



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

ROSS M. HIGASHI
INTERIM DIRECTOR

Deputy Directors
JEFFREY CHANG
RANDY GRUNE
AUDREY HIDANO
JADINE URASAKI
IN REPLY REFER TO:

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

ISSUANCE OF A DIRECT LEASE TO PREMIUM, INC.
FOR THE OPERATION AND MAINTENANCE OF A STORAGE FACILITY
AND OVERFLOW PARKING FOR EMPLOYEES
2825 UALENA STREET
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-04:03 (PORTION)

OAHU

REQUEST:

Issuance of a direct lease to Premium, Inc. for the operation and maintenance of a storage facility for disposable paper products for use in the foodservice and hospitality industry, and for overflow parking for employees.

LEGAL REFERENCE:

Section 261-7 and 171-59, Hawaii Revised Statutes.

APPLICANT / LESSEE:

Premium, Inc., a Hawaii corporation, authorized to do business in the State of Hawaii, whose mailing address is 3375 Koapaka Street, Honolulu, Hawaii 96819.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 1-1-04:03 (Portion)

AREA:

Area/Space No. 005-128C, consisting of an area of approximately 9,243 square feet, Area/Space No. 005-128D, consisting of an area of approximately 184 square feet, Building/Space No. 149-101, consisting of an area of approximately 10,599 square feet, and Building/Space No. 149-102, consisting of an area of approximately 5,293 square feet, as shown and delineated on the attached map labeled Exhibit A.

ITEM M-9

ZONING:

State Land Use District: Urban
City and County of Honolulu: I-2 (Industrial)

LAND TITLE STATUS:

Non-ceded - Direct purchase from private land owner.
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES NO

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3894, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport purposes.

The Department of Transportation, Airports Division acquired the subject property together with most of the remaining properties (except one) along the ocean (makai) side of Ualena Street, between Lagoon Drive and Paiea Street, in the mid 1990's from Loyalty Enterprises, Ltd.

CHARACTER OF USE:

Maintenance and operation of a storage facility and employee parking.

TERM OF LEASE:

Five (5) years.

LEASE COMMENCEMENT DATE:

Upon execution of the lease document.

ANNUAL LEASE RENTAL:

Property Lease Rental. Annual property lease rental in the sum of \$135,336.00 per annum, payable in monthly installments of \$11,278.00.

PERFORMANCE BOND:

Sum equal to three times the monthly lease rental in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

\$143,138.00

WAIVER OF RENT:

Ground lease rents payable to the STATE by the Applicant shall be waived at the beginning or commencement date of the lease for a period of twelve (12) months.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site.

Improvements: Premium, Inc. desires to perform the following repairs to restore the facility to minimal operational conditions for storage of its products and safety of its employees, which include, but are not limited to the following:

- Repair leaking roof
- Demolish vandalized offices
- Remove existing breezeway and canopy by the main entrance where homeless sleep at night
- Remove the remaining portion of the CMU demising wall
- Refurbish existing lighting throughout facility and add new lighting
- Restore electrical wiring vandalized by copper thieves
- Patch large holes in interior CMU walls
- Replace a dock door with a roll up door

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO _____
Registered business name confirmed:	YES <u>X</u>	NO _____
Good standing confirmed:	YES <u>X</u>	NO _____

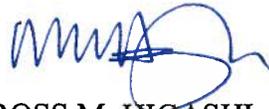
REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation (DOT) proposes to issue a direct Lease to Premium, Inc. for the operation and maintenance an storage facility and overflow parking for employees. The DOT has determined that the issuance of a direct lease to Premium, Inc. will encourage competition within the airport-related industries at Honolulu International Airport.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Premium, Inc., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

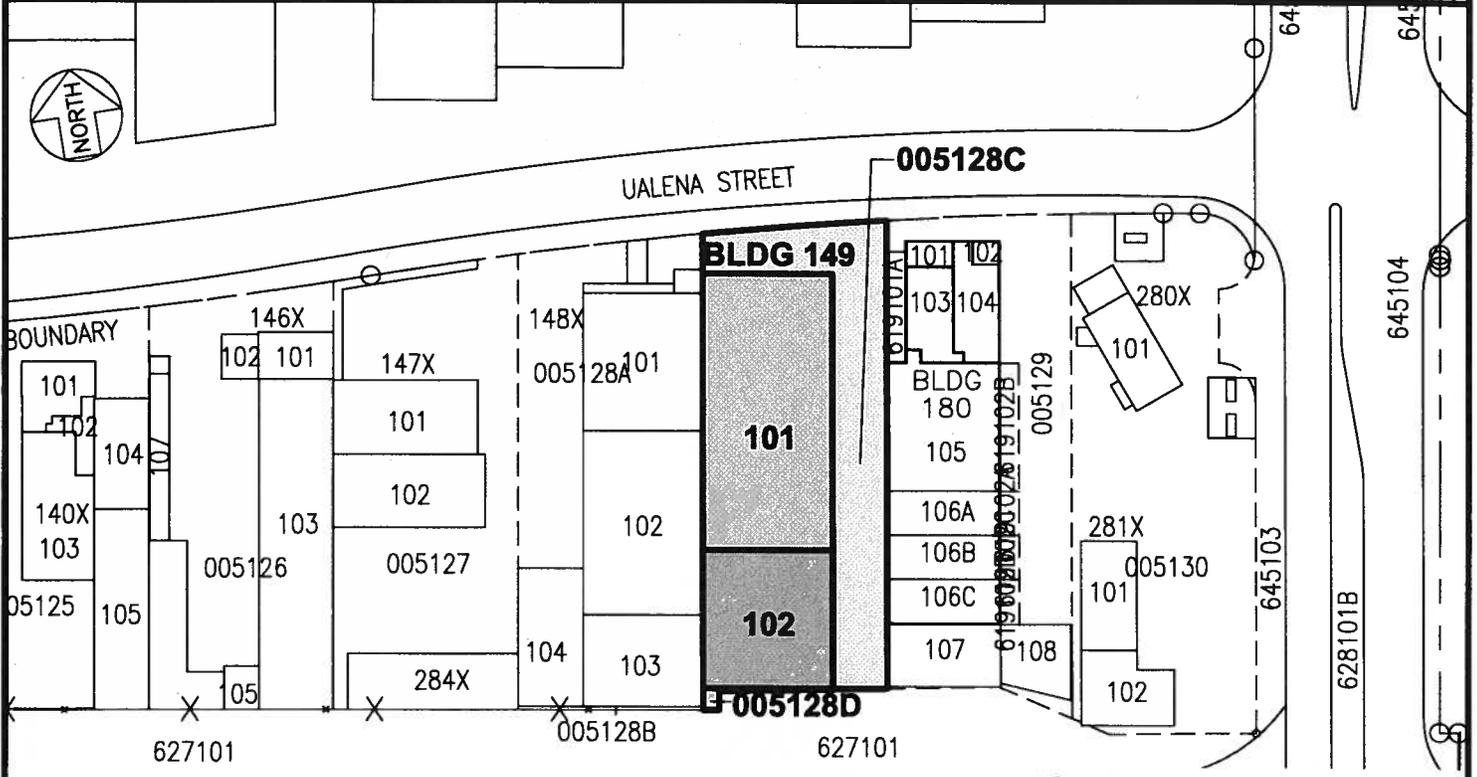
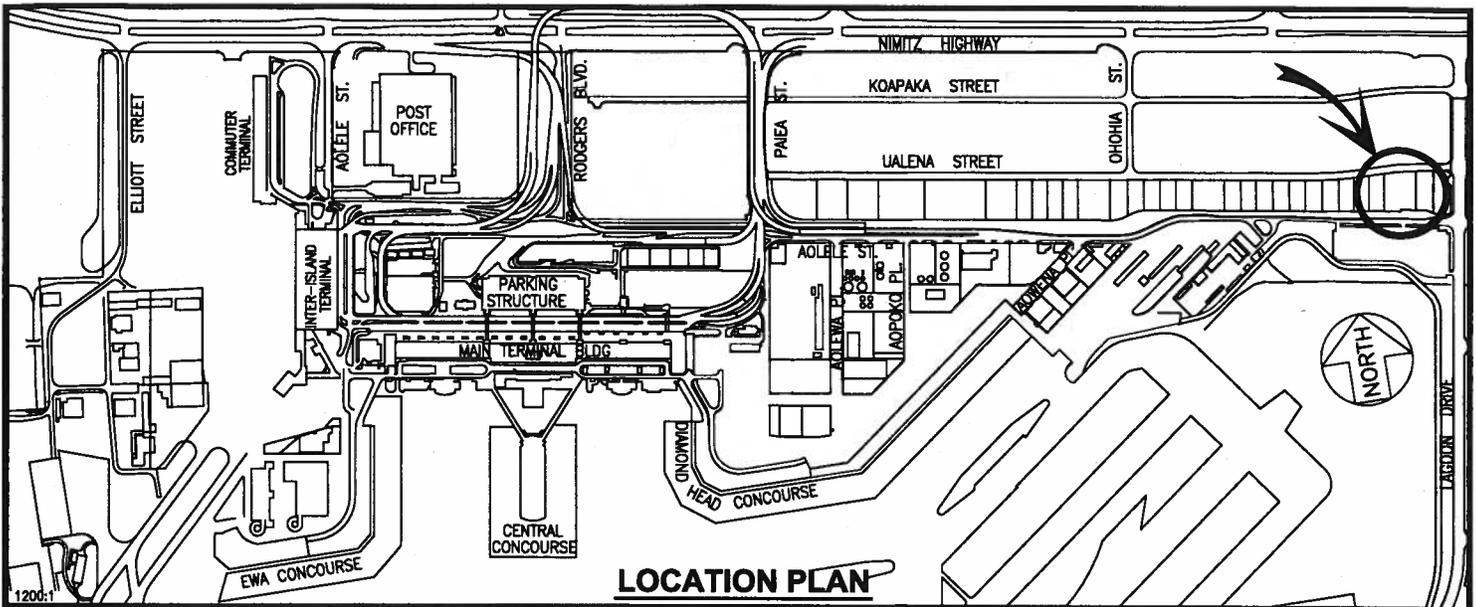


ROSS M. HIGASHI
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



AREA/SPACE	SQ. FT.
005 128C	9,243
005 128D	184

BLDG/ROOM	SQ. FT.
149 101	10,599
149 102	5,293

SCALE: 1" = 100'

DATE : NOVEMBER 2014

EXHIBIT: **A**



PREMIUM, INC.

2825 UALENA STREET

149101
149102
005128C,D
PLAT 16