

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
Public Works Division  
Honolulu, Hawaii 96813

June 27, 2008

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

OAHU

Consent to Renew Lease of Lands under Governor's  
Executive Order No. 3736 to the Hawaii State Federal Credit  
Union, Kapolei, Ewa, Oahu, Tax Map Key: (1) 9-1-088:005 (por).

CONTROLLING AGENCY:

Department of Accounting and General Services (DAGS)

APPLICANT:

Hawaii State Federal Credit Union, whose business address is 560  
Halekauwila Street, Honolulu, Hawaii 96813, the Lessee.

LEGAL REFERENCE:

Section 171-11 and 171.43.1, Hawaii Revised Statutes, as amended.

ZONING:

State Land Use District: Urban  
County of Honolulu CZO: B-2 Community Business District

TRUST LAND STATUS:

Donated by the Estate of James Campbell in 1997 (non-trust  
lands).

DHHL 30% entitlement lands pursuant to the Hawaii State  
Constitution: YES  NO

CURRENT USE STATUS:

Governor's Executive Order No. 3736 to DAGS for Kapolei State  
Office Building site purposes.

LOCATION AND AREA:

Portion of the premises located at the Kakuhihewa Building, Suite  
2040, Kapolei, Ewa, Oahu, comprising 480 usable (573 rentable)  
square feet, as shown on the attached map labeled Exhibit A.

CHARACTER OF USE:

Office space purposes.

TERM:

4 years, 11 months, commencing July 1, 2008 and expiring on May 31, 2013. **NOTE:** Either party may terminate the Lease after December 31, 2009 with one hundred eighty (180) days prior written notice to the other party.

RENT AMOUNT:

Proposed rents subject to final negotiations between DAGS and the Applicant are as follows:

\$1,403.85 per month:	July 1, 2008	through	December 31, 2009
\$1,403.85 per month:	January 1, 2010	through	June 30, 2011
\$1,432.50 per month:	July 1, 2011	through	June 30, 2012
\$1,432.50 per month:	July 1, 2012	through	May 31, 2013

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The controlling agency shall be responsible for ensuring compliance with Chapter 343, HRS.

DCCA VERIFICATION:

Federal chartered credit union and 501(c)(1) tax exempt non-profit organization; not applicable.

REMARKS:

In 1988, the State of Hawaii Land Use Commission (LUC) granted the Estate of James Campbell a Land Use District boundary amendment to change the LUC zoning from agricultural to urban district for the development of Kapolei. One of the conditions required the Estate of James Campbell to provide 40 acres of land to the State at no cost in mutually agreed locations in Kapolei, to be used for governmental offices or other public facilities.

On October 14, 1994, the Board approved the set aside of land acquired by the State from the Estate of James Campbell, to the Department of Accounting and General Services (DAGS) for state office building purposes. Pursuant to the Board's action in 1994, the Kapolei State Office Building was set aside to DAGS under Executive Order 3736.

A lease for office space was executed between DAGS and the Hawaii State Federal Credit Union for the period from September 1, 1998 to July 31, 2003 regarding Suite 2040 of the building. The proposed use was consistent with the purpose of the set aside. The Credit Union received a real property tax exemption for the office space.

Following the expiration of their lease on July 31, 2003, DAGS and the Lessee agreed to a new lease for a term of 4 years, 11 months retroactive to the expiration of the original lease. The lease term was from August 1, 2003 to June 30, 2008. This lease

was in compliance with the property deed restriction as to the use of the premises, whereby non-governmental offices cannot exceed five percent (5%) of the gross leaseable area of the building.

DAGS and the Lessee have now agreed to a renewal of the existing lease with a start date of July 1, 2008 and a termination date of May 31, 2013. Rents are as stated in this submittal with a termination clause stating either party may terminate the lease after December 31, 2009 with one hundred eighty (180) days prior written notice to the other party.

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

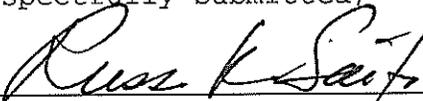
Staff has no objection to the request.

RECOMMENDATION:

That the Board consent to the lease between the Department of Accounting and General Services and the Hawaii State Federal Credit Union subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following:

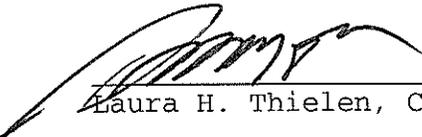
1. Review and approval by the Department of the Attorney General as to form for the new lease;
2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

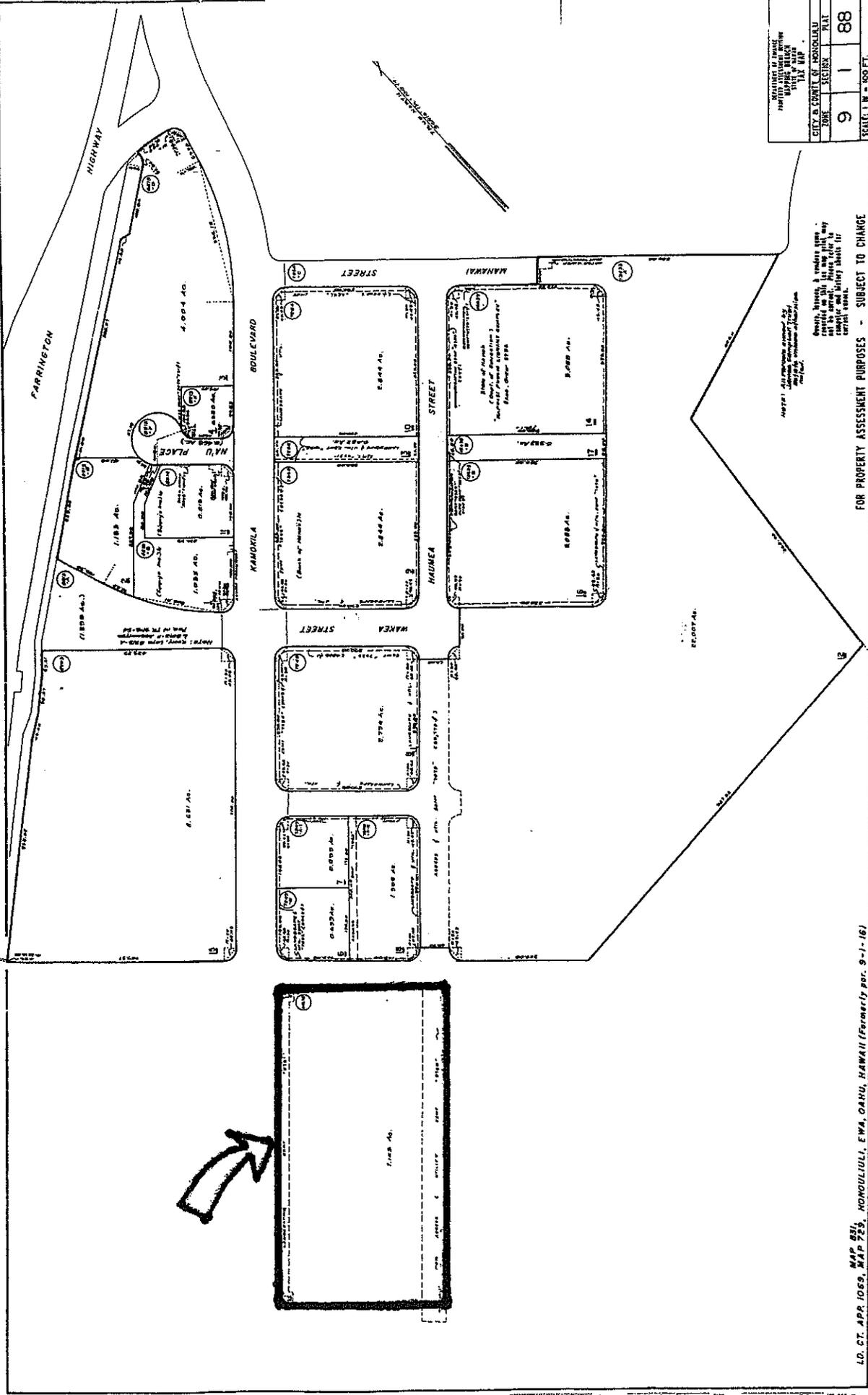


RUSS K. SAITO  
State Comptroller

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson



HONOLULU CITY AND COUNTY	
TAX MAP	
CITY & COUNTY OF HONOLULU	PLAT
2000	SECTION
9	1
SCALE: 1" = 100 FT.	
PRINTED: 88	

FOR PROPERTY ASSESSMENT PURPOSES - SUBJECT TO CHANGE

MAP 531, MAP 723, HONOLULU, EWA, OAHU, HAWAII (Formerly plat 9-1-16)

# EXHIBIT "A"

