



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 Punchbowl Street
Honolulu, Hawaii 96813-5097

BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI
JIRO A. SUMADA

IN REPLY REFER TO:

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

OAHU

**ISSUANCE OF DIRECT LEASE, PACIFIC ENVIRONMENTAL CORPORATION,
DBA PENCO, PORTION OF PIERS 13/14 SHED, HONOLULU HARBOR, ISLAND
OF OAHU**

REQUEST:

Issuance of direct lease to Pacific Environmental Corporation, dba PENCO for equipment and material storage to facilitate oil spill and hazardous materials clean-up operations.

LEGAL REFERENCE:

Sections 171-11, 35, 36 and 95, and Subsection 171-59(b), Hawaii Revised Statutes

APPLICANT:

Pacific Environmental Corporation, a domestic profit corporation authorized to do business in the State of Hawaii

LOCATION AND TAX MAP KEY:

Warehouse space within the Piers 13/14 shed, Honolulu Harbor, Island of Oahu, identified by and designated as portions of Tax Map Plat: 1st Division, 2-1-01:Portion 47, shown and delineated on the attached map labeled Exhibit A.

AREA:

Contains warehouse space (ground and second levels) within Piers 13/14 shed consisting of a total area of 3,270 square feet, more or less (1,635 square feet per level)

ZONING:

State Land Use District: Urban
City and County of Honolulu: Aloha Tower Project

LAND TITLE STATUS:

Section 5(b) “ceded” land of the Hawaii Admission Act

CURRENT USE STATUS:

Subject public land presently encumbered by:

- Governor’s Executive Order No. 3542, setting aside portions of Honolulu Harbor to the control and management of the Department of Transportation, Harbors Division, for harbors and wharfage operations purposes.
- Revocable Permit No. H-93-1817 issued to the Pacific Environmental Corporation demising an area of 1,365 square feet of warehouse space

CHARACTER OF USE:

Equipment and material storage to facilitate oil spill and hazardous materials clean-up operations.

TERM OF LEASE:

Twenty (20) years

LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation at a later date

ANNUAL GROUND LEASE RENTAL:

Annual Rental for First Five (5)-Year Period (Years 1 through 5): To be determined by an independent real property appraiser who is licensed by the State of Hawaii as a “Certified General Appraiser” whose services shall be: (a) contracted for by the Department of Transportation, Harbors Division; and (b) paid by the Applicant

Annual Rental for Second Five (5)-Year Period (Years 6 through 10): During each of the sixth (6th) through and including the tenth (10th) years of the Lease term, beginning upon the first day of the sixth (6th) year of the Lease term, LESSEE shall pay to LESSOR, for its occupancy and use of the Premises, an annual rental equal to the sum of the product of the annual rental for the fifth (5th) year of the Lease term and 115%.

Annual Rental for Third Five (5)-Year Period (Years 11 through 15): To be determined by an independent real property appraiser who is licensed by the State of Hawaii as a “Certified General Appraiser” whose services shall be contracted for and paid by the Department of Transportation, Harbors Division

Annual Rental for Fourth Five (5)-Year Period (Years 16 through 20): During each of the sixteenth (16th) through and including the twentieth (20th) years of the Lease term, beginning upon the first day of the sixteenth (16th) year of the Lease term, LESSEE shall pay to LESSOR, for its occupancy and use of the Premises, an annual rental equal to the sum of the product of the annual rental for the fifteenth (15th) year of the Lease term and 115%.

PERFORMANCE BOND:

Sum equal to at least one-half (1/2) of the then annual ground lease rental in effect

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

This project is exempt from OEQC requirements pursuant to Sub-Chapter 11-200-8 of the Hawaii Administrative Rules that exempts the “operation, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously is 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 _____

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Pay for an appraisal to determine initial rent; and
- 2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

REMARKS:

Issuance of a direct lease to Pacific Environmental Corporation which handles oil spill response, preventive booming, hazardous material response, etc. within the harbor and the pacific basin is being requested pursuant to Chapter 171-59, Hawaii Revised Statutes, which allows for the disposition of public lands by negotiation for marine, maritime, and marine-related operations. Based on tenant payment history, Pacific Environmental Corporation who has occupied the space since September 1995 has demonstrated that they are credit worthy and minimal risk in making payments under a lease.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Pacific Environmental Corporation, 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.

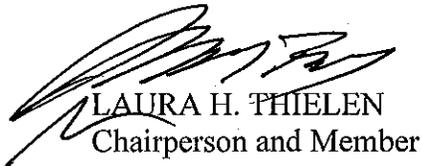
Respectfully submitted,



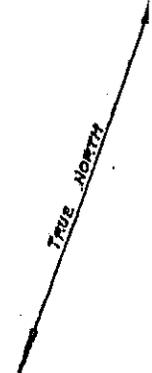
BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:

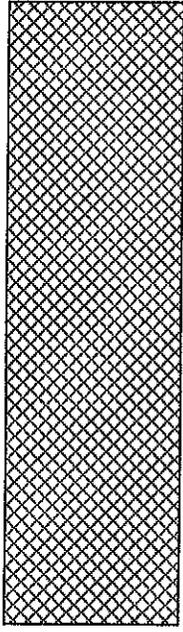


LAURA H. THIELEN
Chairperson and Member



Footprint of subject area

76'



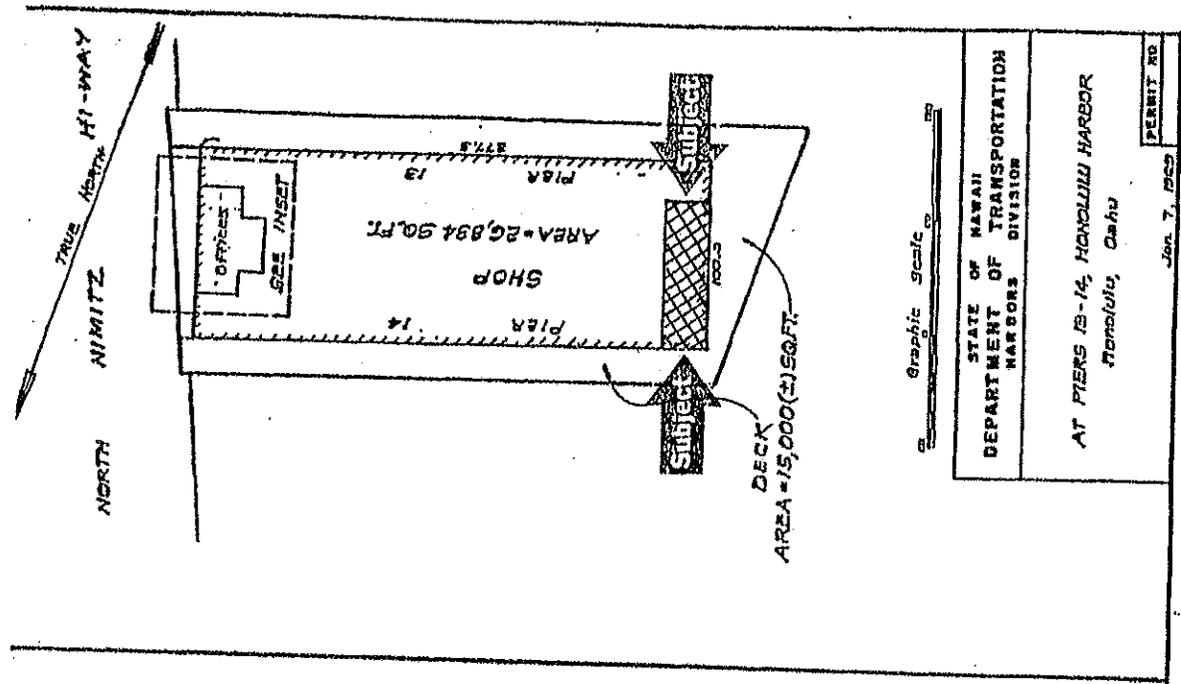
21.5'

Ground Level Area = 1,635 sq ft

2nd Level Area = 1,635 sq ft

Total subject area = 3,270 sq ft

Prepared by: A.I.
Tax Map: 1-7-01:2



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HARBORS DIVISION

AT PIERS 13-14, HONOLULU HARBOR
Honolulu, Oahu

Jan. 7, 1953
PERMIT NO.

EXHIBIT "A"