

**STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
MEMORANDUM**

**TO:** EDWIN H. SNIFFEN, DIR HAR-PM.25.0066  
**DATE:** July 16, 2024

**FROM:** DREANALEE K. KALILI, DEP-H *Dreanalee Kalili*

**SUBJECT:** SUBMITTAL  
AUTHORIZE THE ISSUANCE OF FIVE MONTH-TO-MONTH REVOCABLE PERMITS TO SAUSE BROS., INC. FOR OFFICE SPACES, WAREHOUSE SPACES, AND STORAGE SPACE, SITUATED AT PIER 21, HONOLULU HARBOR, ISLAND OF HONOLULU, TAX MAP KEY NOS. (1) 1-5-039:007 (PORTION) AND (1) 1-5-039:035 (PORTION), GOVERNOR'S EXECUTIVE ORDER NO. 2903

We respectfully request your approval and signature to the enclosed land submittal.

Should you have any questions, please contact Ms. Jennifer Tomita, Harbors Property Manager, at (808) 587-1945 or by email at [jennifer.dh.tomita@hawaii.gov](mailto:jennifer.dh.tomita@hawaii.gov).

Enclosures

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



EDWIN H. SNIFFEN  
DIRECTOR  
KA LUNA HO'OKELE

Deputy Directors  
Nā Hope Luna Ho'okele  
DREANALEE K. KALILI  
TAMMY L. LEE  
CURT T. OTAGURO  
ROBIN K. SHISHIDO

**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'**  
**DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

July 25, 2024

Mr. Edwin H. Sniffen, Director  
Department of Transportation  
869 Punchbowl Street  
Honolulu, Hawaii 96813

OAHU

Authorize the issuance of five month-to-month Revocable Permits (RP), to Sause Bros., Inc. for office spaces, warehouse spaces, and storage space, situated at Pier 21, Honolulu Harbor, island of Honolulu, Tax Map Key (TMK) Nos. (1) 1-5-039:007(Portion) and (1) 1-5-039:035 (Portion), Governor's Executive Order No. 2903.

LEGAL REFERENCE:

Hawaii Revised Statutes, Sections 171-6, 171-11, 171-13, 171-17, 171-55, and 171-59, as amended.

APPLICANT:

Sause Bros., Inc. (Applicant) is a foreign corporation whose mailing address is 888 SW 5<sup>th</sup> Avenue, Suite 1600, Portland, Oregon, 97204.

CHARACTER OF USE:

Use of areas for space for warehouses, offices, and storage to support its ocean transportation business at Honolulu Harbor, island of Oahu.

LOCATION:

Portion of governmental lands at Honolulu Harbor, island of Oahu, TMK Nos. (1) 1-5-039:007 (Portion) and (1) 1-5-039:035 (Portion), Governor's Executive Order No. 2903, as shown on the enclosed map labeled Exhibit A.

AREA: See enclosed Exhibit A

AREA	DESCRIPTION	TYPE	SQ. FT.	RATE PER SQ. FT.	MONTHLY RENTAL CHARGE	SECURITY DEPOSIT
1	Office Space	Office	1,588	\$1.22	\$1,937.36	\$3,874.72
2	Mezzanine Office Space	Office	1,186	\$1.22	\$1,446.92	\$2,893.84
3	Mezzanine Warehouse Space	Warehouse	516	\$1.35	\$696.60	\$1,393.20
4	Warehouse space for maintenance of tugs/barges and storage of equipment	Warehouse	4,973	\$1.35	\$6,713.55	\$13,427.10
4a	Common Area Restroom	CAM charge	240	\$0.20	\$48.00	\$96.00
4b	Common Area Restroom	CAM charge	135	\$0.20	\$27.00	\$54.00
5	Storage along warehouse at Pier 21	Improved Land-Paved	1,530	\$0.99	\$1,514.70	\$3,029.40
					<b>\$12,384.13</b>	<b>\$24,768.26</b>
					<b>Total Monthly Rental</b>	<b>Total Security Deposit</b>

CONSIDERATION:

Determined by appraisal as of January 1, 2024, for RPs in Honolulu Harbor.

ZONING:

State Land Use Commission:	Urban
City and County of Honolulu:	I-3 Waterfront Industrial District IMX-1 Industrial Mixed-Use District

COMMENCEMENT DATE:

To be determined by the Director of Transportation

TRUST LAND STATUS:

Both parcels have been acquired after statehood.

CURRENT USE STATUS:

The area is currently occupied by the Applicant.

LAND TITLE STATUS:

Under the control and management of the State of Hawaii, Department of Transportation (HDOT), through issuance of Governor's Executive Order No. 2903.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

This use is exempt from the Office of Planning and Sustainable Development, and Environmental Review Program requirements pursuant to Hawaii Administrative Rules (HAR), Subchapter 11-200.1 that exempts the following:

“Exemption Type 1: Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing.”

“Exemption Type 8: Continuing administrative activities.”

The HDOT deems the action as de minimis and exempts it from the preparation of an exemption notice in accordance with HAR, Section 11-200.1-16 (b). The exemption declaration for the action described above is based on the Exemption List for the HDOT, reviewed and concurred to by the Environmental Advisory Council on February 1, 2022, is as follows:

Exemption Type 1, Part 1:

- No. A.1. “Repair or maintain buildings, office space, sheds, parking structures, warehouses, utility systems, aircraft aprons and hardstands, hangars, tunnels and other similar structures or facilities necessary for the continued function and use, and to meet current local, state and federal standards and regulations.”  
Actions include but not limited to the following:
  - a. General: repaint, reroof, repair/replace windows doors, interior modifications: furnishing, space configuration, flooring and flooring cover, framework, roof sheathing and other similar actions.
  - b. Utility systems: electrical, interior lighting, plumbing, wastewater, information technology/communication and security systems, heating/ventilation/air conditioning units and other similar systems.

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- c. Ancillary facilities: elevators (including modifying the capacity of elevators within the same roofed structure), escalators, conveyors, gates, fencing and other similar facilities.”

Exemption Type 8, Part 1:

- No. 8.g. “Creation or extension of leases, revocable permits or easements involving negligible or minor expansion or change of use beyond that previously existing.”

REMARKS:

The Applicant started as a family business with one wooden tug hauling lumber in the Pacific Northwest in the 1930's. Since then, they have grown to a fleet of over 60 modern tug and barges to support its marine ocean transportation business, which primarily service the Pacific Northwest, Alaska, Hawaii, and the South Pacific. Its services include transportation of various types of cargo including heavy machinery, repairing, and building marine transportation vessels, and providing ocean towing services.

RECOMMENDATION:

Based on this submittal, testimony and facts presented, the HDOT recommends the issuance of five month-to-month RPs to the Applicant including its conditions and rent, under the terms and conditions cited above and other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State.

Sincerely,



DREANALEE K. KALILI  
Deputy Director of Transportation for Harbors

Enclosures



1. Office Space
2. Mezzanine Office Space
3. Mezzanine Warehouse Space
4. Warehouse space for maintenance of tugs/barges and storage of equipment
  - 4a. Common Area Restroom (CAM), please see Exhibit B for details
  - 4b. Common Area Restroom (CAM), please see Exhibit B for details
5. Storage along warehouse at Pier 21

**Area 1 – Office Space**



AREA	DESCRIPTION	TYPE	DIMENSIONS	SQ. FT.
1	Office space	Office	(32' x 39' = 1,248) (20' x 17' = 340)	1,588



**Area 2 – Mezzanine Office Space**



AREA	DESCRIPTION	TYPE	DIMENSIONS	SQ. FT.
2	Mezzanine Office Space	Office	(19' x 32' = 608) (14' x 32' = 448) (13' x 10' = 130)	1,186





**Area 3 – Mezzanine Warehouse Space**



AREA	DESCRIPTION	TYPE	DIMENSIONS		SQ. FT.
3	Mezzanine Warehouse Space	Warehouse	43'	12'	516



**Area 4 – Warehouse space for maintenance of tugs/barges and storage of equipment and  
 Common Area Restroom (CAM)**



AREA	DESCRIPTION	TYPE	DIMENSIONS	SQ. FT.
4	Warehouse space for maintenance of tugs/barges and storage of equipment	Warehouse	(45' x 109' = 4,905) (8' x 22' = 176) (12' x 11' = 132) - (12' x 20' = 240)	4,973
4a	Common Area Restroom	CAM charge	12'    20'	240
4b	Common Area Restroom	CAM charge	15'    9'	135



**Area 5 – Storage along warehouse at Pier 21**



AREA	DESCRIPTION	TYPE	DIMENSIONS		SQ. FT.
5	Storage along warehouse at Pier 21	Improved Land-paved	153'	10'	1,530

