



**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
M E M O R A N D U M**

TO: ROBIN K. SHISHIDO, DEP-HWY HWY-RM 3.98920
DATE: August 30, 2024

THROUGH: LAWRENCE DILL, HWY 

FROM: FAWN Y. YAMADA, HWY-R 

SUBJECT: LUNALILO FREEWAY, FEDERAL AID INTERSTATE PROJECT NO. I-H1-1(23), PELE STREET TO KEEAUMOKU STREET SECTION PARCELS A, B-1 (Revision 3), AND B-2, HONOLULU, OAHU, HAWAII, FIFTH AMENDMENT FOR GENERAL LEASE S-4384

OAHU:

Authorizing the State of Hawaii, Department of Transportation (HDOT) to sign the attached Fifth Amendment for the rental reopening of General Lease S-4384 to the United States Postal Service (USPS) for Lunalilo Freeway, Pele Street to Keeaumoku Street Section, Parcels A, B-1 (Revision 3), and B-2, Honolulu, Oahu.

REQUEST:

To approve the Fifth Amendment for the rental reopening of General Lease S-4384 to USPS, Makiki Post Office site and parking.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS), Section 171-17 and other applicable sections of Chapter 171, as amended.

LOCATION:

The parcel is located on the island of Oahu.

AREA:

Parcels A, B-1 (Revision 3), and B-2 with an area of approximately 106,963 square feet along Lunalilo Street.

ZONING:

A-2 Medium Density Apartments.

LAND TITLE STATUS:

Non-Ceded.

YES _____ NO X

CURRENT USE STATUS:

The area is currently being used as USPS, Makiki Post Office site and parking.

COMMENCEMENT DATE:

Reopening for period from July 1, 2019, to June 28, 2029, for General Lease S-4384.

COMPENSATION:

\$400,000.00 annually as determined by Mediator, Shelly Tanaka, of John Child and Company.

LIENS AND/OR ENCUMBRANCES:

None.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Pursuant to Hawaii Administrative Rules, Section 11-200. 1-15, the use by USPS is exempt from the preparation of an Environmental Assessment based on the Comprehensive Exemption List for HDOT amended on February 1, 2022. More specifically, Exemption Class Type 8, Part 1, 8-G for “Creation or extension of leases, revocable permits or easements involving negligible or minor expansion or change of use beyond that previously existing.”

REMARKS:

In accordance with Hawaii Revised Statutes, Chapter 171-17(d), by the Mediation process, a single mediator mutually agreed by the LESSOR and LESSEE, the matter of the annual fair market rental rate of said premises for the rental reopening period of July 1, 2019, to June 28, 2029, to be \$400,000.00 annually.

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RECOMMENDATION:

Authorize and sign the Fifth Amendment for the rental reopening of General Lease S-4384 for the period from July 1, 2019, to June 28, 2029.

APPROVED FOR SUBMITTAL:



ROBIN K. SHISHIDO, DEP-HWY

Attachment

FIFTH AMENDMENT TO GENERAL LEASE NO. S-4384

THIS AMENDMENT is made and entered into this ____ day of _____, 2024, but effective July 1, 2019, by and between the STATE OF HAWAII hereinafter referred to as the “LESSOR” acting by and through its Director of Transportation, hereinafter called the “DIRECTOR”, and the UNITED STATES POSTAL SERVICE, thereafter referred to as the “LESSEE”,

WITNESSETH

WHEREAS, said UNITED STATES POSTAL SERVICE, is the present LESSEE of General Lease No. S-4384, dated June 29, 1973, as amended by that certain First Amendment to General Lease No. S-4384, dated January 24, 1991; that certain Second Amendment to General Lease No. S-4384, dated August 21, 1991, effective July 1, 1989; that certain Third Amendment to General Lease No. S-4384, dated June 29, 1999; and that certain Fourth Amendment to General Lease No. S-4384, dated August 7, 2009, with transfer of fiscal authority for said amended lease transferred from the State of Hawaii Department of Land and Natural Resources to the State of Hawaii Department of Transportation documented by Memorandum dated February 10, 1989 (collectively, together with any and all subsequent amendments and modifications, the “Lease”) covering these certain premises known as the Piikoi-Pensacola Viaduct, Space Parcels A, B-1 (Revision 3), and B-2, on Right-of-Way Map of Lunalilo Freeway, Federal Aid Project No. I-H1-1(23), City and County of Honolulu, State of Hawaii, containing an area of approximately 106,963 square feet of land and subject to covenants and conditions set forth in said Lease; and

WHEREAS, by the mediation process as provided by Section 171-17(d), Hawaii Revised Statutes, by a single mediator mutually agreed upon by the LESSOR and the LESSEE, the matter of the annual fair market rental rate of said premises for the rental reopening period of July 1, 2019, through June 28, 2029, was resolved by the LESSOR and the LESSEE;

NOW THEREFORE, in consideration of the aforementioned determination, the LESSOR and the LESSEE, do hereby agree as follows:

1. Annual Rental for Period of July 1, 2019, through June 28, 2029. The annual fair market rental for the rental reopening period of July 1, 2019, through June 28, 2029, shall be in the amount of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS.
2. Payment of Accrued Annual Rental and Accruing Rental. Regarding the accrued rental, the difference, meaning the difference in a) the annual rental of \$400,000.00 for the period of July 1, 2019, through June 28, 2024, and b) the annual rental already paid by the LESSEE for such period, is due and payable immediately at the time of execution of this Amendment and shall be paid in full no later than 60 days from the date of execution of this Amendment. Annual rental from and after June 28, 2024, shall be due and payable in accordance with the terms of the Lease.

IN CONSIDERATION THEREOF, the LESSOR and the LESSEE further agree that this Amendment is subject to all the covenants and conditions in the Lease, except as herein provided and that nothing herein contained shall serve to release or discharge said LESSEE from the observance and performance of such terms, covenants, and conditions.

This Amendment, read in conjunction with the Lease sets forth the entire agreement between the LESSOR and the LESSEE; and the Lease as amended and modified hereby shall not be altered or modified in any particular except by a memorandum in writing signed by the LESSOR and the LESSEE.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of _____, 2024.

STATE OF HAWAII

UNITED STATES POSTAL SERVICE

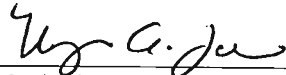
By _____
Edwin H. Sniffen ...
Its Director of Transportation

By _____
Name: _____
Its: _____

LESSOR

LESSEE

APPROVED AS TO FORM:



Marjorie A. Lau
Deputy Attorney General
State of Hawaii