

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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

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IN REPLY REFER TO:

January 22, 2026

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 (GEO) 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 a 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:
County of Maui:** **Urban
Interim (Draft)**

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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	\$ 0.08	\$1,474.72	\$2,949.44
2	Non-exclusive easement for two subsurface fuel pipelines for the distribution of petroleum products	Improved Land-paved	6,812	\$ 0.19	\$1,294.28	\$2,588.56
						<u>\$ 2,769.00</u> <u>\$5,538.00</u>
						<u>Total Monthly Rental</u> <u>Total Security Deposit</u>

CONSIDERATION:

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

LAND TITLE STATUS:

Under the control and management of the Hawaii Department of Transportation (HDOT) through issuance of GEO No. 1673.

TRUST LAND STATUS:

Subsection 5(b) of the Hawaii 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.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, RPs or easements involving negligible or minor expansion or change of use beyond that previously existing.”

REMARKS:

The Applicant has supported the State’s energy needs for more than 100 years. It operates the State’s only petroleum refinery and produces a wide range of fuels for consumers and businesses, including jet fuel, ultra-low sulfur diesel, gasoline, marine fuel, and other refined petroleum products. In addition, the Applicant operates several retail brands with numerous locations throughout the islands.

While continuing to provide energy for the State, the Applicant is also in the process of shifting its operational focus toward the transition to renewable energy sources. The Applicant is adapting its refinery units to process biofuels, supporting the State’s energy needs while reducing its overall carbon footprint. In furtherance of this transition, the Applicant is working with companies both within the islands and abroad to produce “drop-in” renewable fuels that are compatible with existing fuel transportation systems and infrastructure. The production of some renewable fuels will support diversification in manufacturing employment and contribute to a more resilient and sustainable energy system for the residents of Hawaii.

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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,

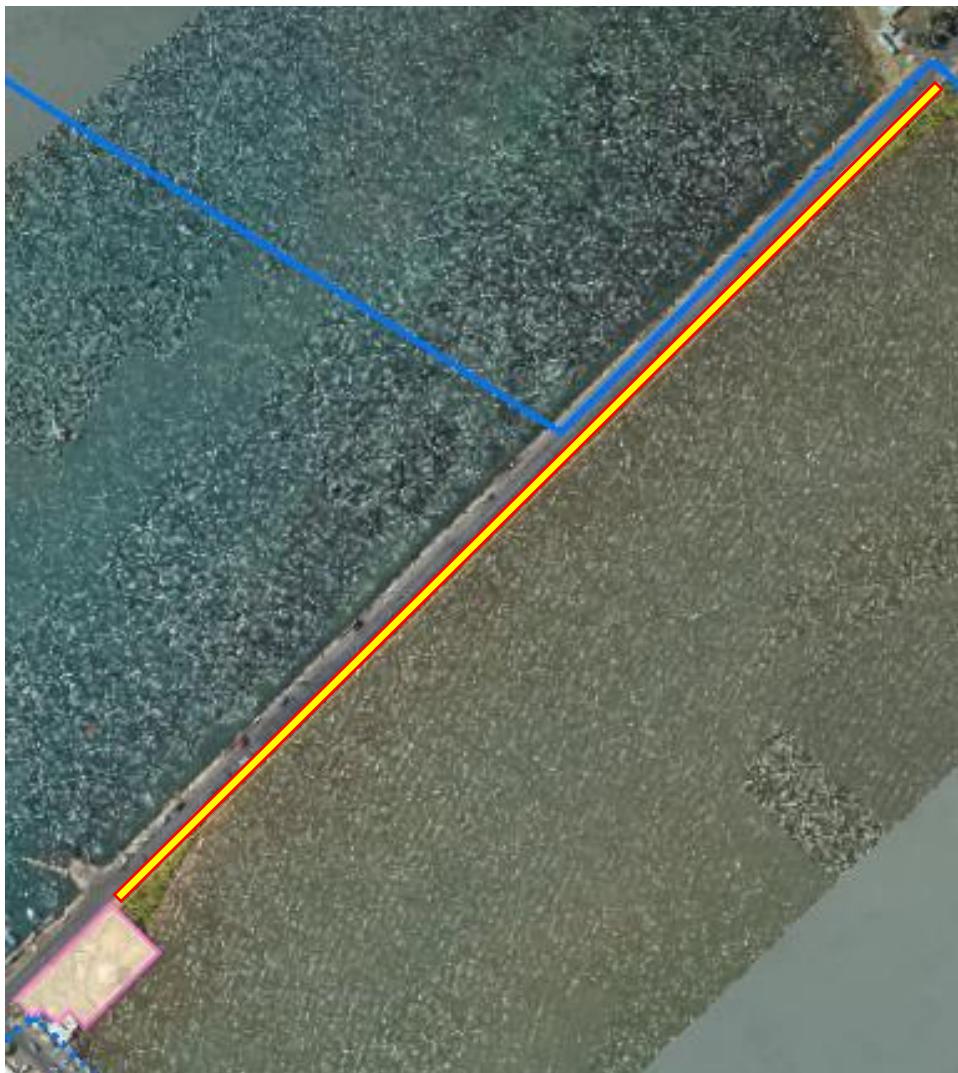


DREANALEE K. KALILI
Deputy Director of Transportation for Harbors

Enclosure



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



AREA	DESCRIPTION	TYPE	DIMENSIONS		SQ. FT.
2	Non-exclusive easement for 2 subsurface fuel pipelines for the distribution of petroleum products	Improved Land- paved			6,812