



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

June 26, 2025

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

OAHU

Request for authorization to issue a Perpetual, Non-exclusive Grant of Easement, and a Lease by direct negotiation to Hawaiian Electric Company, Inc., for an existing electrical substation and utility lines to service Kalaeloa Barbers Point Harbor (KBPH), situated at Pier 7, island of Oahu, Tax Map Key (TMK) No. (1) 9-1-014:024 (Portion), Governor's Executive Order (GEO) No. 3383.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS), Sections 171-6, 171-7, 171-11, 171-13, 171-17, 171-35, 171-36, 171-55, and 171-95, as amended.

APPLICANT:

Hawaiian Electric Company, Inc. (Applicant), is a domestic profit corporation whose mailing address is P.O. Box 2750, Honolulu, Hawaii, 96840.

CHARACTER OF USE:

To allow Applicant and its permitted agents; assignees, contractors, sub-contractors and agents, the right to enter upon and take possession of the premises to: a) construct, reconstruct, operate, maintain, repair, replace, and remove overhead and/or underground wire lines, and manholes and such appliances and equipment as may be necessary for the transmission and distribution of electricity and/or communication, including all service lines emanating from the main trunk line, to be used for light and power and/or communications and control circuits, including without limiting the generality of the foregoing; b) easements for overhead and subsurface lines; c) to allow applicant and its permitted agents the right to enter upon and take possession of the premises to construct, reconstruct, operate, maintain, repair, replace, and remove an electric substation facility, and; d) together with, the right to enter upon the areas for the above-mentioned purposes and maintenance thereof, and also, the right of ingress, egress, and regress over all the Hawaii Department of Transportation's (HDOT) roads leading to the areas.

LOCATION:

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

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 Exhibit A

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

TERM AND CONSIDERATION:

Perpetual, Non-Exclusive Utility Easements, gratis.

General Lease, 65-year term issued by direct negotiation with rental determined by independent appraisal – pursuant to HRS, Section 171-17. Rental is only effective if and when a non-harbor electricity load materializes.

LAND TITLE STATUS:

Under the control and management of the HDOT, through issuance of GEO No. 3383.

TRUST LAND STATUS:

Public Land Trust Information System lists status as multiple.

CURRENT USE STATUS:

The area is being transferred from the HDOT to the Applicant to maintain.

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 3, Part 1: Modification of existing facilities or installation of new equipment.”

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 3, Part 1:

- No. 13. “Modify utility systems including electrical (e.g., convert overhead lines to underground lines), gas, water, sewer, communications, and other services to serve structures, buildings, or facilities. Extend utility service connection to new or modified assts. Exterior lighting modifications will comply with HRS, Section 201-8.5, Night Sky Protection Strategy.”

REMARKS:

When Hawaiian Cement (HC) built its facility at KBPH in the early 1990’s, electrical utilities were not available on site. The substation and non-exclusive subsurface electrical easement were constructed by HC to deliver electricity to their parcel and intended to be a dedicated substation for its use. Over time, additional tenants have moved into the nearby area and use the substation for energy needs.

Additionally, the HDOT requests approval that the effective date of Lease rent for the substation premises be the first day of the month after the Applicant issues its first utility bill to the requestor of the utility service, that is not a harbor user or a harbor tenant. The consideration of the Lease will remain gratis until an additional non-harbor load materializes.

As a public utility, the Applicant requires timely information of its rents to be included in any rate case before the Hawaii Public Utilities Commission. In lieu of rental reopening periods, the Applicant and the HDOT will agree to negotiate a 65-year Lease with fixed percentage step-ups of 3 percent a year, or 15 percent times the current rent effective the 6<sup>th</sup> year, 11<sup>th</sup> year, 16<sup>th</sup> year, 21<sup>st</sup> year, and 26<sup>th</sup> year. The rent reopening period is to occur during the 30<sup>th</sup> year and 50<sup>th</sup> year established, pursuant to HRS, Section 171-17(d), as amended. Fixed rent shall be fixed percentage step-ups of 3 percent a year, or 15 percent times the current rent effective the 36<sup>th</sup> year, 41<sup>st</sup> year, and 46<sup>th</sup> year. The rental reopening period is to occur during the 50<sup>th</sup> year established, pursuant to HRS, Section 171-17(d), as amended. Fixed rent shall be a fixed percentage step-up of 3 percent a year, or 15 percent times the current rent effective the 56<sup>th</sup> year and 61<sup>st</sup> year.

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RECOMMENDATION:

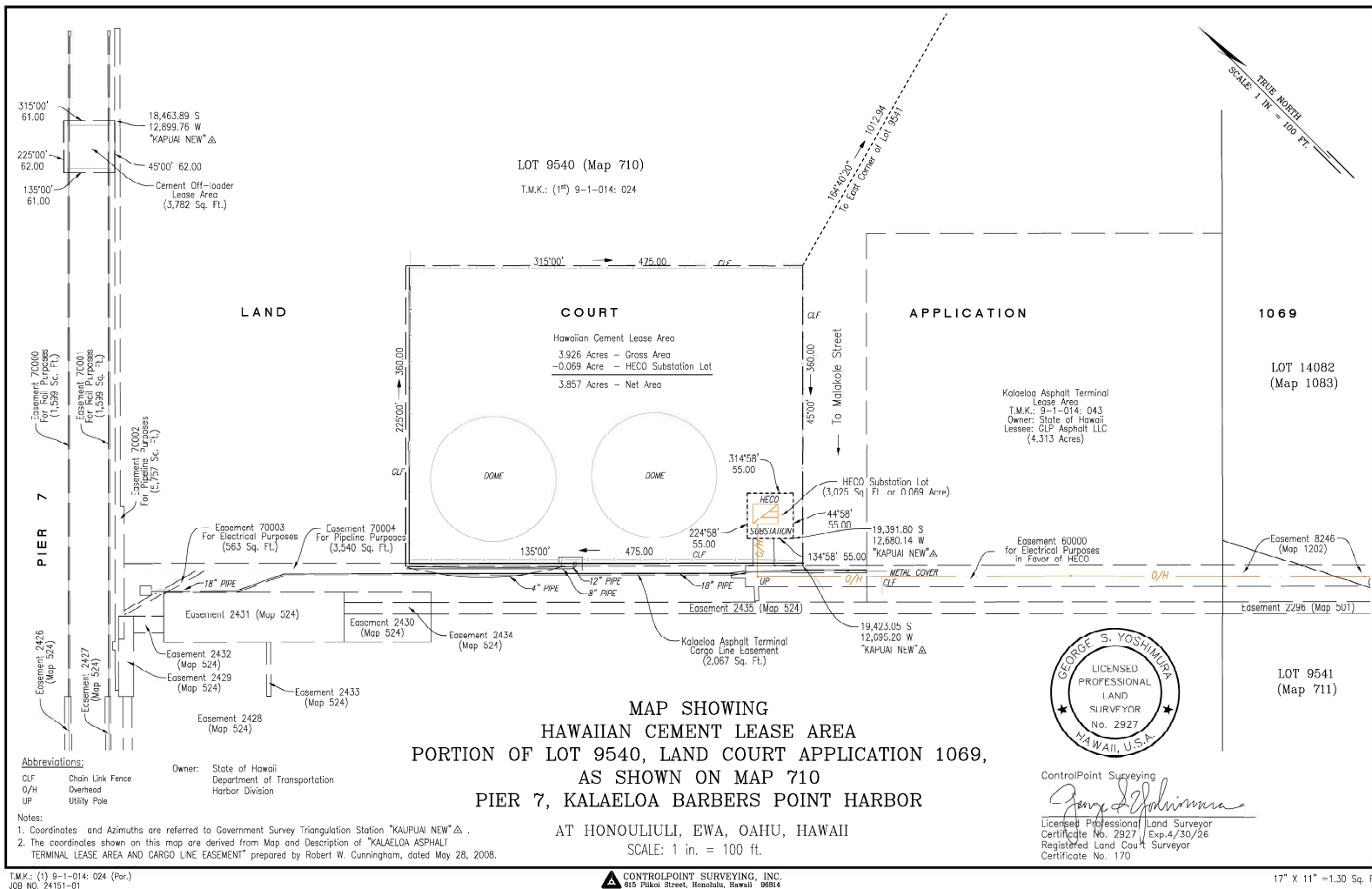
Based on this submittal, testimony and facts presented, the HDOT recommends authorizing the issuance of a perpetual, non-exclusive grant of easement and Lease by direct negotiation for the purposes cited above, subject to the terms and conditions outlined above and incorporated herein by reference, and 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,

A handwritten signature in black ink, reading "Dreanalee Kalili". The signature is written in a cursive, flowing style.

DREANALEE K. KALILI  
Deputy Director of Transportation for Harbors

Enclosure



T.M.K.: (1) 9-1-014: 024 (Por.)  
JOB NO. 24151-01

**CONTROLPOINT SURVEYING, INC.**  
615 Pilihi Street, Honolulu, Hawaii 96814

17" X 11" = 1.30 Sq. Ft.