

JAN 22 2007

A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR THE RELOCATION OF HONOLULU MARINE,
INC., DBA KEWALO SHIPYARD.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Honolulu Marine, Inc., dba Kewalo Shipyard,
2 currently operates a commercial marine railway/ship repair
3 facility at 123 Ahui street, a 103,597 square-foot waterfront
4 panel on the Ewa boundary of Kewalo basin. The land under the
5 Honolulu Marine, Inc.'s shipyard facility is owned by the State
6 of Hawaii and leased to Honolulu Marine, Inc. pursuant to Harbor
7 Lease No. H-86-23. The term of Honolulu Marine, Inc.'s lease is
8 for thirty-five years and expires in 2021. The Honolulu Marine,
9 Inc.'s lease is managed by the Hawaii community development
10 authority.

11 Honolulu Marine, Inc. has been working closely with the
12 Hawaii community development authority and the department of
13 transportation, harbors division in an effort to identify an
14 alternate site for Honolulu Marine, Inc. They examined multiple
15 properties. Honolulu Marine, Inc. has identified and inspected
16 a parcel under the management of the department of land and
17 natural resources located adjacent to the Keehi small boat



1 harbor, 24 Sand Island access road (Keehi marine center). The
2 unimproved dirt lot, which covers 50,400 square-feet, is
3 currently used as a base yard for a nearby construction project
4 pursuant to a month-to-month tenancy. Although this parcel is
5 only one-third the size of Honolulu Marine, Inc.'s current
6 facility, if the necessary improvements and submerged lands
7 lease are granted, it is the best option available given the
8 Hawaii community development authority's need to have Honolulu
9 Marine, Inc. vacate its current facility as soon as possible.

10 Governor Lingle tasked the Hawaii community development
11 authority with redeveloping the Kakaako business district, which
12 includes the parcel occupied by Honolulu Marine, Inc. The
13 Hawaii community development authority advised Honolulu Marine,
14 Inc. that it must vacate the premises as soon as possible.
15 Honolulu Marine, Inc.'s ability to vacate will have a tremendous
16 financial impact on its daily and overall business operations.
17 Honolulu Marine, Inc. does not have the financial ability to
18 build another facility.

19 Honolulu Marine, Inc. was provided a place at the Keehi
20 small boat harbor under Senate Concurrent Resolution No. 134 and
21 House Concurrent Resolution No. 173 in the 2006 session of the



1 Hawaii state legislature. However, this location has no
2 infrastructure.

3 The purpose of this Act is to make an appropriation of
4 \$4,000,000, to assist Honolulu Marine, Inc., dba Kewalo
5 Shipyard, in relocating to Keehi lagoon.

6 SECTION 2. There is appropriated out of the general
7 revenues of the State of Hawaii, the sum of \$4,000,000, for
8 fiscal year 2007-2008, or so much thereof as may be necessary
9 for the purpose of assisting in the relocation of Honolulu
10 Marine, Inc., dba Kewalo Shipyard, from the waterfront parcel on
11 the Ewa boundary of Kewalo basin to the Keehi port
12 infrastructure; provided that the funding shall be used to:

- 13 (1) Install port security infrastructure around the entire
14 boundary;
- 15 (2) Grade and level the property; and
- 16 (3) Construct
- 17 (A) A 135 foot by 25 foot finger pier,
- 18 (B) Sea retaining walls, and
- 19 (e) Bulk heads.

20 The sum appropriated shall be expended by the department of
21 transportation for the purposes of this Act.



1 SECTION 3. This Act shall take effect on July 1, 2007.

2

INTRODUCED BY:

Gay L. Hawn (BR)



Report Title:

Relocation of Honolulu Marine, Inc.; Appropriation

Description:

Makes an appropriation of \$4,000,000 for the relocation of Honolulu Marine, Inc., dba Kewalo Shipyard.

