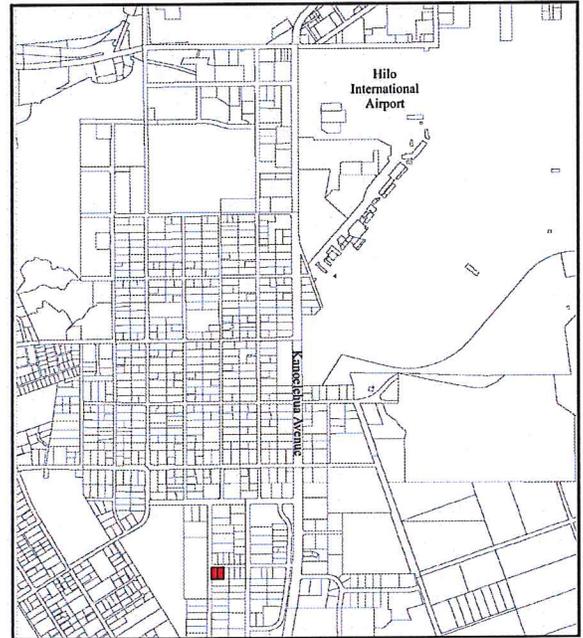
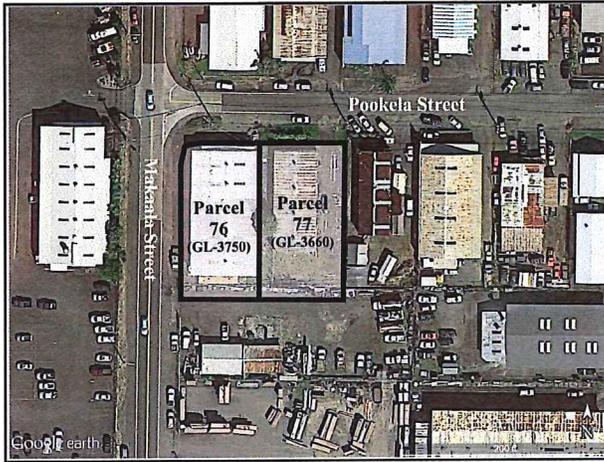


Photo No. 3: Parcel 16



Photo No. 4: Parcel 17

**F. SITE 6**



**Table 14. Site 6 Lease and Property Characteristics**

	<b>Parcel 76</b>	<b>Parcel 77</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-050:076	(3)2-2-050:077	----
<b>Lease No.</b>	GL-3750	GL-3660	----
<b>Lease Start Date</b>	4/26/1963	3/20/1961	----
<b>Lease Expiration Date</b>	4/25/2016	3/19/2016	----
<b>Current Tenant</b>	Shepard, Jieyu	Hilo Bay Printing Company, Ltd.	----
<b>Existing Use</b>	Commercial	Commercial	----
<b>Annual Rent</b>	\$13,550.00	\$13,560.00	\$27,110.00
<b>Parcel Area (acres)</b>	0.274	0.275	0.549
<b>Building Size (sq. ft.)</b>	6,444	3,840	10,284
<b>Year of Building Construction</b>	1963	1962	----
<b>Lot Coverage Ratio</b>	53.99%	32.06%	43.00%

	Parcel 76	Parcel 77	TOTALS
<b>I/L Ratio</b>	1.15	0.67	0.91 <sup>a</sup>
<b>Zoning</b>	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 15. Site 6 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Parcels share frontage on Pookela Street; Parcel 76 also fronts Makaala Street
Lease Expiration	3/19/2016, 4/25/2016	Leases expire in the same year, within one (1) month span
I/L Ratio (Combined Total)	0.91	Cumulative value of land exceeds value of improvements
Year Structures Built	1962 - 1963	Structures are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>It is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate the parcels, but not necessarily redevelop all existing buildings.</li> </ul>		

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<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

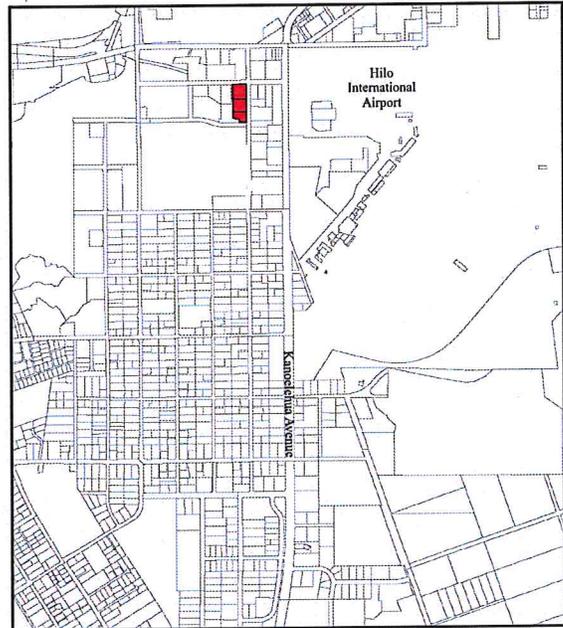


**Photo No. 1: Parcel 76**



**Photo No. 2: Parcel 77**

**G. SITE 7**



**Table 16. Site 7 Lease and Property Characteristics**

	Parcel 11	Parcel 85	Parcel 86	TOTALS
<b>TMK No.</b>	(3)2-2-032:011	(3)2-2-032:085	(3)2-2-032:086	----
<b>Lease No.</b>	GL-3723			----
<b>Lease Start Date</b>	11/30/1962			----
<b>Lease Expiration Date</b>	11/29/2017			----
<b>Current Tenant</b>	Contractors Hawaii, Inc.			----
<b>Existing Use</b>	Office	Office	Office	----
<b>Annual Rent</b>	\$95,000.00			\$95,000.00
<b>Parcel Area (acres)</b>	0.456	0.801	0.677	1.934
<b>Building Size (sq. ft.)</b>	4,000	7,500	15,000	26,500
<b>Year of Building Construction</b>	1963	1965	1964	----
<b>Lot Coverage Ratio</b>	4.75%	8.90%	17.81%	31.46%
<b>I/L Ratio</b>	1.05	0.61	0.94	0.91 <sup>a</sup>
<b>Zoning</b>	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

**Table 17. Site 7 Opportunity Assessment**

<b>Assessment Parameter</b>	<b>Assessment Information</b>	<b>Comments</b>
Adjacent Parcels	Yes	Parcels share frontage on Kalanikoa Street; Parcel 85 also fronts Kuawa Street
Lease Expiration	11/29/2017	Parcels are covered under the same lease
I/L Ratio (Combined Total)	0.91	Value of land exceeds value of improvements
Year Structures Built	1963 - 1965	Structures are approximately 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	Yes	Existing structures appear to straddle the property line <sup>b</sup>
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Consolidation would resolve existing non-conformity issues with regards to existing structures straddling the property line.</li> <li>• Although this site encompasses three (3) parcels, not all parcels need to be consolidated. The lessee or DLNR may consider consolidating any number of parcels.</li> <li>• It is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee or DLNR may still want to consolidate parcels, but not necessarily redevelop all existing buildings.</li> </ul>		

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<sup>b</sup> Overlay of TMK parcels on aerial map is approximate. Location of structures with respect to lot lines should be verified by a land surveyor.



**Photo No. 1: Parcel 11**



**Photo No. 2: Parcel 86**

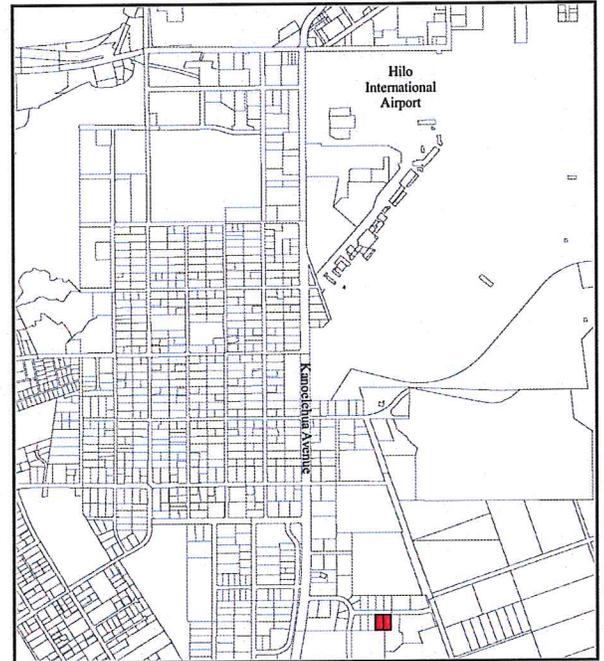


**Photo No. 3: Parcel 86**



**Photo No. 4: Parcel 85**

**H. SITE 8**



**Table 18. Site 8 Lease and Property Characteristics**

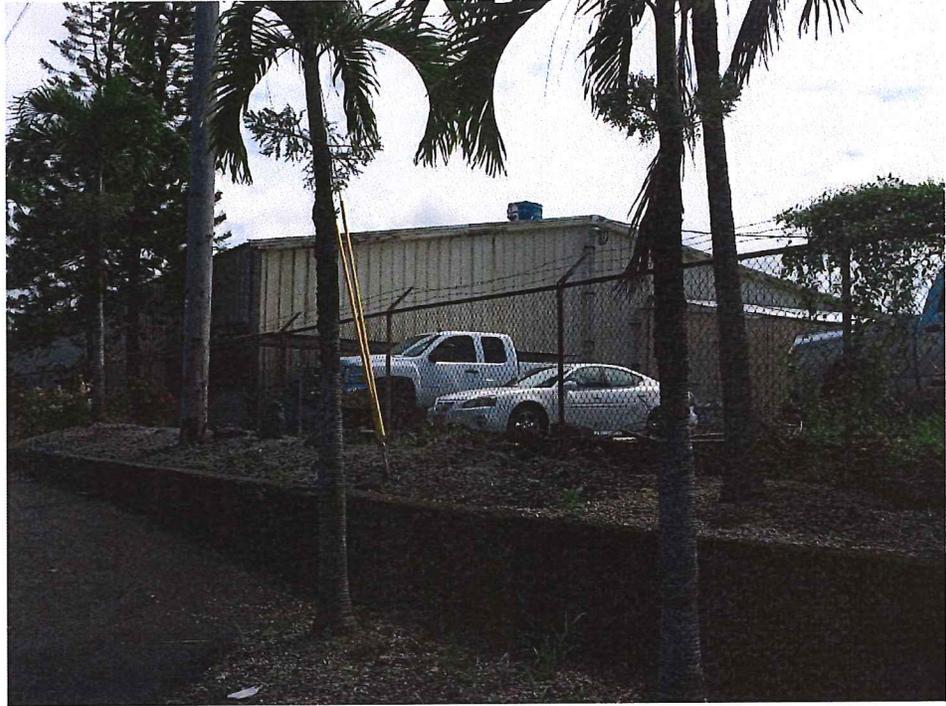
	<b>Parcel 29</b>	<b>Parcel 30</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-058:029	(3)2-2-058:030	----
<b>Lease No.</b>	GL-3999		----
<b>Lease Start Date</b>	8/16/1966		----
<b>Lease Expiration Date</b>	8/15/2021		----
<b>Current Tenant</b>	MS Auto, Inc.		----
<b>Existing Use</b>	Industrial	Industrial	----
<b>Annual Rent</b>	\$30,800.00		\$30,800.00
<b>Parcel Area (acres)</b>	0.459	0.459	0.918
<b>Building Size (sq. ft.)</b>	15,180	6,000	21,180
<b>Year of Building Construction</b>	1969	N/A	----
<b>Lot Coverage Ratio</b>	75.92%	30.00%	52.97%
<b>I/L Ratio</b>	1.65	N/A <sup>a</sup>	N/A

<sup>a</sup> Information on the existing structure was not available through the County of Hawaii’s Real Property Tax website.

	<b>Parcel 29</b>	<b>Parcel 30</b>	<b>TOTALS</b>
<b>Zoning</b>	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 19. Site 8 Opportunity Assessment**

<b>Assessment Parameter</b>	<b>Assessment Information</b>	<b>Comments</b>
Adjacent Parcels	Yes	Frontage shared on Kukila Street
Lease Expiration	8/15/2021	Parcels are covered under the same lease
I/L Ratio (Combined Total)	N/A	Information on the existing structure on Parcel 30 was not available through the County of Hawaii's Real Property Tax website.
Year Structures Built	1969	Structures are approximately 50 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• This site was identified due to the parcels being covered under a single lease with the expiration date of August 15, 2021.</li> <li>• While the parcels do not have particularly low I/L ratios, they are identified here as a potential opportunity for consolidation because they are covered under a current lease and a single lessee may desire to explore alternative site design parameters that would be made possible by consolidation.</li> <li>• It is also noted that the lease for these parcels does not expire until 2021, as such any decisions on consolidation or redevelopment actions do not need to be made in the near future.</li> </ul>		

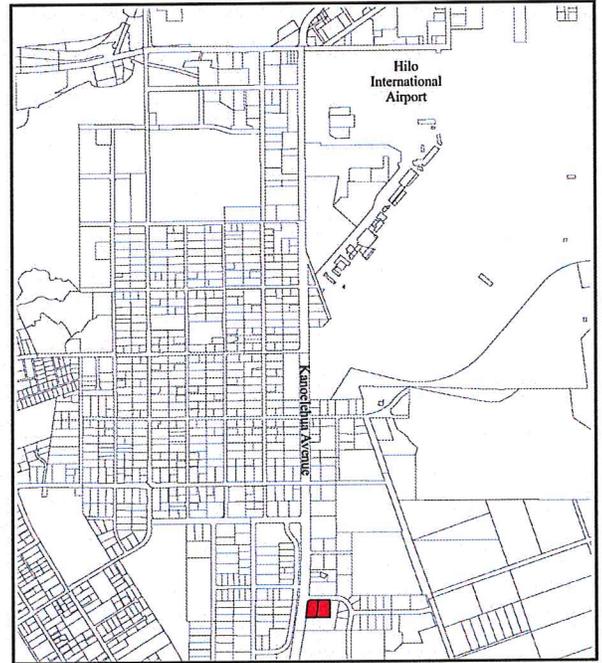
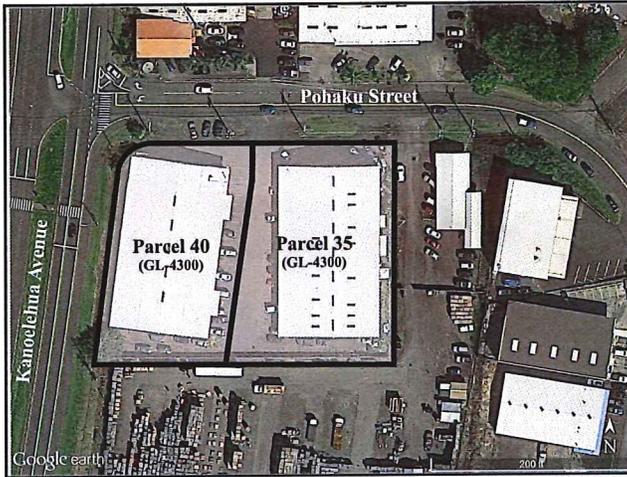


**Photo No. 1: 29**



**Photo No. 2: Parcel 30**

**I. SITE 9**



**Table 20. Site 9 Lease and Property Characteristics**

	Parcel 35	Parcel 40	TOTALS
TMK No.	(3)2-2-058:035	(3)2-2-058:040	----
Lease No.	GL-4300		----
Lease Start Date	5/12/1970		----
Lease Expiration Date	5/11/2025		----
Current Tenant	Miller, William A.		----
Existing Use	Industrial	Industrial	----
Annual Rent	\$69,500.00		\$69,500.00
Parcel Area (acres)	0.777	0.777	1.554
Building Size (sq. ft.)	15,288	16,842	32,130
Year of Building Construction	1972	1972	--
Lot Coverage Ratio	24.46%	26.94%	47.46%

	Parcel 35	Parcel 40	TOTALS
I/L Ratio	0.87	1.06	0.96 <sup>a</sup>
Zoning	General Industrial (MG-1a)	General Industrial (MG-1a)	--

**Table 21. Site 9 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Parcels share frontage on Pohaku Street; Parcel 40 also fronts Kanoelehua Avenue
Lease Expiration	5/11/2025	Parcels are covered under the same lease
I/L Ratio (Combined Total)	0.96	Value of land exceeds value of improvements
Year Structures Built	1972	Structures are approximately 50 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Low I/L ratios present the opportunity to redevelop the parcels with a higher use.</li> <li>• It is noted that the lease for these parcels does not expire until 2025, as such any decisions on consolidation or redevelopment do not need to be made in the near future.</li> </ul>		

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<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

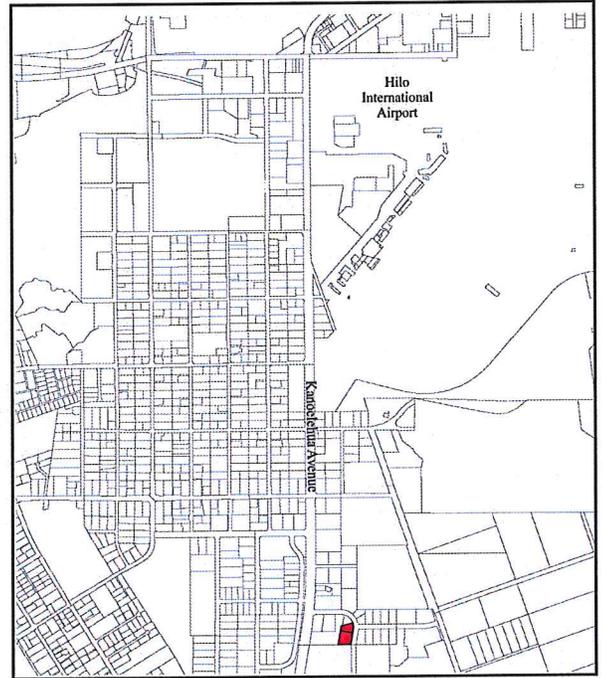


**Photo No. 1: Parcel 35**



**Photo No. 2: Parcel 40**

**J. SITE 10**



**Table 22. Site 10 Lease and Property Characteristics**

	<b>Parcel 02</b>	<b>Parcel 03</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-058:002	(3)2-2-058:003	----
<b>Lease No.</b>	GL-4308	GL-4307	----
<b>Lease Start Date</b>	6/23/1970	6/23/1970	----
<b>Lease Expiration Date</b>	6/22/2025	6/22/2025	----
<b>Current Tenant</b>	Kar Property, LLC	Automotive Warehouse, Inc.	----
<b>Existing Use</b>	Industrial	Industrial	----
<b>Annual Rent</b>	\$21,699.96	\$14,500.00	\$36,199.96
<b>Parcel Area (acres)</b>	0.551	0.278	0.829
<b>Building Size (sq. ft.)</b>	7,200	6,304	13,504
<b>Year of Building Construction</b>	1972	1974	----
<b>Lot Coverage Ratio</b>	30.00%	52.06%	37.40%

	Parcel 02	Parcel 03	TOTALS
I/L Ratio	0.59	1.25	0.73 <sup>a</sup>
Zoning	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 23. Site 10 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Pohaku Street
Lease Expiration	6/22/2025	Both leases expire on the same date
I/L Ratio (Combined Total)	0.73	Value of land exceeds value of improvements
Year Structures Built	1972 - 1974	Structures are approximately 50 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>It is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate the parcels, but not necessarily redevelop all existing buildings.</li> <li>It is also noted that the leases for these parcels do not expire until 2025. As such, any decisions on consolidation or redevelopment do not need to be made in the near future.</li> </ul>		

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<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

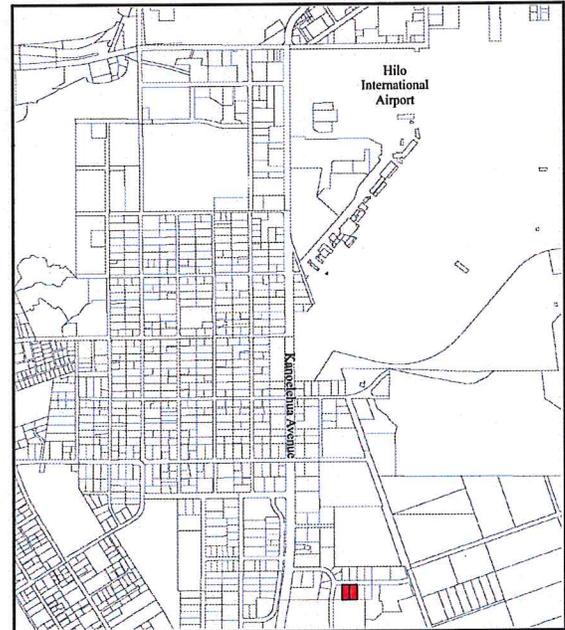


**Photo No. 1: Parcel 3**



**Photo No. 2: Parcel 2**

**K. SITE 11**



**Table 24. Site 11 Lease and Property Characteristics**

	<b>Parcel 31</b>	<b>Parcel 32</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-058:031	(3)2-2-058:032	----
<b>Lease No.</b>	GL-4310	GL-4309	----
<b>Lease Start Date</b>	6/30/1970	6/23/1970	----
<b>Lease Expiration Date</b>	6/29/2025	6/22/2025	----
<b>Current Tenant</b>	Alumside Products, Inc.	Western Pacific Investments	----
<b>Existing Use</b>	Industrial	Industrial	----
<b>Annual Rent</b>	\$19,800.00	\$20,020.00	\$39,820.00
<b>Parcel Area (acres)</b>	0.459	0.459	0.918
<b>Building Size (sq. ft.)</b>	9,950	5,880	15,830
<b>Year of Building Construction</b>	1972	1971	----
<b>Lot Coverage Ratio</b>	49.76%	29.41%	39.59%

	Parcel 31	Parcel 32	TOTALS
<b>I/L Ratio</b>	1.03	0.69	0.86 <sup>a</sup>
<b>Zoning</b>	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 25. Site 11 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Kukila Street
Lease Expiration	6/22/2025, 6/29/2025	Leases expire in the same year, within one (1) week span
I/L Ratio (Combined Total)	0.86	Value of land exceeds value of improvements
Year Structures Built	1971 - 1972	Structures are approximately 50 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Low I/L ratios present the opportunity to redevelop the parcels with a higher use.</li> <li>• It is noted that the leases for these parcels do not expire until 2025, as such any decisions on consolidation or redevelopment actions do not need to be made in the near future.</li> </ul>		

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<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

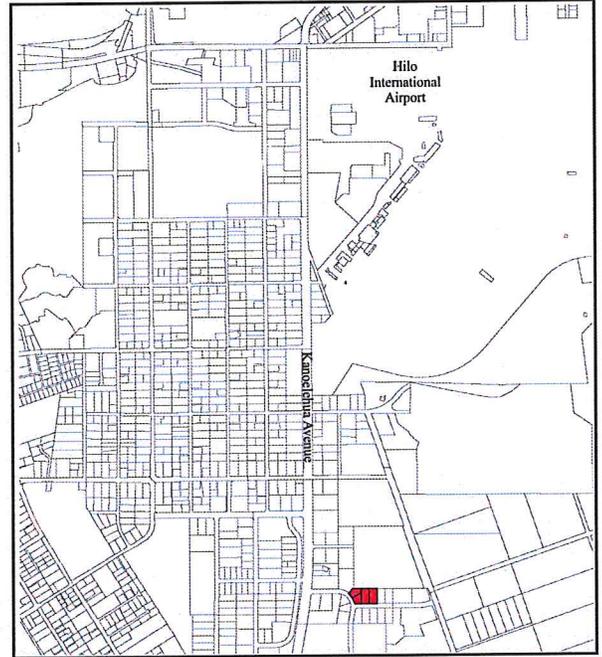


**Photo No. 1: Parcel 31**



**Photo No. 2: Parcel 32**

**L. SITE 12**



**Table 26. Site 12 Lease and Property Characteristics**

	Parcel 23	Parcel 24	Parcel 25	Parcel 26	TOTALS
<b>TMK No.</b>	(3)2-2-058:023	(3)2-2-058:024	(3)2-2-058:025	(3)2-2-058:026	----
<b>Lease No.</b>	GL-4314	GL-4313	GL-4283	GL-4312	----
<b>Lease Start Date</b>	6/23/1970	6/23/1970	1/20/1970	6/30/1970	----
<b>Lease Expiration Date</b>	6/22/2025	6/22/2025	1/19/2025	6/29/2025	----
<b>Current Tenant</b>	Nakahara, Scott T.	Nakahara, Scott T.	Kapalama Commercial Center	Rubio, Gary and Karen	----
<b>Existing Use</b>	Industrial	Industrial	Industrial	Industrial	----
<b>Annual Rent</b>	\$12,850.00	\$11,900.00	\$19,500.00	\$14,300.00	\$58,500.00
<b>Parcel Area (acres)</b>	0.273	0.255	0.439	0.439	1.406
<b>Building Size (sq. ft.)</b>	4,960	4,920	9,600	6,000	25,480
<b>Year of Building Construction</b>	1974	1974	1974	1973	----
<b>Lot Coverage Ratio</b>	41.71%	44.29%	50.20%	31.38%	41.60%

	Parcel 23	Parcel 24	Parcel 25	Parcel 26	TOTALS
<b>I/L Ratio</b>	0.94	1.00	1.20	1.17	1.10 <sup>a</sup>
<b>Zoning</b>	General Industrial (MG-1a)	General Industrial (MG-1a)	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 27. Site 12 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Parcels 25 and 26 share frontage on Pohaku Street; Parcels 23 and 24 share frontage on Kukila Street
Lease Expiration	1/19/2025, 6/22/2025, 6/29/2025	Leases expire in the same year, within six (6) month span
I/L Ratio (Combined Total)		Value of land is less than value of improvements
Year Structures Built	1973 - 1974	Structures are approximately 50 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	Yes	Existing structure on Parcels 23 and 24 appear to straddle the property line <sup>b</sup>
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>Consolidation would resolve existing non-conforming issues with regards to an existing structure that appears to be straddling the property line between Parcels 23 and 24.</li> <li>Although this site encompasses four (4) parcels, not all parcels need to be consolidated. The lessee(s) or DLNR may consider consolidating smaller groupings of parcels.</li> <li>It is acknowledged that not all parcels have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate parcels, but not necessarily redevelop all existing buildings.</li> <li>It is also noted that the leases for these parcels do not expire until 2025, as such any decisions on consolidation or redevelopment actions do not need to be made in the near future.</li> </ul>		

<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

<sup>b</sup> Overlay of TMK parcels on aerial map is approximate. Location of structures with respect to lot lines should be verified by a land surveyor.



Photo No. 1: Parcel 23 and 24

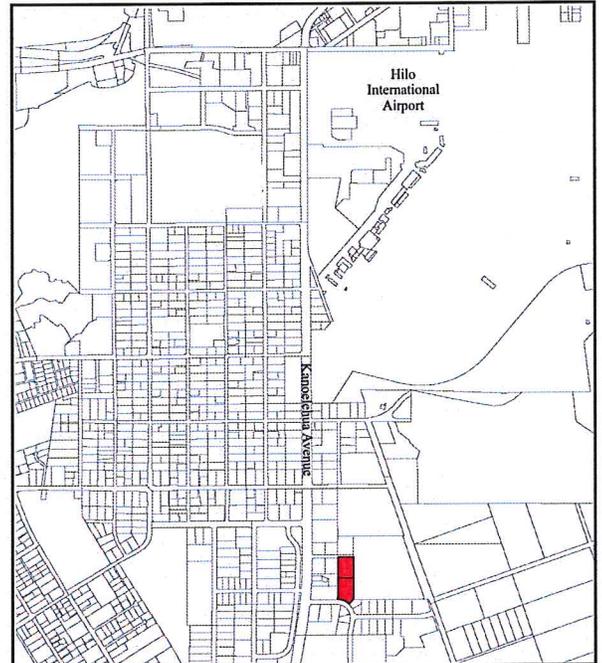
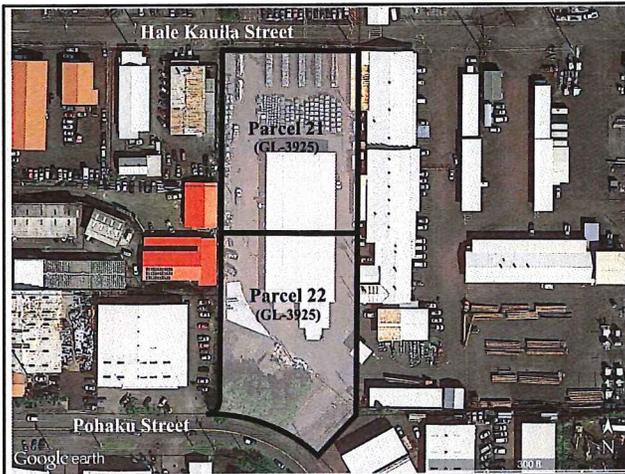


Photo No. 2: Parcel 25



**Photo No. 3: Parcel 26**

**M. SITE 13**



**Table 28. Site 13 Lease and Property Characteristics**

	<b>Parcel 21</b>	<b>Parcel 22</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-005:021	(3)2-2-058:022	----
<b>Lease No.</b>	GL-3925		----
<b>Lease Start Date</b>	8/27/1965		----
<b>Lease Expiration Date</b>	8/26/2030		----
<b>Current Tenant</b>	Hawaii Electric Light Company, Inc.		----
<b>Existing Use</b>	Utility	Utility	----
<b>Annual Rent</b>	\$134,845.00		\$134,845.00
<b>Parcel Area (acres)</b>	1.245	1.357	2.602
<b>Building Size (sq. ft.)</b>	Not Available <sup>a</sup>	Not Available <sup>a</sup>	N/A
<b>Year of Building Construction</b>	Not Available <sup>a</sup>	Not Available <sup>a</sup>	----
<b>Lot Coverage Ratio</b>	Not Available <sup>a</sup>	Not Available <sup>a</sup>	N/A

<sup>a</sup> Information on the existing structure was not available through the County of Hawaii’s Real Property Tax website.

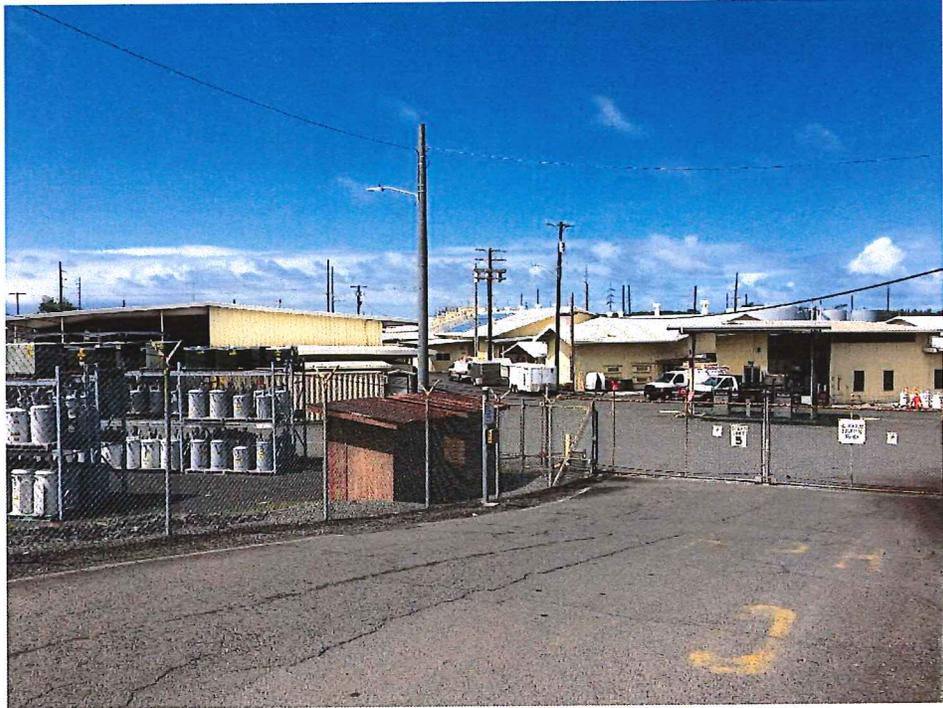
	Parcel 21	Parcel 22	TOTALS
<b>I/L Ratio</b>	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A
<b>Zoning</b>	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 29.** Site 13 Opportunity Assessment

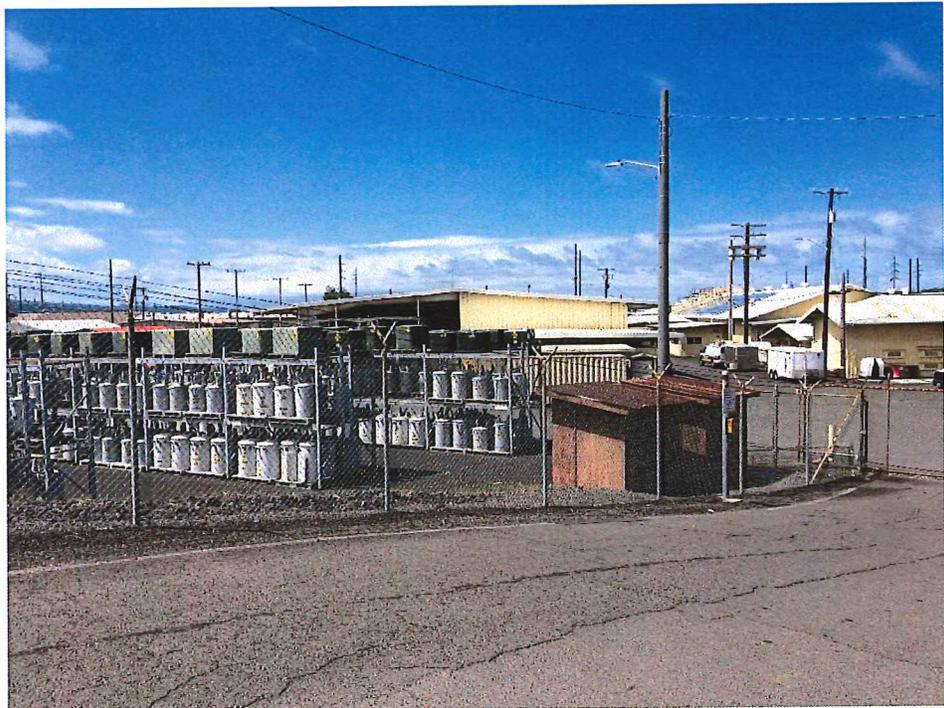
Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Parcel 21 frontage on Halekauila Street; Parcel 22 frontage on Pohaku Street
Lease Expiration	8/26/2030	Parcels are covered under the same lease
I/L Ratio (Combined Total)	Not Available	Improvement data not available
Year Structures Built	Not Available	Improvement data not available
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	Yes	Existing structure appears to straddles the property line <sup>b</sup>
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>Consolidation would resolve existing non-conformity issue with regards to an existing structure that appears to be straddling the property line.</li> <li>It is acknowledged that the I/L ratios for these properties are unknown.</li> </ul>		

<sup>a</sup> Information on the existing structure was not available through the County of Hawaii's Real Property Tax website.

<sup>b</sup> Overlay of TMK parcels on aerial map is approximate. Location of structures with respect to lot lines should be verified by a land surveyor.

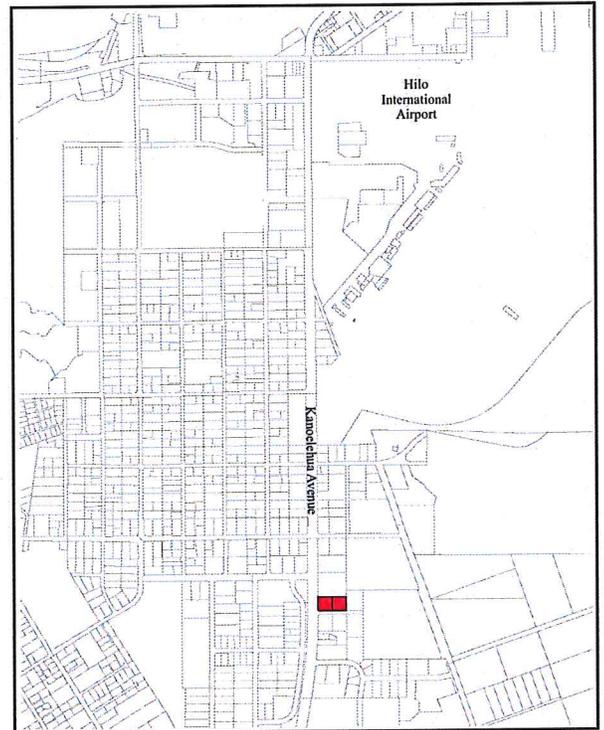


**Photo No. 1: Parcel 21 and 22**



**Photo No. 2: Parcel 21 and 22**

**N. SITE 14**



**Table 30. Site 14 Lease and Property Characteristics**

	<b>Parcel 12</b>	<b>Parcel 39</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-058:012	(3)2-2-058:039	----
<b>Lease No.</b>	GL-4667	GL-4668	----
<b>Lease Start Date</b>	8/28/1980	8/28/1980	----
<b>Lease Expiration Date</b>	8/27/2035	8/27/2035	----
<b>Current Tenant</b>	A.P. Water Supply, Inc.	Park, Myong Nan	----
<b>Existing Use</b>	Industrial	Industrial	----
<b>Annual Rent</b>	\$35,400.00	\$26,200.00	\$61,600.00
<b>Parcel Area (acres)</b>	0.599	0.601	1.200
<b>Building Size (sq. ft.)</b>	8,527	9,600	18,127
<b>Year of Building Construction</b>	1929	1983	----
<b>Lot Coverage Ratio</b>	32.68%	36.67%	34.68%

	Parcel 12	Parcel 39	TOTALS
<b>I/L Ratio</b>	0.32	0.98	0.66 <sup>a</sup>
<b>Zoning</b>	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 31. Site 14 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Halekauila Street; Parcel 12 also fronts Kanoelehua Avenue
Lease Expiration	8/27/2035	Both leases expire on the same date
I/L Ratio (Combined Total)	0.66	Value of land exceeds value of improvements
Year Structures Built	1929 - 1983	Structures are over 30 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• Low I/L ratios present the opportunity to redevelop the parcels with a higher use.</li> <li>• It is also noted that the leases for these parcels do not expire until 2035, as such any decisions on consolidation or redevelopment actions do not need to be made in the near future.</li> </ul>		

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<sup>a</sup> I/L Ratio “Total” calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

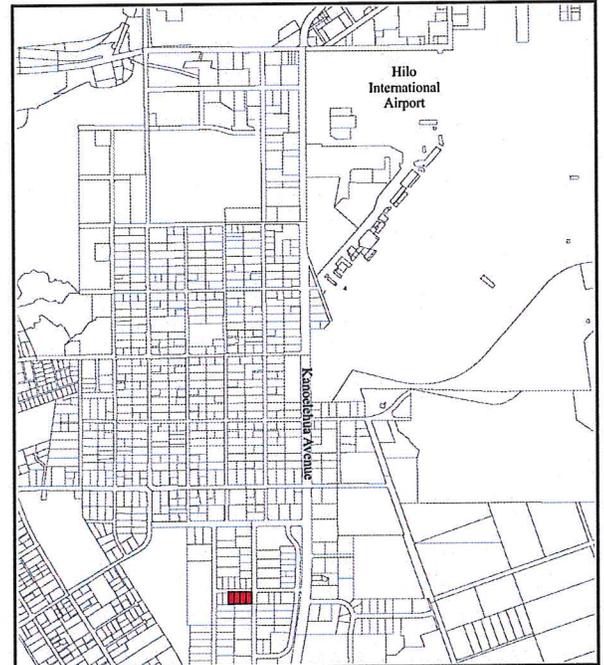


**Photo No. 1: Parcel 12**



**Photo No. 2: Parcel 39**

**O. SITE 15**



**Table 32. Site 15 Lease and Property Characteristics**

	<b>Parcel 78</b>	<b>Parcel 79</b>	<b>Parcel 80</b>	<b>Parcel 81</b>	<b>TOTALS</b>
<b>TMK No.</b>	(3)2-2-050:078	(3)2-2-050:079	(3)2-2-050:080	(3)2-2-050:081	----
<b>Lease No.</b>	RP-7611	RP-7716	RP-6931	RP-7441	----
<b>Lease Start Date</b>	6/1/2010	8/1/2011	4/16/1994	8/1/2008	----
<b>Lease Expiration Date</b>	N/A (Month-to-Month Revocable Permit)	N/A (Month-to-Month Revocable Permit)	N/A (Month-to- Month Revocable Permit)	N/A (Month-to- Month Revocable Permit)	----
<b>Current Tenant</b>	Chiquita Jr., John	Hilo Termite & Pest Control, Ltd.	Kaneko, Kent	Dept. of Land and Natural Resources	----
<b>Existing Use</b>	Commercial	Commercial	Industrial	Industrial	----
<b>Annual Rent</b>	\$11,724.00	\$18,564.00	\$5,232.00	\$0.00	\$35,520.00
<b>Parcel Area (acres)</b>	0.241	0.356	0.258	0.256	1.111
<b>Building Size (sq. ft.)</b>	2,880	6,088	2,616	2,752	14,336
<b>Year of Building Construction</b>	1966	1965	1964	1961	----
<b>Lot Coverage Ratio</b>	27.43%	39.26%	23.28%	24.68%	29.62%

	Parcel 78	Parcel 79	Parcel 80	Parcel 81	TOTALS
<b>I/L Ratio</b>	0.59	1.04	0.34	0.66	0.65
<b>Zoning</b>	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	Limited Industrial (ML-20)	----

**Table 33.** Site 15 Opportunity Assessment

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Pookela Street; Parcel 81 also fronts Holomua Street
Lease Expiration	Not Applicable	Month-to-month Revocable Permits
I/L Ratio (Combined Total)	0.65	Value of land exceeds value of improvements
Year Structures Built	1961 - 1966	Structures are approximately 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	No	
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• These parcels are covered by month-to-month revocable permits. As such, consolidation or redevelopment actions can occur at any time.</li> <li>• Although this site encompasses four (4) parcels, not all parcels need to be consolidated. The lessee(s) or DLNR may consider consolidating smaller groups of parcels.</li> </ul>		



**Photo No. 1: Parcel 78**



**Photo No. 2: Parcel 79**

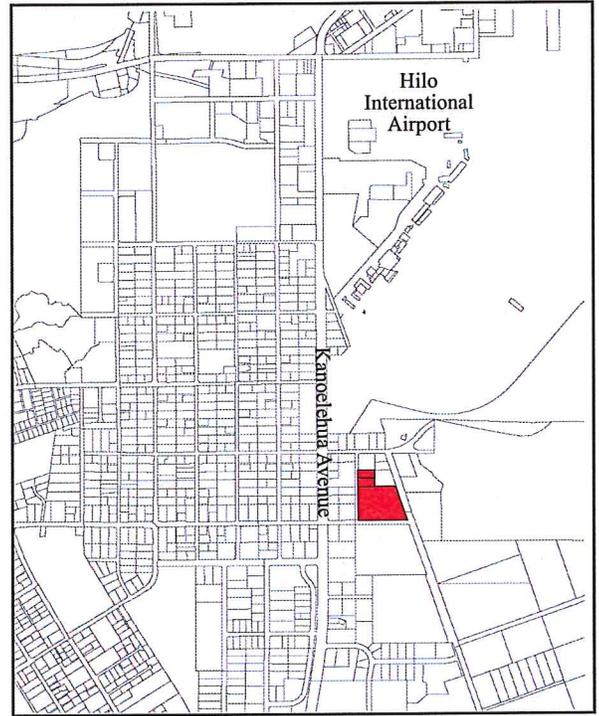


**Photo No. 3: Parcel 80**



**Photo No. 4: Parcel 81**

**P. SITE 16**



**Table 34. Site 16 Lease and Property Characteristics**

	Parcel 89	Parcel 92	Parcel 93	TOTALS
<b>TMK No.</b>	(3)2-2-037:089	(3)2-2-037:092	(3)2-2-037:093	----
<b>Lease No.</b>	GL-4302	GL-3583		----
<b>Lease Start Date</b>	5/12/1970	11/5/1959		----
<b>Lease Expiration Date</b>	5/11/2025	11/4/2024		----
<b>Current Tenant</b>	Yamada Transfer, Inc.	Jack's Tours, Inc.	Johnson Brothers of Hawaii, Inc.	----
<b>Existing Use</b>	Industrial	Commercial	Commercial	----
<b>Annual Rent</b>	\$153,000.00	\$80,000.00		\$233,000.00
<b>Parcel Area (acres)</b>	4.823	0.459	0.459	5.741
<b>Building Size (sq. ft.)</b>	10,440	20,290		30,730
<b>Year of Building Construction</b>	1971	1964		----

	Parcel 89	Parcel 92	Parcel 93	TOTALS
<b>Lot Coverage Ratio</b>	4.97%	50.73%	50.73%	9.44%
<b>I/L Ratio</b>	0.17	1.25	1.25	0.5 <sup>a</sup>
<b>Zoning</b>	General Industrial (MG-1a)	General Industrial (MG-1a)	General Industrial (MG-1a)	----

**Table 35. Site 16 Opportunity Assessment**

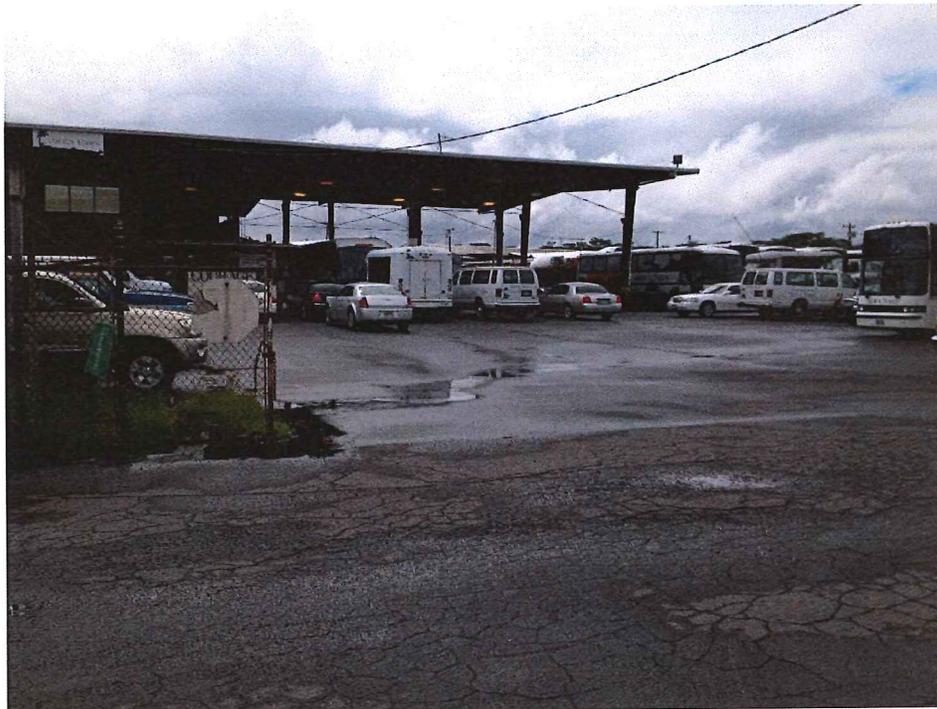
Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Lokelani Street
Lease Expiration	11/14/2024 and 5/11/2025	The two (2) leases expire within six (6) months of each other
I/L Ratio (Combined Total)	0.37	Value of land exceeds value of improvements
Year Structure Built	1964, 1971	Structures on Parcels 92 and 93 are more than 50 years old
Zoning	General Industrial (MG-1a)	Zoning provides setback requirements for front yard only; 50-foot maximum building height
Existing Non-Conforming Structure	Yes	Existing structure on Parcels 92 and 93 appears to straddle the property line <sup>b</sup> .
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>Although the site encompasses three (3) parcels, not all parcels need to be consolidated. The lessee(s) or DLNR may consider consolidating two (2) parcels only. For example, the two (2) smaller parcels, Parcel 92 and Parcel 93, could be consolidated to address the non-conformity presented by the building straddling the lot line.</li> <li>It is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate parcels, but not necessarily redevelop all existing buildings.</li> </ul>		

<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.

<sup>b</sup> Overlay of TMK parcels on aerial map is approximate. Location of structures with respect to lot lines should be verified by a land surveyor.

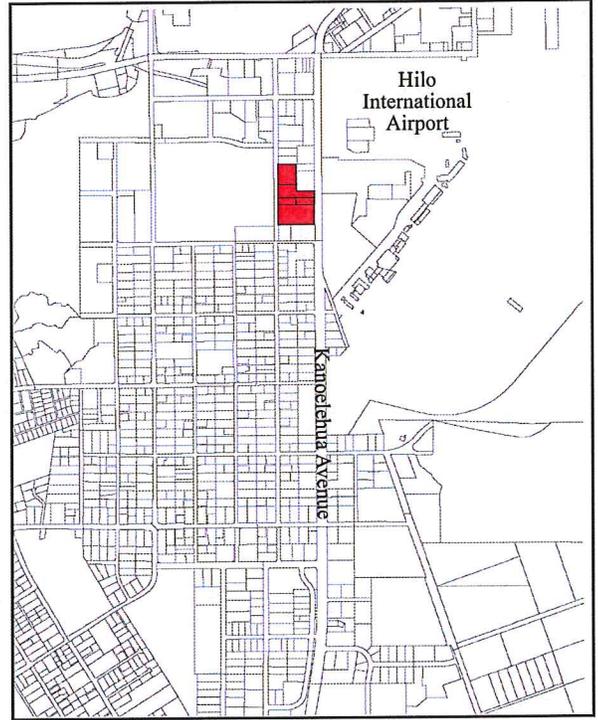
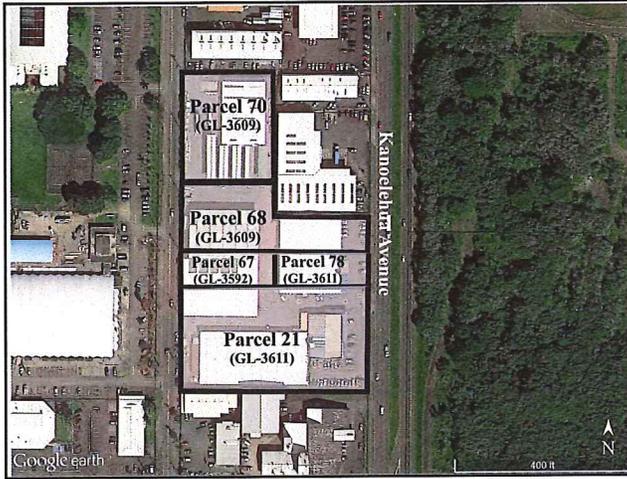


**Photo No. 1: Parcel 89**



**Photo No. 2: Parcel 92**

**Q. SITE 17**



**Table 36. Site 17 Lease and Property Characteristics**

	Parcel 68	Parcel 70	Parcel 67	Parcel 78	Parcel 21	TOTALS
<b>TMK No.</b>	(3)2-2-032:068	(3)2-2-032:070	(3)2-2-032:067	(3)2-2-049:078	(3)2-2-032:021	---
<b>Lease No.</b>	GL-3609		GL-3592		GL-3611	---
<b>Lease Start Date</b>	1/16/1961		1/16/1961		1/16/1961	---
<b>Lease Expiration Date</b>	1/15/2016		1/15/2016		1/15/2016	---
<b>Current Tenant</b>	HPM Building Supply					---
<b>Existing Use</b>	Commercial	Commercial	Industrial	Industrial	Commercial	---
<b>Annual Rent</b>	\$81,000.00		\$281,500.00		\$40,500.00	\$150,000.00
<b>Parcel Area (acres)</b>	1.167	1.196	0.389	0.389	2.334	5.475
<b>Building Size (sq. ft.)</b>	12,720	13,088	18,000		50,194	94,002
<b>Year of Building Construction</b>	1991	1966	1996		1961	---

	Parcel 68	Parcel 70	Parcel 67	Parcel 78	Parcel 21	TOTALS
Lot Coverage Ratio	25.03%	25.12%	53.11%		49.38%	39.41%
I/L Ratio	0.82	0.53	0.29 <sup>a</sup>		1.11	1.74
Zoning	Limited Industrial (ML-20)	----				

**Table 36. Site 17 Opportunity Assessment**

Assessment Parameter	Assessment Information	Comments
Adjacent Parcels	Yes	Frontage shared on Kalani Koa Street and Kanoelehua Avenue
Lease Expiration	1/15/2016	Leases expire on the same date
I/L Ratio (Combined Total)	1.74	Value of land is less than value of improvements
Year Structures Built	1961 - 1996	Structures on Parcels 21 and 70 are more than 50 years old
Zoning	Limited Industrial (ML-20)	Zoning provides setback requirements for front and rear yards only; 45-foot maximum building height
Existing Non-Conforming Structure	Yes	Structures appear to straddle property lines on Parcels 21 and 67 and Parcels 68 and 78
<b>Other Considerations:</b>		
<ul style="list-style-type: none"> <li>• These five (5) parcels are leased to a single entity, HPM Building Supply, via three (3) leases. There appears to be multiple non-conforming structures that straddle lot lines.</li> <li>• Although the site encompasses five (5) parcels, not all parcels need to be consolidated. The lessee(s) or DLNR may consider consolidating two (2) or three (3) parcels only. However, parcels with non-conforming structures straddling lot lines should be considered for consolidation.</li> <li>• Consolidation would resolve existing non-conforming issues with regards to existing structures straddling property lines.</li> <li>• It is acknowledged that not all parcels within this site have a low I/L ratio. As such, it may be that the lessee(s) or DLNR may still want to consolidate parcels, but not necessarily redevelop all existing buildings.</li> </ul>		

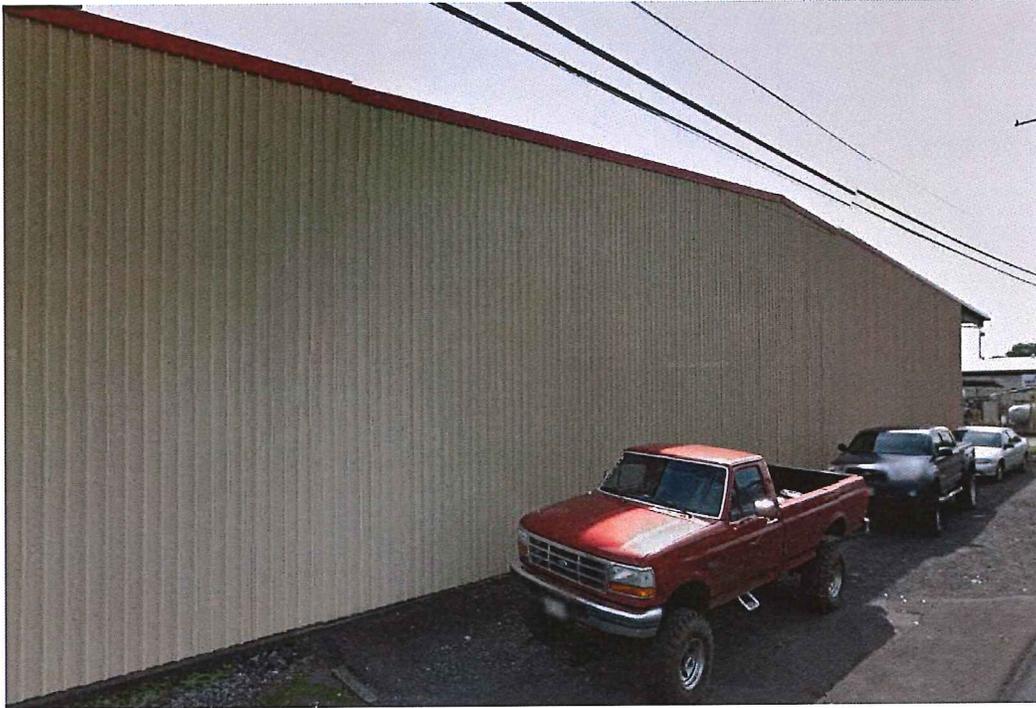
<sup>a</sup> I/L Ratio "Total" calculated by adding assessed building valuations for the affected parcels and dividing by cumulative assessed land valuations of affected parcels.



**Photo No. 1: Parcel 68**



**Photo No. 2: Parcel 70**



**Photo No. 3: Parcel 67**



**Photo No. 4: Parcel 78**



**Photo No. 5: Parcel 21**

## **VI. CONCLUSION**

## VI. CONCLUSION

### A. SUMMARY OF KEY FINDINGS

In reviewing the aggregated data for the seventeen (17) opportunity sites, there are a number of characteristics that present potential benefits of lot consolidation. For all but one (1) of the sites, the existing lot coverage ratios are less than 50 percent, meaning that those sites are utilizing less than half of the total land area for the existing improvements. In addition, all but four (4) of the sites have an I/L ratio of less than 1.0, meaning that in all but these four (4) instances, the land value exceeds that of the improvements. It is noted, however, that for these four (4) sites where the I/L ratio exceeds 1.0, the I/L ratio is only slightly over this threshold, meaning that the improvements are only marginally higher in value than the land. It is also noted that Site 8 was still identified as an opportunity site despite the fact that information on one (1) of the existing structure's value was not available. This is because both parcels in Site 8 are leased to the same lessee, presenting an opportunity for consolidation. As such, these areas are still considered as opportunities for consolidation as more efficient use of the land would potentially further increase the I/L ratio.

Collectively, the seventeen (17) identified opportunity sites account for approximately 28.8 acres, or approximately 48 percent, of the Department of Land and Natural Resources' (DLNR) total Kanoelehua Industrial Area (KIA) land holdings, and just over \$689,000.00 in rent revenue. A summary of the key characteristics of the seventeen (17) opportunity sites is provided in **Table 37** below.

**Table 37. Summary of Key Opportunity Sites Characteristics**

Site	Annual Rent	Area (Acres)	Existing Lot Coverage Ratio	I/L Ratio
1	\$34,260.00	0.749	34.81%	0.73
2	\$41,190.00	0.912	N/A <sup>24</sup>	0.49
3	\$25,680.00	0.516	44.64%	0.77
4	\$50,030.00	1.440	37.99%	1.24
5	\$46,120.00	1.010	49.37%	1.15
6	\$27,110.00	0.549	43.00%	0.91
7	\$95,000.00	1.934	31.46%	0.91
8	\$30,800.00	0.918	52.97%	N/A <sup>25</sup>
9	\$69,500.00	1.554	47.46%	0.96
10	\$36,199.96	0.829	37.40%	0.73
11	\$39,820.00	0.918	39.59%	0.86
12	\$58,500.00	1.406	41.60%	1.10
13	\$134,845.00	2.602	N/A	N/A
14	\$61,600.00	1.200	34.68%	0.66
15	\$35,520.00	1.111	29.62%	0.65
16	\$233,000.00	5.741	9.44%	0.37
17	\$150,000.00	5.475	39.41%	1.74
<b>TOTALS</b>	<b>\$689,375.83</b>	<b>28.864</b>	<b>29.43%</b>	<b>0.92</b>

**B. INDUSTRIAL LAND DEMAND**

Consolidation would be a viable option for the DLNR’s KIA lands as industrial land is usually in high demand for East Hawaii, and in Hilo in particular. The KIA was originally developed with many small, family-owned businesses. As these businesses began to transition or close, larger businesses began with different operational needs have

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<sup>24</sup> The total lot coverage ratio could not be defined as information on the square footage of the existing structure on one (1) of the affected parcels was not available.

<sup>25</sup> The total I/L ratio could not be defined as information on the value of the existing structure on one (1) of the parcels was not available.

started to move into the area. The smaller lot sizes that were appropriate for the mom-and-pop businesses do not necessarily meet the needs of the new businesses moving in. Commercial real estate brokers in Hilo have indicated that a majority of their East Hawaii clients prefer to be in Hilo rather than Keaau, where the Shipman Business Park is located, as they are afforded convenient access to the airport and harbor for the movement of goods. However, most Hilo properties are small, and the configurations of existing buildings on the lots do not offer much room for customer parking or yard space, which is necessary for delivery truck maneuverability and in some instances, container storage. Brokers note that while there is demand for industrial space in Hilo, there is a mismatch between tenant needs and the current industrial supply, making it challenging to find appropriate spaces for their clients. Some properties in the Hilo area sit vacant because of these logistical issues. As a result, some businesses are forced to move to Shipman Business Park where lots are larger.

Brokers have also indicated that demand for industrial lots in Hilo would increase if DLNR were to consolidate its smaller parcels. On average, brokers suggest lots of one (1) acre to three (3) acres would be ideal. Shipman Business Park is often referred to as being a model industrial park as current lot sizes range from one (1) to two (2) acres or more, and essential utilities and roadways are in place. The average lot size for DLNR's KIA parcels is 0.79 acre. In comparison, Shipman Business Park's average lot size is 1.46 acres.

### **C. CONSOLIDATION PROCESS**

The process to consolidate the parcel involves filing a Subdivision and/or Consolidation Application with the County of Hawaii, Planning Department pursuant to Hawaii County Code, Section 23, Articles 4 and 5. The application is reviewed within a 45-day period by the Planning Department. After the 45-day review period, the request is either tentatively approved, with final approval contingent upon the fulfillment of certain conditions; deferred pending additional review; or rejected. Final approval is issued administratively.

### **D. ACTION OPTIONS**

The identification of a site as an opportunity for consolidation does not mean that DLNR and/or its tenants must follow through with the consolidation. Rather, this analysis simply points out potential opportunities for consideration. As evidenced by this report, the DLNR has several opportunity sites for lot consolidation. There are three (3) options available if consolidation is desired. These options are described below.

**1. DLNR Re-lease with Required Consolidation**

For those opportunity sites where there is an existing non-conforming structure straddling property lines, DLNR may consider requiring consolidation as a requirement of re-leasing these properties. As previously mentioned, existing non-conforming structures are generally allowed to remain so long as improvements do not exceed 50 percent of the building value. Therefore, the long-term potential for the structure is limited without remedying the non-conformity. Requiring consolidation as a requirement of re-leasing would allow DLNR or the lessee to redevelop or make improvements on the property. Without consolidation, the existing non-conformity acts as a deterrent for investment in the buildings and can lead to deterioration of the property in the long-run.

**2. DLNR Re-lease with Optional Consolidation**

In most cases, the identified opportunity sites do not contain existing non-conforming structures. To provide greater flexibility for future tenants, DLNR may consider re-leasing properties with the option to consolidate, upon approval from the Board of Land and Natural Resources. This provides the lessee(s) with more options to utilize and redevelop the property without placing the burden of consolidation on DLNR and its staff. This allows the lessee(s) to consolidate and redevelop parcels if they so choose. However, the added time and effort required to navigate the consolidation process may be viewed as undesirable to potential tenants, particularly those who are unfamiliar with County processes. Business owners often have a certain reluctance to engage in government processes and would likely prefer that DLNR manage the consolidation.

**3. DLNR-Initiated Consolidation**

If the DLNR wishes to consolidate the parcels for re-lease, redevelopment, and/or attracting a larger business to occupy the site, the DLNR may initiate the consolidation process with the County of Hawaii. The DLNR may choose to initiate the consolidation process upon the expiration of current lease terms, prior to putting the consolidated parcel out to bid. While this may have the potential to command higher lease rates due to the consolidation, it requires a good understanding of market conditions and what potential lessees would be seeking. As an alternative to speculative consolidation, DLNR may initiate the consolidation once a commitment from a lessee has been secured. Or, as an alternative, the DLNR may consider offering lessees with a condition that the desired consolidation be completed by the DLNR prior to the lease being

executed. These options are likely the most advantageous in most cases as it eliminates the risk associated with speculative consolidation while still providing lessees with larger, more desirable lots. The tenants would not need to navigate the consolidation process themselves and DLNR can stand to benefit with higher rates that the more desirable lot commands.

## **VII. REFERENCES**

## VII. REFERENCES

County of Hawaii, Hawaii County Code, 1983 (Amended 2005).

County of Hawaii, Real Property Tax Office, 2014, <http://www.hawaiipropertytax.com>.

DataQuick, Prospect Finder FARM, 2014, <http://prospectfinderfarm.dataquick.com/default.aspx>.

State of Hawaii, Department of Land and Natural Resources, Kanoelehua Industrial Area General Lease Information, compiled 2014.

National Geographic and i-cubed, U.S. Topographic Survey, accessed 2014.

# **APPENDICES**

# **APPENDIX A.**

## **Permitted Uses by Zoning District**

**ZONING CODE PERMISSIBLE USES**  
**Hawaii County Code Chapter 25**

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
<b>AGRICULTURE, ANIMALS</b>																	
Agricultural parks.								x	x								
Agricultural products processing																	
-Agricultural products processing, major and minor.	yes (major, minor)							x	x							x	
-Agricultural products processing, minor, provided that the site or buildings used for such processing, shall be located at least seventy-five feet from any street bounding the building site.	yes					x	x										
-Agricultural products processing, minor.	yes													x	x		
Animal hospitals.						x	x								x	x	
Animal quarantine stations.															x	x	
Animal sales, stock, and feed yards.																x	
Aquaculture.	yes					x	x	x	x						x	x	x
Areas with over thirty percent slope, in gullies, and where rough terrain discourages intensive agricultural uses, the director may approve any other uses which are permitted in the RA, FA or A districts.									x								
Botanical gardens, nurseries and greenhouses, seed farms, plant experimental stations, arboretums, floriculture, and similar uses dealing with the growing of plants.						x	x										
Crop production.	yes	x	x	x	x	x	x	x	x		x	x	x				
Fertilizer manufacturing plants.																	x

AGRICULTURE, ANIMALS

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Fertilizer yards utilizing only manure and soil, for commercial use.								x									
Forestry.								x	x								x
Game and fish propagation.							x	x									
Greenhouses, plant nurseries.															x	x	
Growing of plants provided such growth does not impair a view intended to be preserved in the O district.																	x
Guest ranches.	yes					S		S									
Kennels	yes						x	x								x	
-Kennels in sound-attenuated buildings.	yes													x			
-Kennels, provided that the building site is a minimum of five acres in area and the structures are located at least one hundred feet away from any lot line.	yes					x											
Livestock production or grazing																	
-Livestock production (excluding pigs), provided that: (A) The requirements of the department of health are met; (B) Approval of the director is obtained; and (C) Any feed or water area, salt lick, corral, run, barn, shed, stable, house, hutch, or other enclosure for the keeping of any permitted animal shall be located at least seventy-five feet from any lot line.	yes					x											
-Livestock production, provided that piggeries, apiaries and pen feeding of livestock shall not be closer than one thousand feet to any major road or to any district other than the A district on building sites approved by the State department of health and the director.	livestock piggery								x								

AGRICULTURE, ANIMALS

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
-Livestock production, provided that piggeries, apiaries, and pen feeding of livestock shall only be located on sites approved by the State department of health and the director, and must be located no closer than one thousand feet away from any major public street or from any other zoning district.	yes							x									
-Livestock, grazing; provided that any feed or water area, salt lick, corral, run, barn, shed, stable, house, hutch, or other enclosure for the keeping of any permitted animals shall be located at least seventy-five feet from any lot line.	yes					x	x										
Plant nurseries.														x			
Riding academies, and rental or boarding stables.						x	x										
Roadside stands for the sale of agricultural products grown on the premises.						x	x										
Sales and service of machinery used in agricultural production.														x			
Slaughterhouses.																x	
Stables, commercial or boarding, provided that the building site is a minimum of five acres in area and the structures are located at least one hundred feet away from any lot line.						x											
Storage and sale of seed, feed, fertilizer and other products essential to agricultural production.															x	x	
Storage, curing, or tanning of raw, green, or salted hides or skins.																x	
Vehicle and equipment storage areas that are directly accessory to aquaculture, crop production, game and fish propagation, and livestock grazing.							x										

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Vehicle and equipment storage areas that are directly accessory to aquaculture, crop production, game and fish propagation, livestock grazing and livestock production.								x									
Veterinary establishments in sound-attenuated buildings.														x			
Veterinary establishments.						x	x	x				x			x	x	
<b>COMMERCIAL</b>																	
Art galleries, museums.										x		x	x	x			
Art studios.											x						
Bakeries.															x		x
Bars and nightclubs.														x			
-Bars, night clubs and cabarets.										x		x					
-Bars.													x		x	x	
Buildings and uses similar to the permitted uses listed shall be permitted, as approved by the director.													x				
Business services.	yes									x	x	x	x	x			
Catering establishments.	yes											x		x	x	x	
Commercial or personal services																	
-Commercial or personal service uses, on a small scale, as approved by the director, provided that the total gross floor area does not exceed one thousand two hundred square feet and a maximum of five employees.	yes			x													
-Commercial or personal service uses, on a small scale, as approved by the director.	yes				x												
Convenience stores.	yes										x	x	x	x			
Data processing facilities.	yes																x

COMMERCIAL

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Display rooms for products sold elsewhere.												x					
Equipment sales and rental yards, and other yards where retail products are displayed in the open.												x					
Farmers markets.*	yes										x	x	x				
Financial institutions.										x	x	x	x	x	x	x	
Home improvement centers.	yes																
Home occupations, as permitted under Section 25-4-13..	yes	x	x	x	x	S	S	S		x	x	x	x				
Laboratories, medical and research.												x	x	x	x	x	
Lumberyards and building material yards.																x	
Lumberyards and building material yards, but not including concrete or asphalt mixing and the fabrication by riveting or welding of steel building frames.															x		
Medical clinics.	yes				x					x	x	x	x	x			
Motion picture and television production studios.														x	x	x	
Museums.											x						
Offices.											x	x	x	x			
Personal services.	yes									x	x	x	x				
Photography studios.										x	x	x	x	x			
Restaurants.	yes				x					x	x	x	x	x	x	x	
Retail establishments.	yes									x	x	x	x				
Retail sales as incidental and subordinate to any permitted use.															x	x	
Schools, business.	yes													x			
Schools, photography, art, music and dance.	yes													x			

COMMUNITY FACILITY

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Schools, vocational.	yes													x	x		
Self-storage facilities.	yes													x	x	x	
Services for persons working in the district which are conducted within an integral part of a main structure with entrances from the interior of the building and which have no display or advertising visible from the street, as incidental and subordinate to any permitted use.															x	x	
Temporary real estate offices, as permitted under section 25-4-8.		x	x	x		S	S	S		x			x	x	x	x	
Theaters.	yes									x	x	x	x	x			
Visitor information centers.										x							
<b>COMMUNITY FACILITY</b>																	
Cemeteries and mausoleums, as permitted under chapter 6, article 1 of this Code.		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Churches, temples and synagogues.		U	U	U	x	S	S	S	S	x	x	x	x	x	x	x	
Community buildings, as permitted under Section 25-4-11.	yes	x	x	x	x	S	S	S	S	x	x	x	x	x	x	x	x
Crematoriums.		U	U	U	U	S		S	S	U	U	U	U	U	U	U	U
Day care centers.	yes	U	U	U	x	S	S	S	S	x	x	x	x	x	x	x	
Hospitals, sanitariums, old age, convalescent, nursing and rest homes.	yes	U	U	U	U	S	S	S	S	U		x	x				
Meeting facilities.	yes	x	x	x	x	S	S	S		x	x	x	x	x			
Mortuaries.		U	U	U	U	S	S	S			x	x	x				
Public uses and structures																	

MANUFACTURING, REPAIR, STORAGE, CHEMICALS

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
-Public uses and structures, as permitted under Section 25-4-11.	yes	x	x	x	x	x				x	x	x	x	x	x	x	x
-Public uses and structures, necessary for agricultural practices.	yes					x		x	x								
-Public uses and structures, other than those necessary for agricultural practices, as provided under Section 25-4-11.	yes						S	S	S								
Schools.	yes	U	U	U	x	S	S	S			x	x	x				
<b>MANUFACTURING, REPAIR, STORAGE, CHEMICALS</b>																	
Any other use not otherwise permitted that relates to the manufacturing, transportation, processing, assembling, distributing, repairing, and storage of goods, products, or materials.																x	
Breweries, distilleries, and alcohol manufacturing facilities.																x	
Bulk storage of flammable products and bulk storage of explosive products.																x	
Carpentry, hardwood products and furniture manufacturing and storage establishments.															x		
Cleaning and dyeing plants.															x	x	
Cleaning plants using only nonflammable hydrocarbons in a sealed unit as the cleansing agent.												x		x			
Concrete or asphalt batching and mixing plants and yards.																x	
Contractors' yards for equipment, material, and vehicle storage, repair, or maintenance.															x	x	
Excavation or removal of natural building material or minerals, for commercial use.								S									

MANUFACTURING, REPAIR, STORAGE, CHEMICALS

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Fabricating establishments.																x	
Food manufacturing and processing.	yes													x	x	x	
Freight movers.																x	
Heavy equipment sales, service and rental.															x	x	
Ice storage and dispensing facilities.											x						
Laundries.											x				x	x	
Lava rock or stone cutting or shaping facilities.																x	
Light manufacturing, processing and packaging, where the only retail sales outlet for products produced is on the premises where produced.	yes										x						
Machine, welding, sheet metal, and metal plating and treating establishments.																x	
Manufacturing, processing and packaging establishments																	
-Manufacturing, processing and packaging establishments, light and general.	yes															x	
-Manufacturing, processing and packaging establishments, light.	yes													x	x		
-Manufacturing, processing and packaging light and general, except for concrete or asphalt products, where the products are distributed to retail establishments located in the immediate community, as approved by the director.	yes												x				
Marine railways, drydocks, and ship or boat yards.																	x
Photographic processing.																	x
Plumbing, electrical, air conditioning and heating establishments.																	x

RECREATION

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Printing shops, cartographing and duplicating processes such as blueprinting or photo-stating shops.												x					
Publishing plants for newspapers, books and magazines, printing shops, cartographing, and duplicating processes such as blueprinting or photostating shops, which are designed to primarily serve the local area.													x	x	x	x	
Reduction, refining, smelting, or alloying of metals, petroleum products or ores.																x	
Repair establishments																	
-Repair establishments, major and minor.	yes															x	
-Repair establishments, major, when there are not more than five employees, as approved by the director.	yes												x				
-Repair establishments, minor.	yes										x	x	x	x			
Saw mills.																x	
Utility facilities, public and private, including offices or yards for equipment, material, vehicle storage, repair or maintenance.															x	x	
Warehousing.	yes													x	x	x	
Wholesaling and distribution operations.	yes													x			
Wholesaling and distribution, including the storage of incidental materials and equipment, except for highly flammable or explosive products.	yes														x	x	
<b>RECREATION</b>																	
Amusement and recreational facilities, indoor.	yes									x		x	x	x			

RECREATION

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Campgrounds, parks, playgrounds, tennis courts, swimming pools, and other similar open area recreational facilities, where none of the recreational features are entirely enclosed in a building.	yes						x	x									
Country clubs, tennis clubs and other similar recreational facilities which include buildings or indoor recreational features.						S											
Drive-in theaters.						S											
Existing churches and temples of historical significance.																	x
Game preserves.																	x
Golf courses.																	U
-Golf courses and related golf course uses, including golf driving ranges, golf maintenance buildings and golf club houses.		U	U	U	U	U	U	U		U		U	U				
Hotels, historical areas, structures, and monuments.																	x
Major outdoor amusement and recreation facilities.	yes	U	U	U	U	S	S	S		x		U	U	U	U	U	
Natural features, phenomena, and vistas as tourist attractions.																	x
Neighborhood parks, playgrounds, tennis courts, swimming pools, and similar neighborhood recreational areas and uses.		x	x	x	x						x	x	x				
Parks, playgrounds, tennis courts, swimming pools, and other similar open area recreational facilities.										x							
Private recreational uses involving no aboveground structure except dressing rooms and comfort stations.																	x
Public parks.																	x
Retention, restoration, rehabilitation, or improvement of buildings or sites of historic or scenic interest.							x	x									

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Yacht harbors and boating facilities.		U	U	U	U	S				U		U	U	U	U	x	U
<b>RESIDENTIAL</b>																	
Adult day care homes.	yes	x	x	x	x	x	S	S		x	x	x	x				
Bed and breakfast establishments as permitted under Section 25-4-7.	yes	U	x	x	x	S	S	S		x	x	x	x				
Boarding facilities, rooming, or lodging houses.				x	x												
-Boarding facilities, rooming, or lodging houses, provided that the maximum density shall be one thousand two hundred fifty square feet of land area per rentable unit or dwelling unit.											x	x	x				
Care homes.	yes	U	U	U	U												
Dwellings, single-family.	yes	x	x	x	x	x				x	x	x	x				
-Dwelling, single-family, as permitted under chapter 205, Hawaii Revised Statutes and as permitted under Section 25-5-77.(b)	yes, single-family					x	x	x									
Dwellings, double-family or duplex.	yes		x	x	x					x							
-Dwellings, double-family or duplex, provided that the maximum density shall be one thousand two hundred fifty square feet of land area per rentable unit or dwelling unit.	yes										x	x	x				
Dwellings, multiple-family.	yes			x	x					x							
-Dwellings, multiple-family, provided that the maximum density shall be one thousand two hundred fifty square feet of land area per rentable unit or dwelling unit.	yes										x	x	x				
Family child care homes.	yes	x	x	x	x	x	S	S		x	x	x	x				
Farm dwellings.	yes						x	x	x								

TRANSPORTATION

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Group living facilities.	yes	x	x	x	x	x	x	x		x	x	x	x				
Hotels.	yes									x		x					
-Hotels, when the design and use conform to the character of the area, as approved by the director.	yes												x				
Living quarters for watchmen or custodians as incidental and subordinate and in connection with the operation of any permitted use.															x	x	
Lodges.	yes					S	S	S		x			x				
Model homes, as permitted under Section 25-4-8.		x	x	x	x	S	S	S		x	x	x	x				
Residential uses in connection with the operation of any permitted use												x	x				
Time share units.	yes									x		x					
-Time share units situated in any of the following: (A) Areas designated as resort under the general plan land use pattern allocation guide (LUPAG) map. (B) Areas determined by the director to be within resort areas identified by the general plan land use element, except for retreat resort areas. (C) Areas determined for such use by the council, by resolution.	yes			x													
Trailer parks with density of three thousand five hundred square feet of land area per trailer, provided that plan approval is secured prior to commencing such use.								S									
<b>TRANSPORTATION</b>																	
Airfields, heliports, and private landing strips.								S							x	x	
Automobile and truck sales and rentals.															x		
Automobile and truck storage facilities.															x	x	
Automobile body and fender establishments.																x	

UTILITIES & COMMUNICATION

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
Automobile sales and rentals.												x	x	x			
Automobile service stations.	yes									x		x	x	x	x	x	
Car washing.														x	x	x	
-Car washing, provided that if it is mechanized, sound attenuated structures or sound attenuated walls shall be erected and maintained on the property lines.											x						
Commercial parking lots and garages.	yes									x		x	x	x	x	x	
Transportation and tour terminals.															x	x	
Truck, freight and draying terminals.															x	x	
<b>UTILITIES &amp; COMMUNICATION</b>																	
Broadcasting stations.												x		x	x	x	
Telecommunication antennas and towers, as permitted under Section 25-4-12.	yes	U	U	U	U		x	x	x	x	x	x	x	x	x	x	x
Utility substations, as permitted under section 25-4-11.		x	x	x	x		x	x	x	x	x	x	x	x	x	x	x
Wind energy facilities.								x									
Onsite power plants (distributed energy)																	
<b>WASTE DISPOSAL</b>																	
Dumping, disposal, incineration, or reduction of refuse or waste matter.																	x
Junkyards.	yes																x
-Junkyards, provided that the building site is not less than one acre in area.	yes														x		
Public dumps.								S									x
Recycling centers.																	x

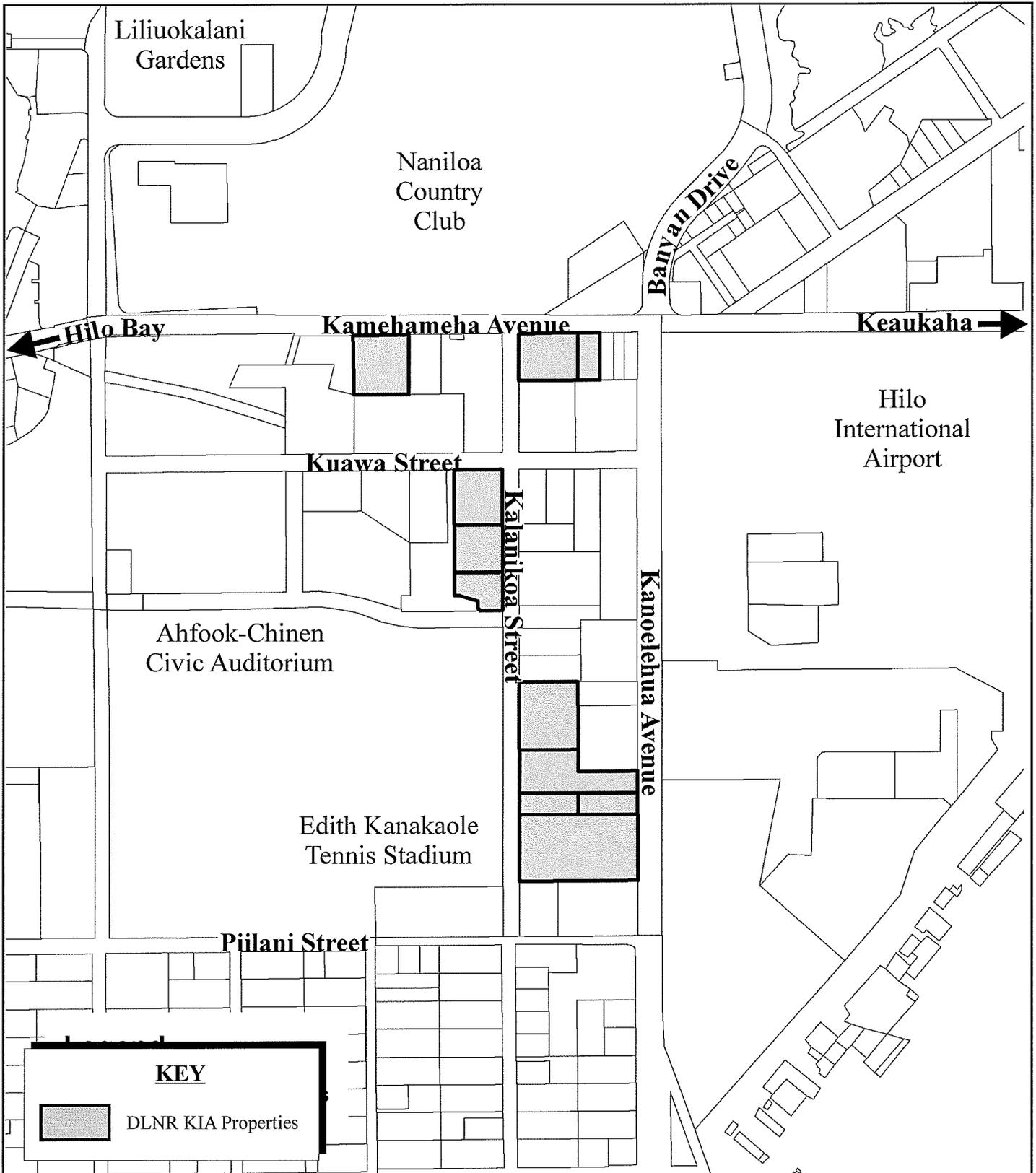
accessory to permitted uses; offsite sale or use of power limited to incidental use (<10% of total output)

WASTE DISPOSAL

Uses	Definition	RS	RD	RM	RCX	RA	FA	A	IA	V	CN	CG	CV	MCX	ML	MG	O
-Recycling centers, which do not involve the processing of recyclable materials.															x		

## **APPENDIX B.**

### **Additional Maps of Kanoelehua Industrial Area**

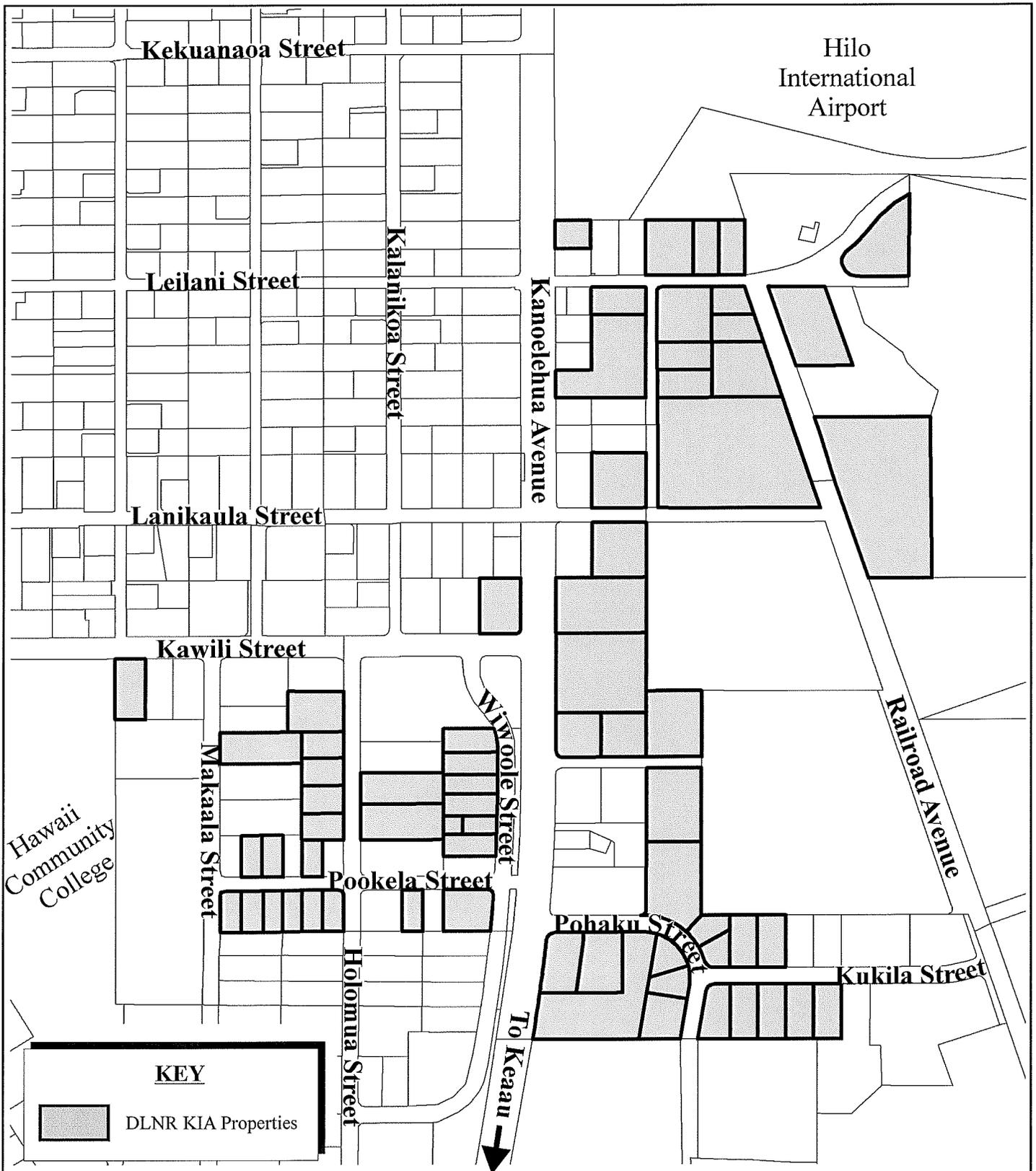


Source: County of Hawaii and Department of Land and Natural Resources

**Figure B-1** Kanoelehua Industrial Area  
North Study Area Parcels



Prepared for: State of Hawaii, Department of Land and Natural Resources



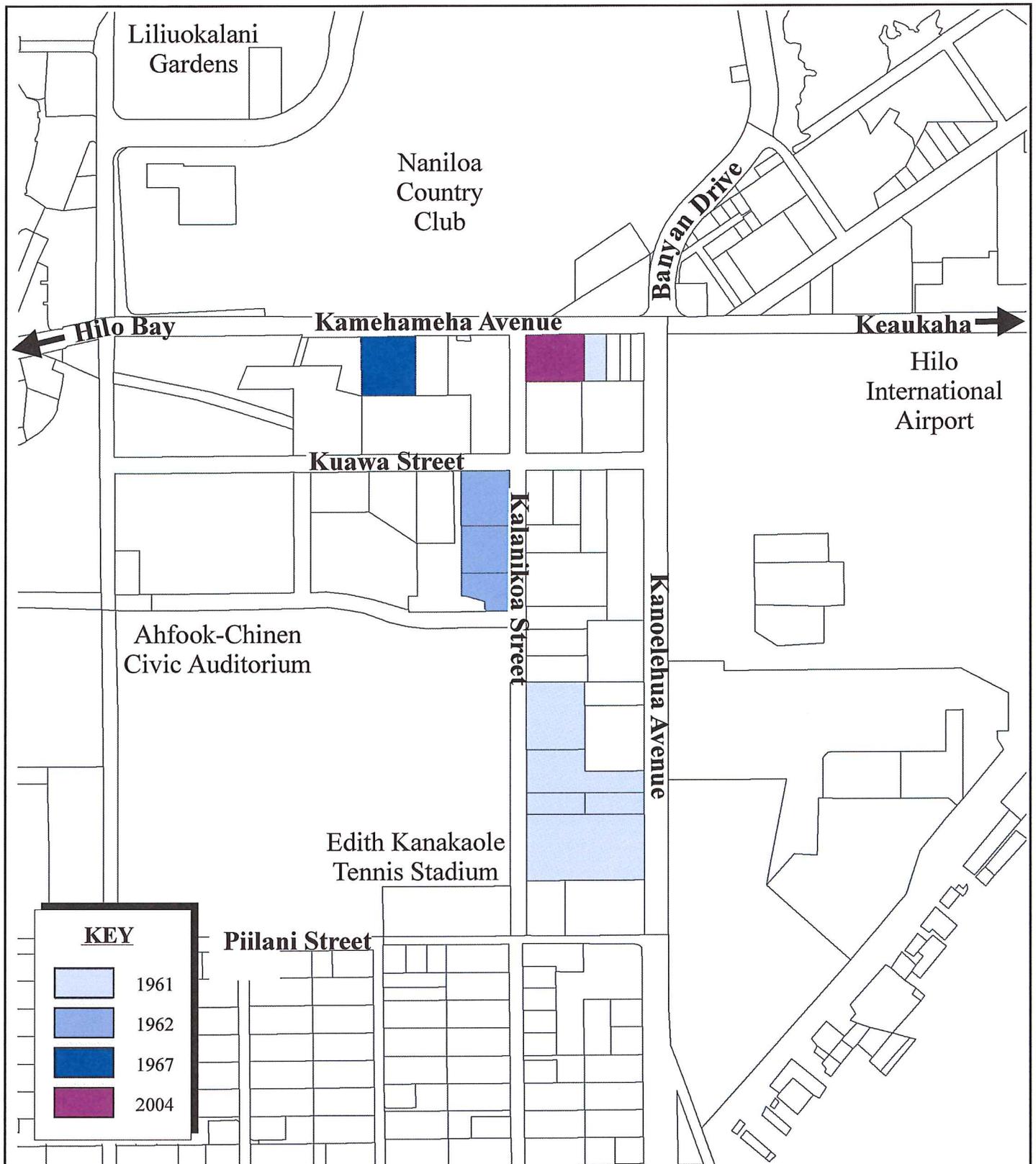
Source: County of Hawaii and Department of Land and Natural Resources

**Figure B-2** Kanoelehua Industrial Area  
South Study Area Parcels



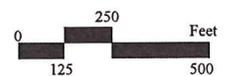
**MUNEKIYO HIRAGA**

Prepared for: State of Hawaii, Department of Land and Natural Resources



Source: County of Hawaii and Department of Land and Natural Resources

**Figure B-3** Kanoelehua Industrial Area  
North Study Area Lease Start Year

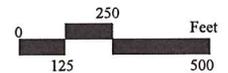


Prepared for: State of Hawaii, Department of Land and Natural Resources

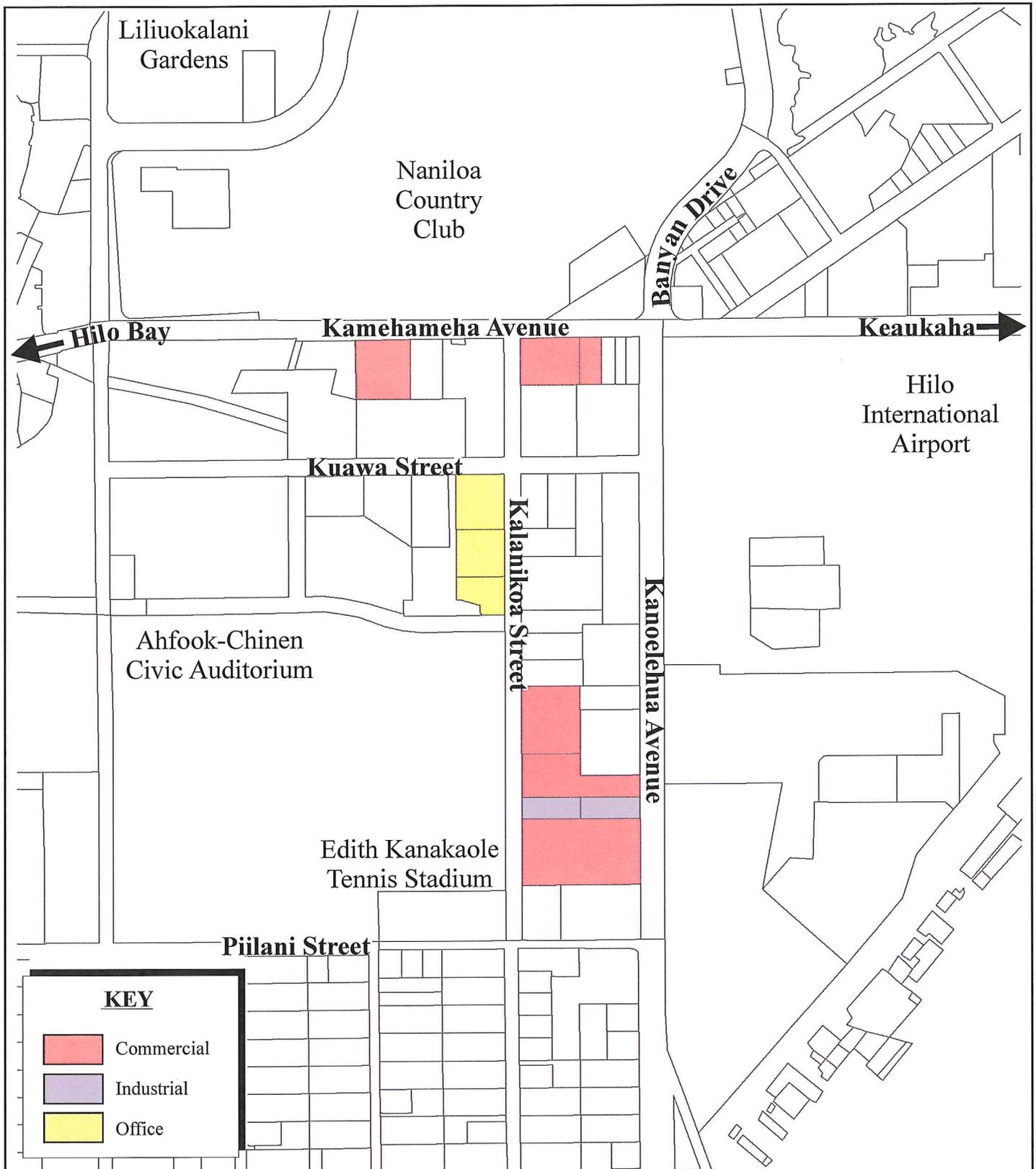


Source: County of Hawaii and Department of Land and Natural Resources

**Figure B-4 Kanoelehua Industrial Area South Study Area Lease Start Year**

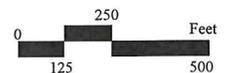


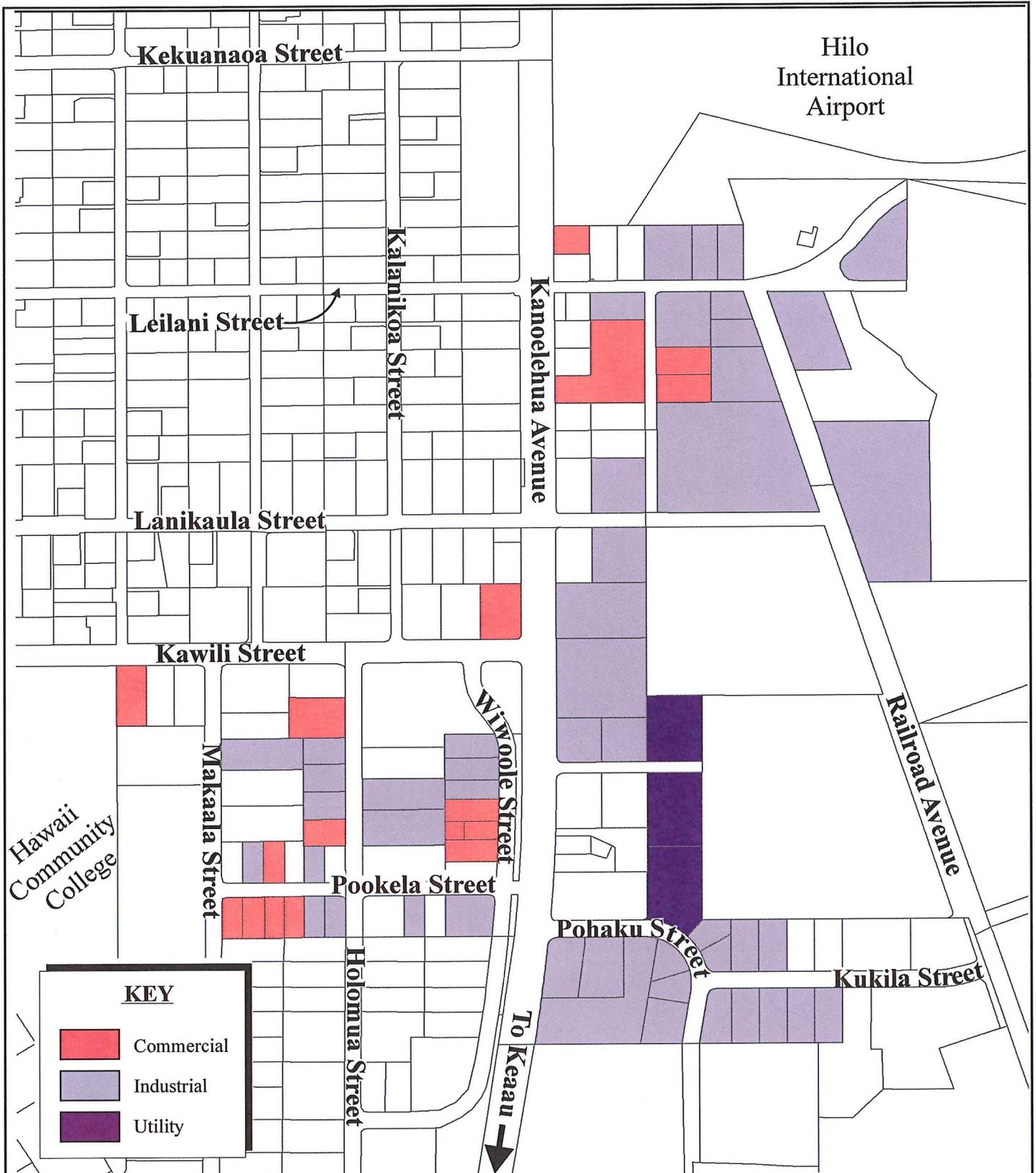
Prepared for: State of Hawaii, Department of Land and Natural Resources



Source: County of Hawaii and Department of Land and Natural Resources

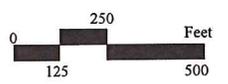
**Figure B-5** Kanoelehua Industrial Area  
North Study Area Existing Uses





Source: County of Hawaii and Department of Land and Natural Resources

**Figure B-6** Kanoelehua Industrial Area  
South Study Area Existing Uses

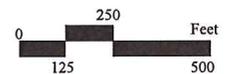


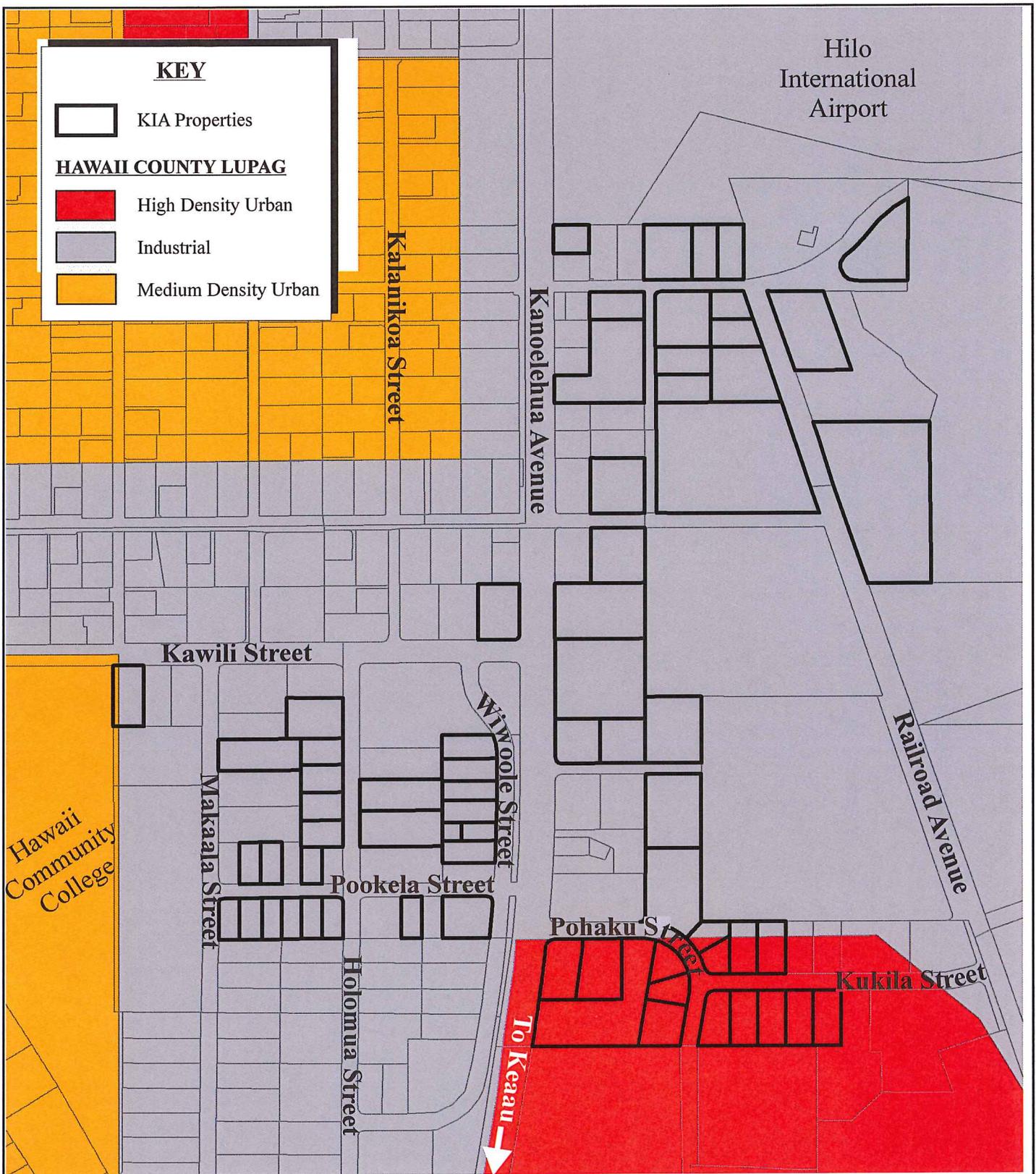
Prepared for: State of Hawaii, Department of Land and Natural Resources



Source: County of Hawaii and Department of Land and Natural Resources

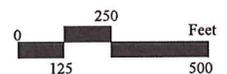
**Figure B-7 Kanoelehua Industrial Area**  
 North Study Area Hawaii County Land  
 Use Pattern Allocation Guide Designations





Source: County of Hawaii and Department of Land and Natural Resources

# Figure B-8 Kanoelehua Industrial Area South Study Area Hawaii County



Land Use Pattern Allocation Guide Designations



Prepared for: State of Hawaii, Department of Land and Natural Resources