



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

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

OAHU

DIRECT ISSUANCE OF A REVOCABLE PERMIT FOR CEMENT
OFFLOADING EQUIPMENT AT PIER 7, KALAELOA BARBERS
POINT HARBOR, HAWAII

LEGAL

REFERENCE: Sections 171- 11 and 55, Hawaii Revised Statutes.

APPLICANT: Hawaiian Cement, a general domestic partnership, whose business and mailing address is 99-1300 Halawa Valley Street, Aiea, Hawaii 96701

CHARACTER OF

USE: Storage of Bulk Cement Offloading Equipment.

LOCATION: Portion of government lands, situated at Pier 7, Kalaeloa Barbers Point Harbor, Oahu, TMK: 1st/9-1-14:24 (Portion), as shown on the attached Exhibit "A."

CURRENT USE

STATUS: Encumbered by Governor's Executive Order No. 3383 that sets aside the land to the Harbors Division, Department of Transportation.

AREA: Approximately 3,808 square feet (68' x 56').

RENTAL: \$628.32 per month

SECURITY

DEPOSIT: \$1,256.64 or twice the monthly rental.

ZONING:

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

LAND TITLE

STATUS: Land acquired after Statehood (non-ceded land)

COMMENCEMENT

DATE: January 1, 2003

CHAPTER 343

ENVIRONMENTAL

ASSESSMENT: The Final Environmental Assessment for the subject project was published in the OEQC's Environmental Notice on September 23, 1999 with a finding of no significant impact (FONSI).

REMARKS:

Hawaiian Cement currently leases and operates at Kalaeloa Barbers Point Harbor a wholesale distribution, packaging and delivery of cement and related material in bulk. Although the offloader is used as part of their operation, it was not included in their lease area.

Hawaiian Cement's off loader was in operation from January 1, 2003 through present without being charged rent. The rent from January 1, 2003 to March 31, 2013 should be \$144,856.32. However, following lengthy discussions, Deputy Director for Harbors, Randy Grune, agreed to a total charge of \$72,428.16 for the period January 1, 2003 to March, 31, 2013. The rent charge was based on Hawaii Administrative Rules Section 19-44-43, which allows for a 50% reduction of tariff rates for the storage of stevedore equipment. Therefore, the tariff rates, in effect at that time, were reduced by 50%, and then applied to the square footage for this period.

Start Date		End Date	Months	Tariff/SF	50% Discount	SF	Storage
1/1/2003	to	1/31/2010	85	\$0.30	\$0.15	3,808	\$48,552.00
2/1/2010	to	3/31/2013	38	\$0.33	\$0.165	3,808	\$23,876.16
Total Settlement:							\$72,428.16

A two year payment plan is being provided to Hawaiian Cement to pay the \$72,428.16 retroactive amount due.

Hawaiian Cement has agreed to pay, \$628.30 per month, for rent due from April 1, 2013 to present, upon receiving board approval of this monthly rental amount.

The applicant is currently a Harbors Division tenant in good standing and would like to increase the space that the applicant holds at this location.

RECOMMENDATION:

That the Board authorize the issuance of a revocable permit to the applicant, for the above stated purposes subject to the following:

- a. Terms and conditions cited above and incorporated herein by reference;
- b. Terms and conditions of the most current revocable permit form, as may be amended from time to time and such other terms; and
- c. Conditions as may be prescribed by the Director of Transportation to best serve the interests of the State as may be prescribed by the Director of Transportation.

Respectfully submitted,



GLENN M. OKIMOTO, Ph.D.
Director of Transportation

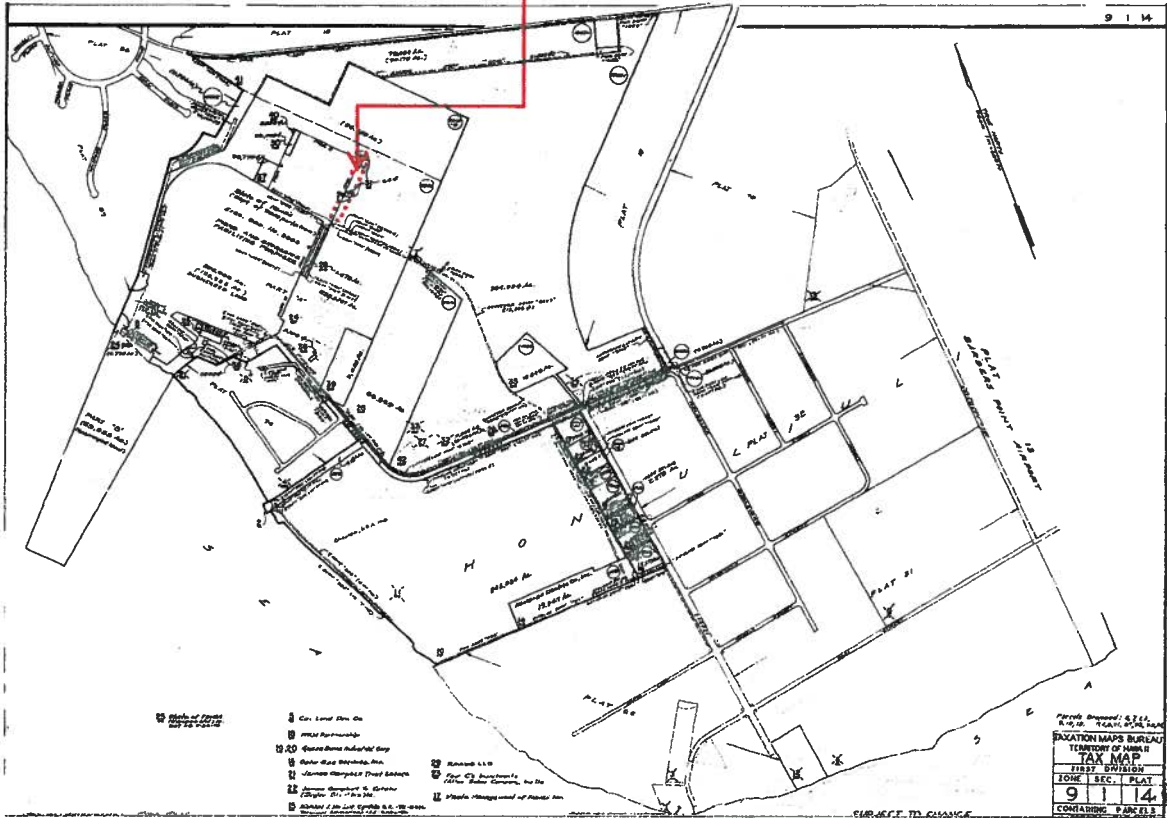
Attachment

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member
Board of Land and Natural Resource

Cement Off Loader 3,808 Sq. Ft. (68'x56')



March 2003 Aerial Photo Kalaeloa Harbor



