

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



EDWIN H. SNIFFEN
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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
AIRPORTS
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

IN REPLY REFER TO:

AIR-PM 25.0180

March 13, 2025

DOT Land Matters
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF A DIRECTLY-NEGOTIATED LAND AND
FACILITIES LEASE FOR THE OPERATION OF A METAL
AND STEEL DISTRIBUTION BUSINESS
MID PACIFIC STEEL, INC.
DANIEL K. INOUE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-004: PORTION OF 011, -012, -013, AND -014

OAHU

APPLICANT/LESSEE:

Mid Pacific Steel, Inc. (MPS), whose mailing address is P.O. Box 30427,
Honolulu, Hawaii 96820.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS), Sections 261-7 and 171, as amended.

LOCATION AND TAX MAP KEY:

2909, 2919, 2929 and 2939 Ualena Street, under the jurisdiction of the Daniel K. Inouye
International Airport (Airport), Island of Oahu, State of Hawaii, identified by
Tax Map Key: 1st Division, 1-1-004: Portion of 011, -012, -013, and -014.

AREAS:

Improved Land

Area/Space No. 005-118, containing an area of approximately 16,705 square feet;
Area/Space No. 005-119, containing an area of approximately 16,783 square feet;
Area/Space No. 005-120, containing an area of approximately 19,273 square feet; and
Area/Space No. 005-121, containing an area of approximately 6,419 square feet.

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Building

Bldg/Room No. 198-101, containing approximately 2,374 square feet;
Bldg/Room No. 198-102, containing approximately 798 square feet;
Bldg/Room No. 198-103, containing approximately 4,680 square feet; and
Bldg/Room No. 198-104, containing approximately 4,784 square feet.

Easement

EAS 118, containing an area of approximately 5,295 square feet;
EAS 119, containing an area of approximately 3,217 square feet;
EAS 120, containing an area of approximately 2,727 square feet; and
EAS 121, containing an area of approximately 2,536 square feet.

ZONING:

State Land Use District: Urban
City and County of Honolulu: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act: Non-Ceded
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3894, setting aside a portion of the Airport under the control and management of the State of Hawaii Department of Transportation (HDOT), for Airport purposes.

CHARACTER OF USE:

MPS will use the existing building as support space for the selling and distribution of steel and metals. MPS will also use the land to develop, construct, and maintain a warehouse for its steel operations.

COMMENCEMENT DATE:

Upon execution of the document.

LEASE TERM:

Thirty-Five (35) Years.

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ANNUAL LEASE RENTAL:

Years 1 – 5	\$467,360.00 per annum, (based upon a land rate of \$9.52 per square foot, per annum, and a building rate of \$16.20 per square foot, per annum), as determined from the HDOT schedule of rates and charges established by appraisal of Airport property statewide.
Years 6 – 10	115% x the annual rental for year 5 of the Lease term.
Years 11 – 15	115% x the annual rental for year 10 of the Lease term.
Years 16 – 20	Reopening at fair market value rent determined by an independent appraiser.
Years 21 – 25	115% x the annual rental for year 20 of the Lease term.
Years 26 – 30	115% x the annual rental for year 25 of the Lease term.
Years 31 – 35	Reopening at fair market value rent determined by an independent appraiser.

PERFORMANCE BOND:

The sum equal to one-fourth (1/4) of the annual rental then in effect.

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 ____

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The HDOT has determined that the subject land areas are covered by the Honolulu International Airport Ualena Street Industrial Lots of Acquisition and Chevron Property Acquisition Environmental Assessment (EA) dated October 1990. The EA is published by the Office of Environmental Quality Control (OEQC) in the November 8, 1990, issue of the Environmental Notice. Accordingly, the actions have been determined to have little or no impact upon the environment.

REMARKS:

HDOT proposes to issue a directly-negotiated Land and Facilities Lease to MPS for the operation of a metal and steel distribution business.

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MPS was issued State Lease No. DOT-A-13-0026 for premises located at 3169 Ualena Street, for the operation and maintenance of a metal and steel distribution business. State Lease No. DOT-A-13-0026 is set to expire on January 31, 2027. HDOT is proceeding with its Diamond Head Extension Development Project (Project), that encompasses the MPS premises. Due to the Project, HDOT and MPS has mutually agreed to early termination of State Lease No. DOT-A-13-0026, and will relocate to 2909, 2919, 2929, and 2939 Ualena Street.

MPS will renovate the existing building as support space for the selling and distribution of steel and metals. MPS will also use the land to develop, construct, and maintain a warehouse for its steel operations.

RECOMMENDATION:

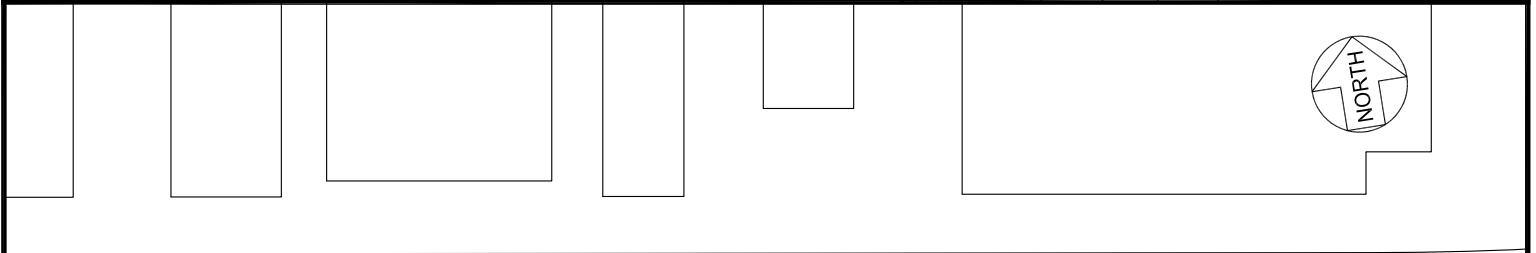
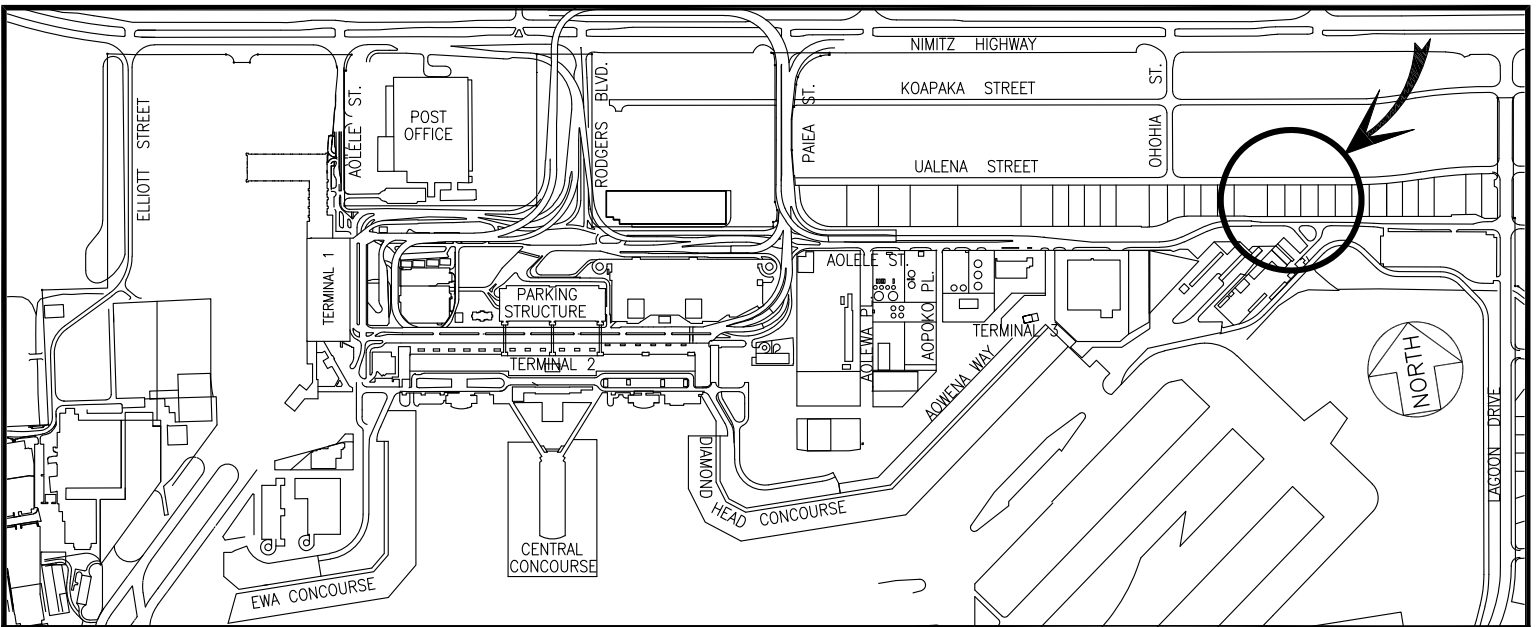
Based on this submittal, and testimony and facts presented, HDOT recommends the Director of Transportation, finds that approving the issuance of a directly-negotiated lease to MPS, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and 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,

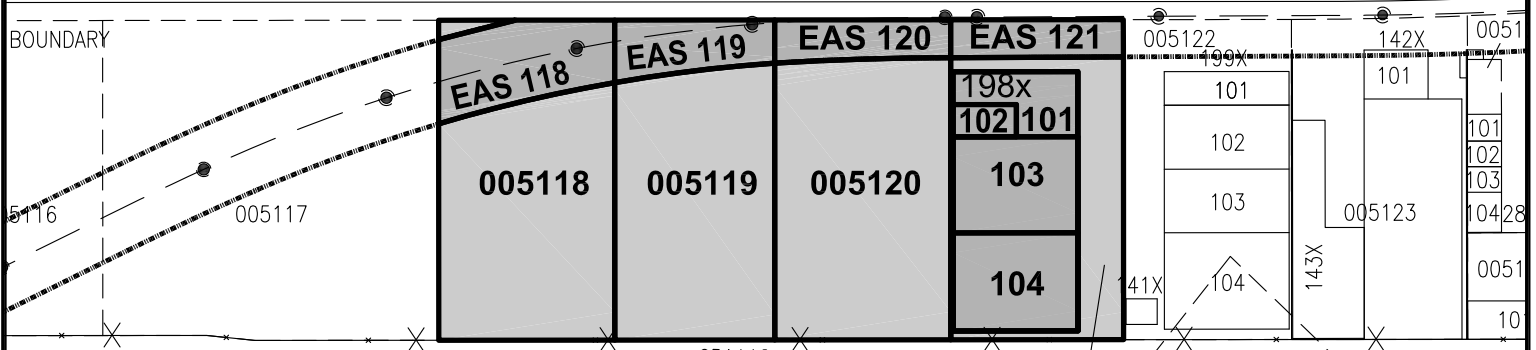


CURT T. OTAGURO
Deputy Director of Transportation for Airports

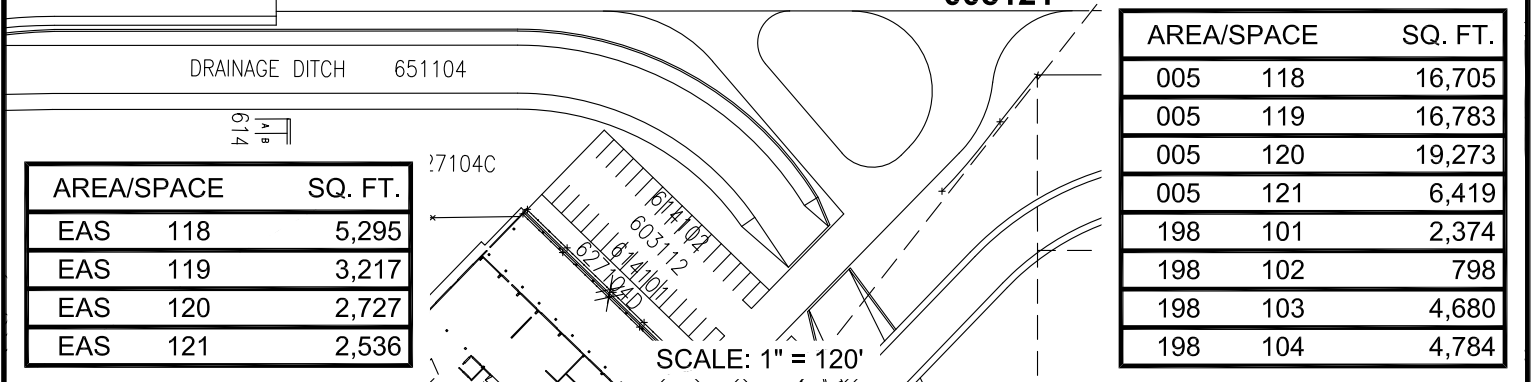
Attachment



UALENA STREET



AOLELE STREET



AREA/SPACE	SQ. FT.
EAS 118	5,295
EAS 119	3,217
EAS 120	2,727
EAS 121	2,536

AREA/SPACE	SQ. FT.
005 118	16,705
005 119	16,783
005 120	19,273
005 121	6,419
198 101	2,374
198 102	798
198 103	4,680
198 104	4,784

STATE LEASE NO. DOT-A-25-0002 DATE : JANUARY 2025 EXHIBIT: B

<p>AIRPORTS</p>	<p>MID PACIFIC STEEL, INC.</p>	<p>2939 - 2909 UALENA STREET</p>	<p>005115 - 005121 198101-104</p>
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DANIEL K. INOUE INTERNATIONAL AIRPORT

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