

JOSH GREEN, M.D.
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STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
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IN REPLY REFER TO:

August 8, 2024

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

OAHU

Request for Authorization for a one-year holdover for Harbor Lease No. H-89-11 to Aloha Petroleum LLC, for non-exclusive easements for four subsurface eight-inch fuel pipelines for the distribution of petroleum fuels for the people of Hawaii, situated at Kalaeloa Barbers Point Harbor (KBPH), island of Oahu, Tax Map Key Nos. (1) 9-1-014:024 (Portion) and (1) 9-1-014:008 (Portion), Governor's Executive Order No. 3383

LEGAL REFERENCE:

Hawaii Revised Statutes, Sections 171-6, 171-11, 171-13, 171-17, 171-55, and 171-59, as amended.

APPLICANT:

Aloha Petroleum LLC (Applicant) is a foreign limited liability company whose mailing address is 8801 South Yale Avenue, Suite 200, Tulsa, Oklahoma 74137.

CHARACTER OF USE:

The non-exclusive easement areas shall be used solely for the construction, installation, maintenance, use and repair of four subsurface eight-inch fuel pipelines for the distribution of petroleum fuels for the people of Hawaii. No other use shall be permitted, except upon the written approval of the lessor.

LEASE TERM:

Thirty-five years, commenced on October 1, 1989, and expires September 30, 2024.

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ONE YEAR HOLDOVER PERIOD:

October 1, 2024, to September 30, 2025.

LOCATION:

Portion of Government lands at KBPH, island of Oahu, TMK Nos. (1) 9-1-014:024 (Portion) and (1) 9-1-014:008 (Portion), as shown on enclosed Exhibit A.

ZONING:

State Land Use Commission: Urban
City and County of Honolulu: I-3, Waterfront Industrial District
P-2, General Preservation District

AREA: See enclosed Exhibit A

TMK	Description	Sq. Ft.
(1) 9-1-014:024 (P)	Subsurface Pipeline easement	16,691
(1) 9-1-014:008 (P)	Subsurface Pipeline easement	1,499
	Total	18,190

CONSIDERATION:

One-year holdover: annual rental of \$26,867.00, paid in quarterly installments of \$6,716.75.

LAND TITLE STATUS:

Under the control and management of the State of Hawaii, Department of Transportation (HDOT), through issuance of Governor's Executive Order No. 3383.

TRUST LAND STATUS:

Public Land Trust Information System states trust land status for TMK Nos. (1) 9-1-014:024 (Portion) as Multiple and TMK No. (1) 9-1-014:008 (Portion) as Acquired after Statehood.

CURRENT USE STATUS:

The Applicant currently occupies the premises under Harbor Lease No. H-89-11, for non-exclusive easements for four subsurface eight-inch fuel pipelines for the distribution of petroleum fuels. No other use shall be permitted, except upon the written approval of the Lessor.

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. A6.d. “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 U.S. Army Corps of Engineers and U.S. Coast Guard. Structures include but not limited to fuel and other pipelines, hatch frames, manifolds, utilities, manholes, covers and other similar structures.”

Exemption Type 8, Part 1:

- No. 8g. “Creation or extension of leases, revocable permits or easements involving negligible or minor expansion or change of use beyond that previously existing.”

REMARKS:

The Applicant currently occupies the premises under Harbor Lease No. H-89-11, which will expire on September 30, 2024. The Applicant wishes to continue occupancy. The Applicant’s easement area is situated at KBPH for the distribution of petroleum fuels.

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The Applicant is aware of Hawaii's goal to be carbon neutral by 2045. The Applicant looks for opportunities to optimize its related businesses associated with renewable fuels. To mitigate facility emissions, the Applicant consistently identifies and implements operational efficiencies to minimize power and other resource usage. The Applicant also utilizes vapor recovery units for emission control at most sites, which emit a negligible amount of greenhouse gas emissions during operation.

RECOMMENDATION:

Based on this submittal, testimony and facts presented, the HDOT recommends that the Board finds that approving the authorization of a one-year holdover for Harbor Lease No. H-89-11 for the period of October 1, 2024, to September 30, 2025, to the Applicant including its conditions and rent, under the terms and conditions cited above, which are referenced herein and further subject to the following: (1) The standard terms and conditions of the most current holdover of lease form, as it may be amended from time to time; (2) review and approval by the Department of the Attorney General; and (3) 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