

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII | KA MOKUPŪNAHANA 'O HAWAII'
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
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IN REPLY REFER TO:

February 12, 2026

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

LANAI

Request for Authorization to issue a 10-Year Non-exclusive License to Young Brothers, LLC, to install, operate, and maintain a Hydraulic Line Tensioning System (HLTS), situated at Kaunalapau Harbor, island of Lanai, Tax Map Key (TMK) No. (2) 4-9-002:001 (Portion), Governor's Executive Order (GEO) No. 3960.

LEGAL REFERENCE:

Hawaii Revised Statutes, Sections 171-6, 171-11, 171-13, 171-17, 171-54, and 171-95, as amended.

APPLICANT:

Young Brothers, LLC (Applicant), is a limited-liability corporation whose mailing address is 1331 North Nimitz Highway, Honolulu, Hawaii 96817.

CHARACTER OF USE:

To install, operate, and maintain a HLTS through a pilot project to replace a 50-ton mobile crane and counterweight system located at Kaunalapau Harbor, island of Lanai.

LOCATION:

Portion of Governmental lands at Kaunalapau Harbor, island of Lanai, TMK No. (2) 4-9-002:001 (Portion), as shown on the enclosed map labeled Exhibit A.

ZONING:

State Land Use Commission:
County of Maui:

Agriculture, Conservation, Rural, Urban
M-2, Heavy Industrial

AREA: See enclosed Exhibit A

AREA	DESCRIPTION	TYPE	SQ. FT.
1	Shore Tension System	Paved-Improved Land	5,400

TERM:

Unless sooner terminated by HDOT, the term of the License Agreement shall be for the expected economic life of the HLTS, or 10 years, whichever is sooner.

The term may be extended by mutual agreement if the HLTS is determined to have remaining economic life, based on an evaluation by a Certified Public Accountant and/or a licensed engineer with a valid, unexpired license at the time of evaluation. The total license period shall not exceed 20 years, pursuant to HRS, Section 171-54.

CONSIDERATION:

In exchange for the Applicant installing and testing the HLTS in lieu of the STATE, and in consideration for the use of State lands, the use of the pier at Kaumalapau Harbor for purposes of the HLTS shall be gratis. The Applicant shall be responsible for the maintenance of the HLTS at its sole cost and expense throughout the entire term of the License Agreement.

TRUST LAND STATUS:

Subsection 5(b) of the Hawaii Admission Act, ceded.

CURRENT USE STATUS:

The Applicant currently occupies the premises for the operation and maintenance of the HLTS for the loading and unloading of cargo at Kaumalapau Harbor.

LAND TITLE STATUS:

GEO No. 3960 for Kaumalapau Harbor, to be under the control and management of the Hawaii Department of Transportation (HDOT) for commercial maritime, marine, and associated purposes.

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 2: Replacement or reconstruction of existing structures and facilities where the new structure will be located, generally on the same site, and will have

substantially the same purpose, capacity, density, height and dimensions as the structure replace.”

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, 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 2, Part 1:

- No. B.1: “B. Occur within the existing disturbed HDOT property boundary and HDOT rights-of-way. 1. Replace, remove, reconstruct, or minor expansion of existing outdoor deteriorated and/or damaged structures or facilities to their original/better condition, including but not limited to existing: airfield pavements, runways and taxiways, aprons and hardstands, pier decks, cargo yard pavements, base yards, parking areas, storage areas and roadway pavements for the continued function of the facility.

Exemption Type 8, Part 1:

- No. 8f. “Execute and administer rights-of-entry agreements, use and occupancy contracts.”

APPLICANT REQUIREMENTS:

1. The Applicant shall re-certify the HLTS every four years. Upon re-certification, the Applicant shall provide the HDOT with proof of re-certification of the HLTS to verify, attest, and affirm that the HLTS is in good working order. Such documentation shall be provided to the HDOT within 30 days after receipt of the HLTS re-certification.
2. Upon execution of the License Agreement, the Applicant shall deposit with the HDOT the sum of ten thousand dollars (\$10,000.00) as an Equipment Removal Deposit to ensure the proper removal of the HLTS upon expiration or termination of the Agreement. If, upon expiration or termination of the Agreement, the Applicant has not removed the HLTS within 30 days, the HDOT may, without prior notice to the Applicant, use the Equipment Removal Deposit to cover any costs incurred for the removal of the HLTS and for the replacement and/or procurement of a new HLTS. The annual Equipment Removal Deposit shall follow the schedule below:

Cost of Removal	\$ 100,000.00	Year
10 Years with	\$ 10,000.00	1
Inflation Factor (3 percent)	\$ 10,300.00	2
	\$ 10,610.00	3
	\$ 10,928.00	4
	\$ 11,255.00	5
	\$ 11,593.00	6

	\$ 11,940.00	7
	\$ 12,299.00	8
	\$ 12,668.00	9
	\$ 13,048.00	10
Total	\$ 114,641.00	

REMARKS:

The Applicant is an inter-island freight handling and transportation company that provides shipping services to the Neighbor Islands, including service to Kaumalapau Harbor, island of Lanai. The Applicant has encountered frequent ocean surges within Kaumalapau Harbor, which make it difficult to properly stabilize barges moored to the existing pier bollards. Previously, the Applicant utilized a crane to lower counterweights into the water, attached by cables to the barges; however, this practice is not ideal due to operational and safety concerns. As a result, the Applicant constructed pier improvements that allow for the installation of a HLTS, thereby improving the safety of the mooring of all barges for dock workers and barge operators and helping to ensure consistent supply of goods to the residents of Lanai.

RECOMMENDATION:

Based on this submittal, testimony and facts presented, the HDOT recommends the issuance of a ten (10) year License 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

Enclosure

EXHIBIT A

