

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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

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IN REPLY REFER TO:

September 12, 2024

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

MOLOKAI

Request for Authorization to issue two month-to-month Revocable Permits (RP) to Par Hawaii Refining, LLC, for a fuel tank facility and two non-exclusive subsurface pipeline easements for the distribution of petroleum products, situated at Kaunakakai Harbor, island of Molokai, Tax Map Key (TMK) No. (2) 5-3-001:011 (Portion), Governor's Executive Order No. 1673

LEGAL REFERENCE:

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

APPLICANT:

Par Hawaii Refining, LLC (Applicant) is a domestic limited liability company whose mailing address is 825 Town and Country Lane, Suite 1500, Houston, Texas, 77024.

CHARACTER OF USE:

Use of fuel tank facility and two non-exclusive subsurface easements for the storage and distribution of petroleum products.

LOCATION:

Portion of Government lands at Kaunakakai Harbor, island of Molokai, TMK No. (2) 5-3-001:011 (Portion), as shown on enclosed Exhibit A.

ZONING:

State Land Use Commission: Urban
County of Maui: Interim (Draft)

AREA: See enclosed Exhibit A

AREA	DESCRIPTION	TYPE	SQ. FT.	RATE PER SQ. FT.	MONTHLY RENTAL CHARGE	SECURITY DEPOSIT
1	Fuel Tank Facility	Improved Land-unpaved	18,434	\$ 0.07	\$1,290.38	\$2,580.76
2	Non-exclusive easement for 2 subsurface fuel pipelines for the distribution of petroleum products	Improved Land-paved	6,812	\$ 0.18	\$1,226.16	\$2,452.32

\$ 2,516.54	\$5,033.08
Total Monthly Rental	Total Security Deposit

CONSIDERATION:

Month-to-month rent determined by appraisal as of June 1, 2022, for RPs in Kaunakakai Harbor, Molokai.

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. 1673.

TRUST LAND STATUS:

Subsection 5 (b) of the Hawaiian Admission Act (ceded lands).

CURRENT USE STATUS:

The area is currently occupied by the Applicant. The HDOT has been reviewing all month-to-month RPs to ensure compliance with and applicability to HRS, Sections 171-17 and 171-55.

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. “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:
 - a. Perimeter seawalls, revetments, groins, and other similar protective structures.
 - b. Pier decks, aprons, piles, sheet piles, bulkheads, dolphins, launch ramps, loading docks, substructure elements and other similar structures.
 - c. Bull rails, fender systems, bollards, cleats and other similar mooring features.
 - d. Fuel and other pipelines, hatch frames, manifolds, utilities, manholes, covers and other similar structures.
 - e. Stormwater systems (e.g. culverts, drainage systems, inlets and outfalls), pipes, swales, manholes as other similar structures.
 - f. Navigational aids, range lights and other similar navigational assets.

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.”

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REMARKS:

The Applicant has played an important part in providing for the island's energy needs since 1904 and has the only refinery in the State. Its refinery produces a variety of fuels, including jet fuel, gasoline, diesel, marine fuel, and fuel oil which is used for electric power generation. The Applicant is progressing with its efforts to develop renewable fuels including partnering with local companies to produce sustainable aviation fuel and other renewable fuels in Hawaii. The Applicant is also exploring ways to reduce emissions, sequester more carbon emissions, and produce, refine and distribute renewable energy.

RECOMMENDATION:

Based on this submittal, testimony and facts presented, the HDOT recommends the issuance of two month-to-month RPs 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

Enclosures



AREA	DESCRIPTION	TYPE	DIMENSIONS	SQ. FT.
1	Fuel Tank Facility	Improved Land-unpaved	20,000' - (1,230' + 336')	18,434