



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

IN REPLY REFER TO:

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

OAHU

AMENDMENT TO PRIOR LAND BOARD ACTION OF AUGUST 28, 2009 UNDER  
AGENDA ITEM M-1, AS AMENDED, REGARDING ISSUANCE OF A LEASE BY  
DIRECT NEGOTIATION TO SEAFOOD HAWAII, INC., UNIT FV3, DOMESTIC  
COMMERCIAL FISHING VILLAGE, PIER 38, HONOLULU HARBOR, OAHU

At its meeting of August 28, 2009, under agenda Item M-1, the Land Board authorized as amended the issuance of a lease by direct negotiation to Seafood Hawaii, Inc., as shown on the attached Exhibit "A." Previously the required minimum amount of improvements to be made to the premises was \$2,000,000.00, which would result in a rental waiver up to one (1) year. However, due to the size and shape of the lease premises, Harbors staff has reassessed the required minimum amount of improvements to be made to the premises to \$1,000,000.00.

RECOMMENDATION:

That the Board:

1. Amends its action of August 28, 2009, under agenda Item M-1 by reducing the minimum amount of improvements to the subject area to \$1,000,000.00 which result in the rental waiver up to one (1) year or the date the lessee occupies the premises and commences occupation, whichever is sooner.
2. All other terms and conditions of the Land Board action of August 28, 2009, as amended, under agenda Item M-1 as amended, remain the same.

3. Such other terms and conditions as may be prescribed by the Director of Transportation that best serve the interest of the State.

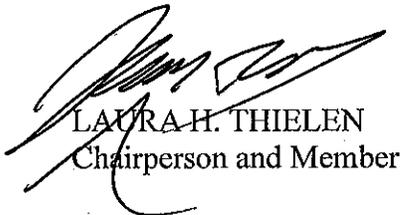
Respectfully submitted,



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

Attachment

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN  
Chairperson and Member

LINDA LINGLE  
GOVERNOR



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

August 28, 2009

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 LEASE BY DIRECT NEGOTIATION TO SEAFOOD HAWAII, INC.,  
PARCEL 3, DOMESTIC COMMERCIAL FISHING VILLAGE, PIER 38,  
HONOLULU HARBOR, OAHU

LEGAL  
REFERENCE: Sections 171-11, -35, -36 and -59 (b), Hawaii Revised Statutes.

APPLICANT: Seafood Hawaii, Inc., whose mailing address is 875 Waimanu Street,  
Suite 634, Honolulu, Hawaii 96813-5265.

LOCATION: Parcel 3 of the Domestic Commercial Fishing Village, Pier 38, Honolulu  
Harbor, Oahu, Tax Map Key No: 1st/1-5-42:1 (Portion), as shown on the  
attached Exhibit "A."

STATUS: Governor's Executive Order No. 1346 to the Harbors Division,  
Department of Transportation.

AREA: 14,496 square feet, more or less.

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

LAND TITLE  
STATUS: Subsection 5(a) of the Hawaii Admission Act, non-ceded.

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

August 28, 2009

**EXHIBIT "A"**

ITEM M-1

**CHARACTER**

**OF USE:** Construction, installation, operation, use, maintenance and repair of improvements necessary for the storage, processing, and wholesale distribution of seafood products and ancillary services and products, including, but not limited, to the operation of a seafood restaurant, and retail sales of seafood products and produce.

**TERM:** Thirty-five (35) Years, the commencement date to be determined by the Director of Transportation.

**LEASE RENTAL:** Subject to the waiver of lease rental provided below, the annual base rental for the first twenty-five (25) years of the lease term, as determined by independent appraisal, shall be as follows:

Years 1 through 5	\$40,591.37
Years 6 through 10	\$46,680.07
Years 11 through 15	\$53,682.08
Years 16 through 20	\$61,734.40
Years 21 through 25	\$70,994.55
Years 26 through 35	Rental Renegotiation

The annual rental for each five (5)-year periods for the first twenty-five (25) years of the lease is based on a 115% increase of the last year of the previous five (5)-year period.

In addition to the above annual base rental, the applicant is required to pay common area maintenance fees estimated at 10 cents per square foot per month for the calendar year 2009.

**WAIVER OF**

**LEASE RENTAL:** The provisions of the lease require the lessee to make substantial improvements to the premises, in an amount not less than \$2,000,000.00, including, without limitation, constructing and installing all interior utility lines, equipment and appurtenances necessary for the purpose of the lease. As a result, the lessee's obligation to pay rent to the State during the period of such construction shall be waived for a period not to exceed one year, and the waiver of rental shall terminate as of the date the lessee occupies the premises and commences operations.

CHAPTER 343,  
ENVIRONMENTAL  
ASSESSMENT:

The Harbors Division had both Draft and Final Environmental Assessments done for the Domestic Commercial Fishing Village Project, and a Finding of No Significant Impact was found for the project in June of 1998. The subject lease falls under the aforementioned Environmental Assessments.

REMARKS:

The lease, by direct negotiation rather than by public auction, is appropriate in this instance in order to provide the applicant land wherein they would be able to continue the close association necessary for convenient and efficient processing of fresh fish. Concurrent to this objective is the desire to consolidate major commercial fishing activities in a modern and more efficient environment where the complete range of seafood processing can be accomplished.

The lease for Parcel 3 of the Domestic Commercial Fishing Village will be submitted to the Department of the Attorney General for review and approval as to form.

RECOMMENDATION:

That the Board, authorizes issuance of a lease by direct negotiation to the applicant, subject to the terms and conditions outlined above and incorporated herein by reference and such terms and conditions as may be prescribed by the Director of Transportation.

Respectfully submitted,



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

Attachment

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN  
Chairperson and Member

# DOMESTIC COMMERCIAL FISHING VILLAGE PROJECT MAP

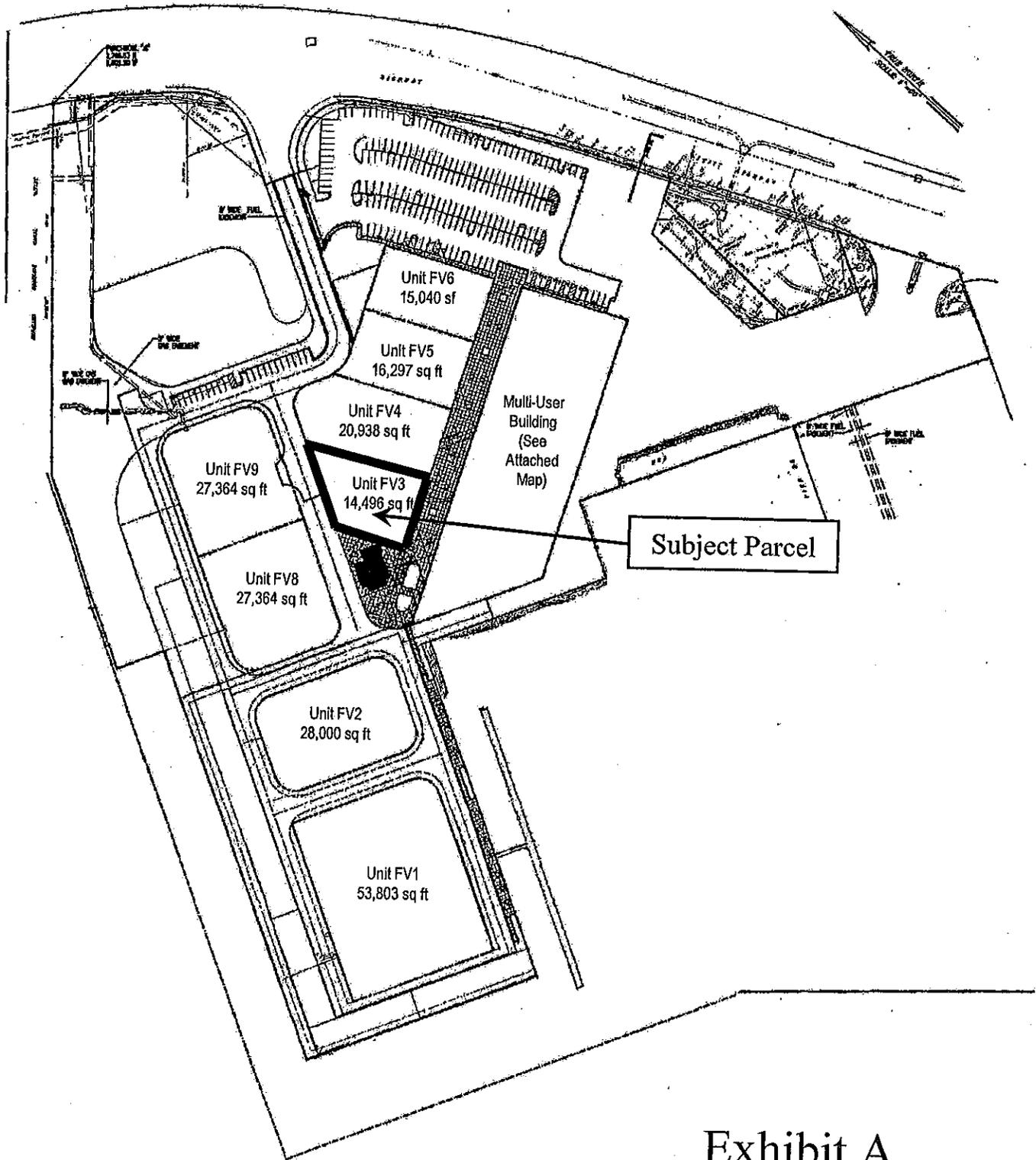


Exhibit A