

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 23, 2025

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

GLS-4310

Hawaii

Authorize a One-Year Holdover of General Lease No. S-4310, Alumside Products, Inc., Lessee, Hilo Industrial Development, Pohaku Street Section, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-058:031.

APPLICANT:

Alumside Products, Inc., lessee, a Hawaii for-profit corporation.

LEGAL REFERENCE:

Sections 171-40, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Hilo Industrial Development, Pohaku Street Section situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-058:031, as shown on the attached map labeled Exhibit A.

AREA:

20,000 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: MG-1a (General Industrial – 1 acre min.)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to General Exemption Type 1 that states, "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing," and Part 1, Item 40 that states, "Leases of State land involving negligible or no expansion of change of use beyond that previously existing," The proposed holdover of the existing lease of land with existing improvements constitutes a de minimis action that will probably have minimal or no significant effect on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR.

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES
Applicant in good standing confirmed:	YES

CURRENT USE STATUS:

Encumbered by General Lease No. S-4310, Alumside Products, Inc., for industrial purposes.

CURRENT LEASE TERM AND ANNUAL RENT:

Original term of 40 years, commencing on June 30, 1970 and expiring June 29, 2025. In 2010 a 15-year extension was granted extending the expiration date to June 29, 2025. A reopening appraisal performed as of July 1, 2020 set the annual rent for the period July 1, 2020 through June 29, 2025 at \$20,520.00 payable in four quarterly installments due on the 30th day of March, June, September and December.

HOLDOVER LEASE COMMENCEMENT DATE AND TERM:

June 30, 2025 for a term of one-year, expiring June 29, 2026.

HOLDOVER LEASE ANNUAL RENT:

Continuation of the current annual rental amount and payment terms.

PERFORMANCE BOND:

Continuation of the current bond amount, which is twice the annual rent.

BACKGROUND:

General Lease No. S-4310 (GLS-4310) was sold at public auction on June 30, 1970 to Big Island Builders, Inc. for a period of 40 years.

At its meeting of December 12, 1975, agenda item F-1, the Board approved an assignment of lease from Big Island Builders, Inc. to Isamu Hokama and Tsuyako Hokama.

At its meeting of July 9, 1976, agenda item F-1-e, the Board approved an assignment of lease from Isamu Hokama and Tsuyako Hokama to their corporate successor, Alumside Products, Inc.

At its meeting of January 8, 2010, agenda item D-8, the Board approved a 15-year extension of the lease which extended the lease expiration date to June 29, 2025. The extension was to allow amortization of costs associated with substantial improvements made to the property. Those improvements included: repaving and striping of parking lot, roll-up door replacement and painting of exterior of building at a cost of \$53,748.42.

REMARKS:

GLS-4310 is set to expire on June 29, 2025. The lessee has decided to shutdown its business and retire. The closing of the business has been advertised in the local newspaper as May 30, 2025. However, this is a manufacturing business and will require several months to remove all the equipment from the premises.

Therefore, the lessee is requesting a one-year holdover of the lease with the option for mutual cancellation before the expiration of the one-year if the lessee has vacated the premises and complied with all terms and conditions of the lease. The lease surrender clause is as follows:

“That the Lessee shall and will at the expiration or sooner termination of this lease, peaceably and quietly surrender and deliver possession of the demised premises to the Lessor, together with all buildings and improvements of whatever name or nature, now on or hereafter erected or placed upon the same, in good order and condition, reasonable wear and tear excepted.”

In accordance with the above, upon expiration/mutual cancellation of the holdover, the ownership of the existing improvements will pass to the State.

A pre-exit inspection was performed on 3/12/2025 (attached as Exhibit B) which shows the property is in very good condition and has been maintained well over the years.

The lessee is in compliance with all terms and conditions of the lease. Real property taxes are current.

It is to be noted that the existing parcel is 20,000 square feet and the current zoning requires a minimum one acre (43,560 square feet) lot size. The boundaries of the subject parcel were determined prior to the current County of Hawaii zoning and are accepted as a non-conforming size by the County.

RECOMMENDATION:

That the Board:

1. Declare that, after considering the potential effects of the proposed dispositions as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment as a de minimis activity.
2. Authorize a One-Year holdover for General Lease No. S-4310, Alumside Products, Inc., Lessee, for the period of June 30, 2025 to June 29, 2026, under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current holdover of lease form, as may be amended from time to time;
 - b. Option for mutual cancellation without penalty prior to the expiration of the one-year holdover if the lessee has vacated the premises and

complied with all the terms and conditions of the lease;

- c. Review and approval by the Department of the Attorney General; and
- d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Candace Martin

Candace Martin
Acting District Land Agent

APPROVED FOR SUBMITTAL:



Dawn N.S. Chang, Chairperson

EXHIBIT A



PRE-EXIT INSPECTION REPORT
Commercial/Industrial/Resort/Other Business**General Information**Document Number: GLS 4310 or RPS _____ Character of Use IndustrialInspection Date: 03/12/2025 Inspection Time: 9:00am Land Agent: Candace Martin *CRM***TENANT INFORMATION**Name: Alumside Products, Inc. Home Phone: N/AAddress: 20 Kukila Street Business Phone: (808) 935-5485Hilo, Hawaii 96720 Fax: N/AContact Person: Conrad Hokama Contact Phone: (808) 935-5485**SITE INFORMATION**TMK: (3) 2-2-058:031 Area: 20,000 square feetSite Address: 20 Kukila Street, Hilo, HI 96720**FISCAL INFORMATION**

ITEM	N/A	CURRENT= COMPLIANCE	DEFAULT = NON-COMPLIANCE	COMMENTS
Rent		X		
Liability Insurance		X		
Fire Insurance		X		
Bond		X		
Property Taxes		X		

FIELD INSPECTION RESULTS (refer to Field Inspection Worksheet)

ITEM	N/A	COMPLIANCE	NONCOMPLIANCE	COMMENTS
Subleases	X			
Improvements		X		
Premises		X		
Character of Use		X		

Field Inspection Worksheet
Commercial/Industrial/Resort/Other Business

File Review

LICENSES/PERMITS/CONSENTS

ITEM	DLNR Approval Docs in File			COMMENTS/NOTES/LISTS
	N/A	YES	NO	
Subletting	X			No sublease approvals
Improvement Construction Buildings		X		Original building of 4,950sf was built in 1973. A 4,000sf addition to the building was completed in 1985. All permits were obtained and approved.
Improvement Construction Other structures/misc.		X		A drywell was installed in 2010 as part of the improvements for a 15-year extension. Drywell has been well maintained and in good condition.

Field Inspection

ITEM	SATISFACTORY?			COMMENTS/NOTES
	N/A	YES	NO	
SUBLEASES				No subleases on premises.
Consents approved	X			
Use adheres to lease purpose	X			
IMPROVEMENTS				Roof & gutters replaced in 2004. Exterior painted 2010. Roll-up Doors – 1 replaced in 2007 and 2 replaced in 2010.
<u>Buildings/Residences:</u> roof		X		
paint		X		
exterior		X		
interior		X		
<u>Structures:</u> Driveway/Parking area		X		Driveway in good repair. Parking area and warehouse entries were repaved in 2010 with 6" thick concrete to withstand the weight of a loaded forklift. Fenceline is shared with neighbor. Drywell is clean and in good repair. Cesspool access in good repair.
walkways		X		
fencelines		X		
others				
PREMISES				No hazardous material storage was seen. All solvents and/or chemical cleaners were of OTC size/volume containers and stored purposefully.
clean, sanitary, orderly appropriate storage/use of hazardous materials		X		
CHARACTER OF USE				
adheres to lease purpose		X		

ITEM	SATISFACTORY?			COMMENTS/NOTES
	N/A	YES	NO	
Other:				
Plumbing				Lessee attests plumbing is original, cast iron pipe and a sewer scope investigation by a plumber indicated it has cracks which indicates close to end of life.
Roof Drainage				On west side of property is a 6" pvc pipe that collects water from half of the roof and half of the neighboring building's roof (also State land). This drain line directs the water out to the street preventing water intrusion into this property.
Electrical				The HELCO electrical service mast is in very poor condition and will need to be replaced.
Warehouse floor				There are large stress cracks in the warehouse concrete floor from loaded forklift use. The cracks do not appear to extend to the building foundation and are not buckling or separating.
Photos are attached.				

Notes:

Building is in very good condition overall. Lessee has maintained it well. Normal wear and tear as to be expected.

The wastewater plumbing is reaching its end of life and should be replaced along with the cesspool to IWS conversion. These should be required items in a new lease.

In this section of the Kanoelehua industrial lots, the properties are stair-stepped down the natural grade of the land where the property on one side is higher in elevation and the property on the other side is lower in elevation. This can result in water drainage problems such as flooding, erosion and seepage through concrete walls. To address the problem, this property and the property above have utilized a shared 6" drainage pipe to collect roof runoff and direct the flow downslope to the lower elevation roadway. This method does not pose drainage problems for other properties in the area and seems to be a good solution.

The electrical service mast is very badly rusted. HELCO will be contacted to determine if the mast needs immediate replacement or if it can wait.

The cracks in the warehouse floor appear to be from heavily loaded forklift traffic. The lessee is a window and screen manufacturer and moves a lot of heavy glass and windows in and out of the warehouse. The cracks are restricted to the area inside one of the entrance bay doors. The floor is level and no buckling or collapsing was noted in or around the cracks. Appears stable and not effecting the structure of the building.

Submitted by Candace Martin 3/15/2025

EXHIBIT B

GLS-4310 ALUMSIDE PRODUCTS, INC. – PRE-EXIT INSPECTION PHOTOS 3/12/2025



FRONT ENTRY TO RETAIL/CUSTOMER SERVICE AREA. FACES KUKILA STREET

FRONT OF BUILDING FROM STEEP DRIVEWAY. RETAIL, CUSTOMER SERVICE AND OFFICE AREAS IN GREEN PORTION. WAREHOUSE AREA BEGINS AT BAY DOOR.



VIEW SHOWING LENGTH OF BUILDING WITH ALL 5 BAY DOORS AND PARKING/LOADING AREA.



VIEW LOOKING FRONT TO BACK
SHOWING PARKING AREA

FIRST THREE BAY DOORS. THE
ADDITION STARTS AT BAY 3. CONCRETE
PARKING AREA IN FOREGROUND



LAST TWO BAY DOORS SHOWING THE
END OF THE ADDITION.

CORRODED ELECTRIC SERVICE MASTHEAD



SHARED ROOF DRAINAGE TO STREET



PROPERTY BOUNDARY BETWEEN PARCELS. DOWNSPOUTS FROM BOTH BUILDINGS TIE INTO THE ONE DRAIN CONDUIT.

NOTE THE HEIGHT DIFFERENCE BETWEEN PROPERTIES. WITHOUT SHARED DRAIN WATER WOULD TEND TO SEEP THROUGH CMU WALL OF SUBJECT DOWNSLOPE PROPERTY.

CAUTION TAPE TO DISCOURAGE OVERNIGHT CAMPERS.





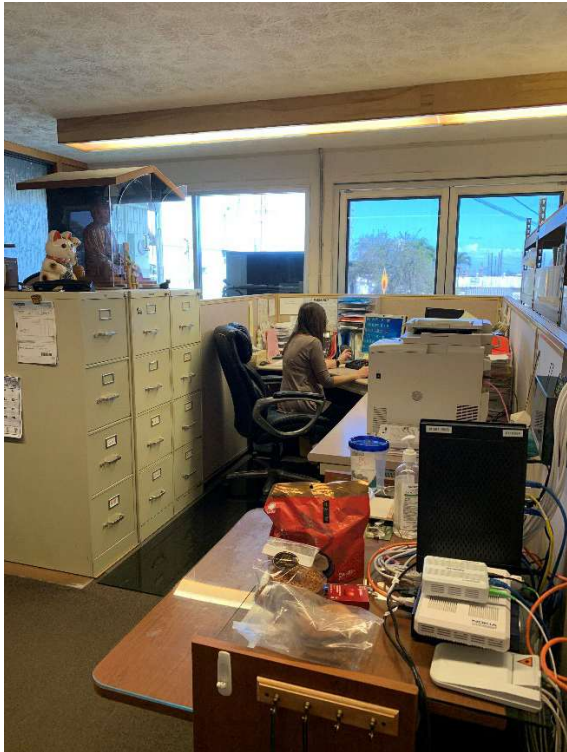
CUSTOMER SERVICE COUNTER



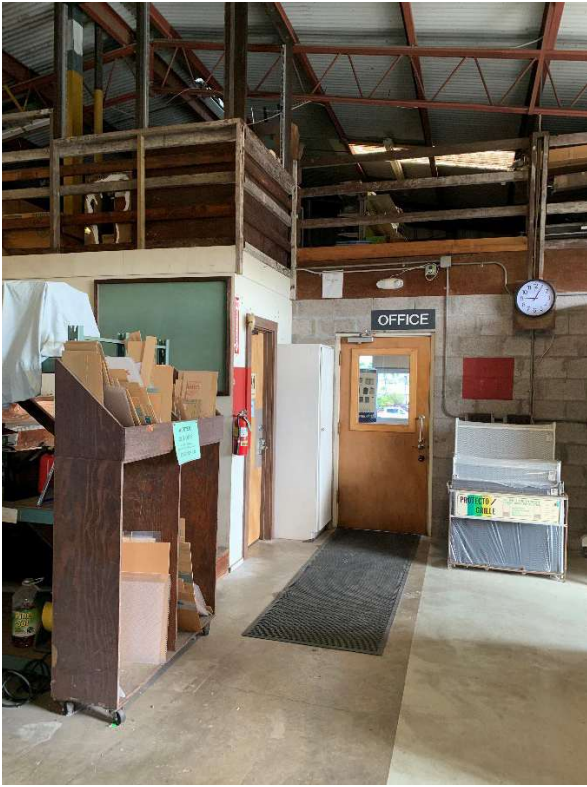
RETAIL/SHOWROOM AREA



OFFICE AREA



OFFICE AREA



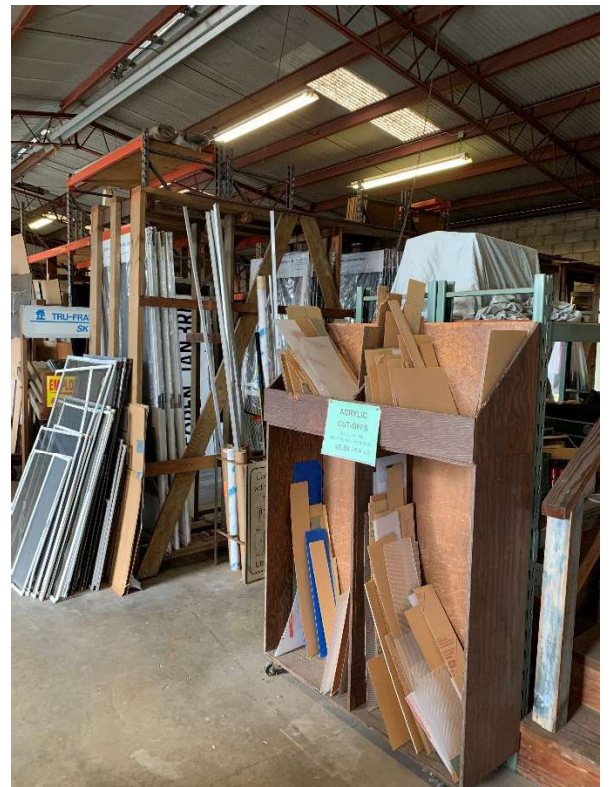
FRONT OF WAREHOUSE WITH MEZZANINE ABOVE



MEZZANINE ACCESS STAIRS



LEFT SIDE FRONT TO REAR VIEW OF ORIGINAL WAREHOUSE



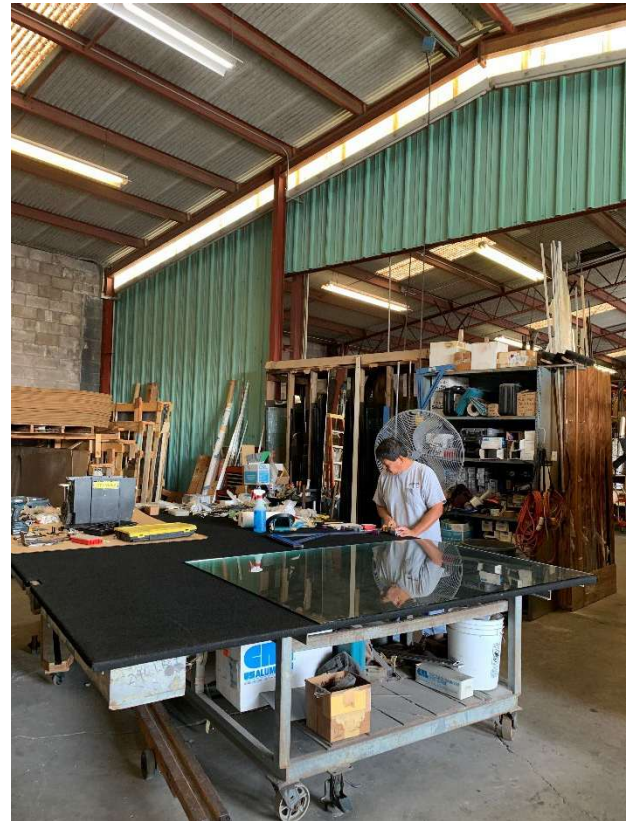
RIGHT SIDE FRONT TO REAR VIEW OF ORIGINAL WAREHOUSE



VIEW OF BACK OF ORIGINAL WAREHOUSE. NOTE STRESS CRACKS IN FLOOR. WALL IN BACKGROUND IS END OF ORIGINAL WAREHOUSE



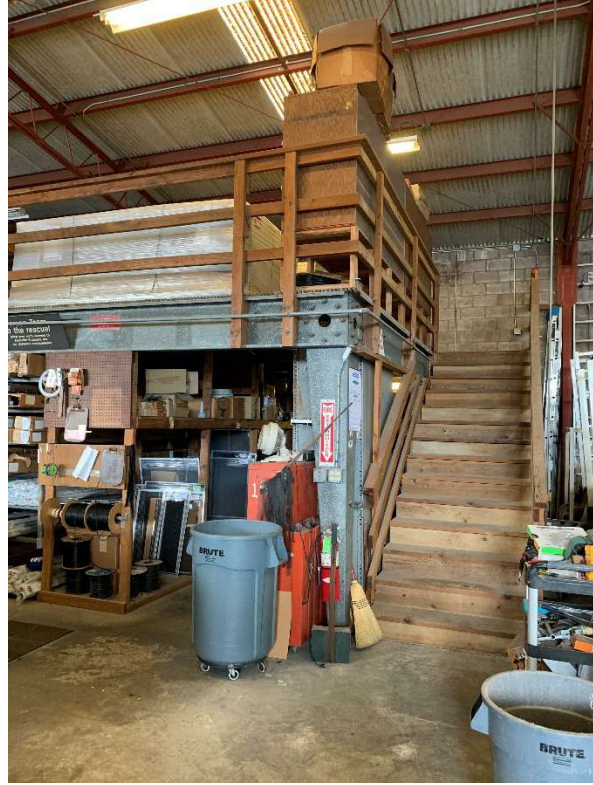
RIGHT REAR CORNER OF ORIGINAL WAREHOUSE



GREEN WALL IS END WALL OF ORIGINAL WAREHOUSE. PICTURE TAKEN FROM ADDITION



FRONT TO REAR VIEW OF ADDITION.
WALL IN BACKGROUND SEPARATES THE
ADDITION INTO TWO SECTIONS



RIGHT SIDE OF ADDITION HAS A
MEZZANINE STRUCTURE



SECOND SECTION OF THE ADDITION
WHICH ALSO HAS A MEZZANINE
STRUCTURE. THE GREEN WALL ON RIGHT
SEPARATES THE TWO SECTIONS OF THE
ADDITION AND THE CMU WALL ON THE
LEFT IN THE END WALL OF THE ADDITION.