

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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

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

IN REPLY REFER TO:

March 27, 2025

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

OAHU

Request for Authorization to amend Harbor Lease No. H-98-10 (Lease) issued to Hawaiian Cement to revise the area to include a cement off-loader and remove an electrical substation and a non-exclusive subsurface electrical easement, situated at Pier 7, Kalaeloa Barbers Point Harbor, island of Oahu, Tax Map Key (TMK) No. (1) 9-1-014:024 (Portion), Governor's Executive Order No. 3383.

LEGAL REFERENCE:

Hawaii Revised Statutes, Sections 171-6, 171-11, 171-13, 171-17, 171-35, 171-36, and 171-59, as amended.

APPLICANT:

Hawaiian Cement (Applicant) is a general domestic partnership whose mailing address is 99-1300 Halawa Valley Street, Aiea, Hawaii, 96701.

CHARACTER OF USE:

To allow Applicant to use Lease area for storage, wholesale distribution, packaging and delivery of cement and related materials in bulk and a non-exclusive subsurface easement for the transportation of cement in bulk via underground pipeline from pier to storage site and storage site to pier.

LOCATION:

Portion of Government lands at Kalaeloa Barbers Point Harbor, island of Oahu, TMK No. (1) 9-1-014:024 (Portion), as shown on enclosed Exhibit A.

Mr. Edwin H. Sniffen, Director
March 27, 2025
Page 2

ZONING:

State Land Use Commission:	Urban
City and County of Honolulu:	A-2, Medium-Density Apartment District, B-2, Community Business District, I-2, Intensive Industrial District, I-3, Waterfront Industrial District, P-2, General Preservation District

AREA: See enclosed Exhibits A-H

Area to be added to the Lease:

- Cement off-loader, approximately 3,782 square feet, located at Pier 7. Cement off-loader is used by the Applicant to off-load cement from barges and moves along the length of the vessel via rails. *Note: the off-loader moves along Easements 70000 and 70001; therefore, approximately 62' x 2' on the pier and land side of the off-loader overlap the rail easements.*

Areas to be removed from the Lease:

- Electrical substation, approximately 3,025 square feet
- Electrical subsurface easement - Easement 60000 - approximately 15,263 square feet

Total Area to be included under the Lease:

- Terminal area with removal of substation, 3.857 acres
- Easement 70000, 1,599 square feet
- Easement 70001, 1,599 square feet
- Easement 70002, 5,757 square feet
- Easement 70003, 563 square feet
- Easement 70004, 3,540 square feet
- Cement off-loader, 3,782 square feet

CONSIDERATION:

The Hawaii Department of Transportation (HDOT) and the Applicant have agreed through fair market appraisals conducted by The Benavente Group, dated April 18, 2024, and ACM Consultants, Inc., dated July 10, 2024, to the appraised value for the reopening period of October 4, 2024, to October 3, 2034, under the Lease.

The consideration for the 10-year reopening period, is as follows:

Dates	Land and Easements Rent	Improvement Rent	Total Annual Rent
October 4, 2024, to October 3, 2029	\$564,798.00	\$256,220.00	\$821,018.00
October 4, 2029, to October 3, 2034	\$636,997.00	\$327,920.00	\$964,917.00

LAND TITLE STATUS:

Under the control and management of the HDOT through issuance of Governor's Executive Order No. 3383.

TRUST LAND STATUS:

Public Land Trust Information System lists status as multiple.

CURRENT USE STATUS:

The area is currently occupied by the Applicant under the Lease.

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, which 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.”

The HDOT deems the action as de minimis and exempts it from the preparation of an exemption notice in accordance with HAR, Subchapter 11-200.1-16 (b). The exemption declaration for the action described above, 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. A1. "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 are not limited to, the following:
 - a. General: repaint, reroof, repair/replace windows and doors, interior modifications; furnishings, space configuration, flooring and flooring cover, framework, roof sheathing and other similar actions.
 - b. Utility systems: electrical, interior lighting, plumbing, wastewater, information technology (IT)/communication and security systems, heating/ventilation/air conditioning (HVAC) units and other similar systems.
 - c. Ancillary facilities: elevators, including modifying the capacity of elevators within the same roofed structure, escalators, conveyors, gates, fencing and other similar features."

- No. A6. "Repair or maintain existing structures or facilities located in or above the water necessary for the continued function and use, and to meet current local, state, and federal standards and regulations, and as permitted by the United States Army Corps of Engineers and United States Coast Guard. Structures include, but are not limited to, the following:
 - a. Perimeter seawalls, revetments, groins, and other similar protective structures.
 - b. Pier decks, aprons, piles, sheet piles, bulkheads, dolphins, launch ramps, loading docks, substructure elements and other similar structures.
 - c. Bull rails, fender systems, bollards, cleats, and other similar mooring features.
 - d. Fuel and other pipelines, hatch frames, manifolds, utilities, manholes, covers, and other similar structures.
 - e. Stormwater systems (e.g., culverts, drainage systems, inlets, and outfalls), pipes, swales, manholes, and other similar structures.
 - f. Navigational aids, range lights, and other similar navigational assets."

Mr. Edwin H. Sniffen, Director
March 27, 2025
Page 5

REMARKS:

The Applicant is the largest concrete producer and one of the largest aggregate producers in the State of Hawaii. They import the cement and have distribution terminals at the commercial harbors on Maui, Hawaii, Oahu, and Kauai. Its facility, located at Kalaeloa Barbers Point Harbor, receives, stores, and distributes the imported cement to the neighbor islands on a regular schedule via barge. The Applicant is also making improvements and investments in its neighbor island terminal locations to ensure each island has adequate concrete storage and supply available. Its interisland barge makes deliveries approximately twice a month to its terminals on the neighbor islands.

At the start of this Lease, the Applicant installed the electrical easement and dedicated substation to be used for its electricity needs. While originally built as a dedicated substation, over time, harbor tenants have moved into the nearby area and uses its substation to run electrical conduits to their respective areas to supply their energy needs. Because of this, the Applicant has requested the substation and electrical easement to be removed from its Lease area. The HDOT is requesting to remove the substation and non-exclusive subsurface electrical easement from the Applicant's Lease to be returned to the State.

RECOMMENDATION:

Based on this submittal, testimony and facts presented, the HDOT recommends authorizing the issuance of an amendment of the Lease for the purposes cited above, subject to the terms and conditions outlined above and incorporated herein by reference, and such terms and conditions of the most current amendment of Lease form, as may be amended from time to time; reviewed and approved by the Department of the Attorney General; and such 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

HAWAIIAN CEMENT LEASE AREA
BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR

Situated at Honouliuli, Ewa, Oahu, Hawaii

Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the South corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 19,423.05 feet South and 12,695.20 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|-------------|--|
| 1. | 135° 00' | 475.00 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 225° 00' | 360.00 feet | along same; |
| 3. | 315° 00' | 475.00 feet | along same; |
| 4. | 45° 00' | 360.00 feet | along same to the point of beginning and containing a GROSS AREA of 3.926 acres, and a NET AREA of 3.857 acres, after excepting and excluding HECO Substation Lot, containing a total area of 0.069 acres. |

Exclusion:

HECO Substation Lot

Beginning at the South corner of this lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 19,391.80 feet South and 12,680.14 feet West, thence running by azimuths measured clockwise from true South:

:

- | | | | |
|----|----------|------------|--|
| 1. | 134° 58' | 55.00 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 224° 58' | 55.00 feet | along same; |
| 3. | 314° 58' | 55.00 feet | along same; |
| 4. | 44° 58' | 55.00 feet | along same to the point of beginning and containing an area of 3,025 square feet or 0.069 acres. |

Also subject, however, to any other Easements that may affect this Hawaiian Cement Lot.

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.

George S. Yoshimura

Licensed Professional Land Surveyor
Certificate No. 2927 Exp. 4/30/26

**EASEMENT 70000
(For Rail Purposes)**

**BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR**

Situated at Honouliuli, Ewa, Oahu, Hawaii
Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the South corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,912.95 feet South and 13,425.33 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|-------------|--|
| 1. | 135° 00' | 2.00 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 225° 00' | 790.66 feet | along same; |
| 3. | 135° 00' | 0.25 feet | along same; |
| 4. | 225° 00' | 6.00 feet | along same; |
| 5. | 315° 00' | 3.00 feet | along same; |
| 6. | 45° 00' | 6.00 feet | along same; |
| 7. | 135° 00' | 0.75 feet | along same; |
| 8. | 45° 00' | 790.66 feet | along same to the point of beginning and containing a area of 1,599 square feet. |

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.

George S. Yoshimura

Licensed Professional Land Surveyor
Certificate No. 2927 Exp. 4/30/26

**EASEMENT 70001
(For Rail Purposes)**

**BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR**

Situated at Honouliuli, Ewa, Oahu, Hawaii

Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the South corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,947.57 feet South and 13,390.69 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|-------------|--|
| 1. | 135° 00' | 2.00 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 225° 00' | 790.66 feet | along same; |
| 3. | 135° 00' | 0.25 feet | along same; |
| 4. | 225° 00' | 6.00 feet | along same; |
| 5. | 315° 00' | 3.00 feet | along same; |
| 6. | 45° 00' | 6.00 feet | along same; |
| 7. | 135° 00' | 0.75 feet | along same; |
| 8. | 45° 00' | 790.66 feet | along same to the point of beginning and containing a area of 1,599 square feet. |

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.

George S. Yoshimura

 Licensed Professional Land Surveyor
 Certificate No. 2927 Exp. 4/30/26

**EASEMENT 70002
(For Pipeline Purposes)**

**BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR**

Situated at Honouliuli, Ewa, Oahu, Hawaii
Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the South corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,949.12 feet South and 13,378.94 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|-------------|--|
| 1. | 135° 00' | 4.25 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 225° 00' | 48.50 feet | along same; |
| 3. | 135° 00' | 2.75 feet | along same; |
| 4. | 225° 00' | 10.00 feet | along same; |
| 5. | 315° 00' | 2.75 feet | along same; |
| 6. | 225° 00' | 734.00 feet | along same; |
| 7. | 315° 00' | 6.50 feet | along same; |
| 8. | 45° 00' | 572.50 feet | along same; |
| 9. | 315° 00' | 4.50 feet | along same; |

- | | | | |
|-----|----------|-------------|--|
| 10. | 45° 00' | 159.00 feet | along same; |
| 11. | 135° 00' | 6.75 feet | along same; |
| 12. | 45° 00' | 61.00 feet | along same to the point of beginning and containing a area of 5,757 square feet. |

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.



Licensed Professional Land Surveyor
Certificate No. 2927 Exp. 4/30/26

**EASEMENT 70003
(For Electrical Purposes)**

**BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR**

Situated at Honouliuli, Ewa, Oahu, Hawaii
Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the East corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,890.12 feet South and 13,310.40 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|-------------|--|
| 1. | 225° 00' | 5.69 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 286° 24' | 101.24 feet | along same; |
| 3. | 315° 00' | 10.45 feet | along same; |
| 4. | 106° 24' | 113.14 feet | along same to the point of beginning and containing a area of 536 square feet. |

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.

George S. Yoshimura
 Licensed Professional Land Surveyor
 Certificate No. 2927 Exp. 4/30/26

**EASEMENT 70004
(For Pipeline Purposes)**

**BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR**

Situated at Honouliuli, Ewa, Oahu, Hawaii
Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the Northwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,851.82 feet South and 13,272.11 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|-------------|--|
| 1. | 225° 00' | 6.00 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 315° 00' | 519.93 feet | along same; |
| 3. | 225° 00' | 9.00 feet | along same; |
| 4. | 315° 00' | 28.00 feet | along same; |
| 5. | 45° 00' | 15.00 feet | along same; |
| 6. | 135° 00' | 547.93 feet | along same to the point of beginning and containing a area of 3,540 square feet. |

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.


Licensed Professional Land Surveyor
Certificate No. 2927 Exp. 4/30/26

CEMENT OFF-LOADER LEASE AREA
BEING PORTION OF LOT 9540, LAND COURT APPLICATION 1069,
AS SHOWN ON MAP 710,
PORTION OF PIER 7, KALAELOA BARBERS POINT HARBOR

Situated at Honouliuli, Ewa, Oahu, Hawaii

Tax Map Key: (1ST Div.) 9-1-014: POR. OF 024

Beginning at the East corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,463.89 feet South and 12,899.76 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|------------|--|
| 1. | 45° 00' | 62.00 feet | along remainder of Lot 9540, Land Court Application 1069, Map 710; |
| 2. | 135° 00' | 61.00 feet | along same; |
| 3. | 225° 00' | 62.00 feet | along same; |
| 4. | 315° 00' | 61.00 feet | along same to the point of beginning and containing an area of 3,782 square feet or 0.087 acres. |

Also subject, however, to any other Easements that may affect this Cement Off-loader lease area.

615 Piikoi Street
Honolulu, Hawaii,
January 08, 2025



CONTROLPOINT SURVEYING, INC.

George S. Yoshimura

Licensed Professional Land Surveyor
Certificate No. 2927 Exp. 4/30/26