

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

September 23, 2016

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

OAHU

Issuance of a Right-of Entry and Revocable Permit to Honolulu Seawater Air Conditioning, LLC, for Roadway Access and for Construction and Staging Area Purposes, Sand Island, Honolulu, Oahu, Tax Map Key: (1) 1-5-041:006 (Portion).

APPLICANT:

Honolulu Seawater Air Conditioning, LLC, a domestic limited liability company

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Sand Island, Honolulu, Oahu, identified by Tax Map Key: (1) 1-5-041:006 (portion), as shown on the attached map and aerial photo labeled Exhibit A1 & A2 respectively.

AREA:

Roadway - .550 acres, more or less
Staging - 5.716 acres, more or less.
Total: 6.266 acres, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: P-2(0)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Currently encumbered under GEO 2704, to the Department of Land and Natural Resources, Division of State Parks for the Sand Island State Recreation Area.

CHARACTER OF USE:

Roadway Access and for Construction and Staging Area Purposes.

COMMENCEMENT DATE:

October 1, 2016. ROE would commence along with the issuance and acceptance of a Revocable Permit for construction and staging purposes for a period of twelve (12) months. Commencing from June 1, 2017 to May 31, 2018 or upon completion of the project, whichever happens sooner.

MONTHLY RENTAL:

Gratis . ROE for roadway access.
\$480.00, (HSWAC project) subject to review and approval by the Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Impact Statement was published in the OEQC's Environmental Notice on September 23, 2009.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u>__</u>
Registered business name confirmed:	YES <u>X</u>	NO <u>__</u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u>__</u>

REMARKS:

On June 23, 2011, the Board approved the issuance of a Conservation District Use Permit No. OA-3579 to Honolulu Seawater Air Conditioning LLC., for the Honolulu Seawater Air Conditioning Project on submerged land located makai of Kakaako Waterfront Park, offshore of tax map key (1) 2-1-060 and for temporary use of Channel D of Keehi Lagoon condition upon the terms and conditions of the CDUP. A copy of the CDUA approval letter is attached as Exhibit B.

Subsequently, at its meeting of August 26, 2011, under item D-8, the Board authorized the issuance of a perpetual, non-exclusive easement for seawater air conditioning pipeline purposes on the submerged lands located seaward of Tax Map Key: (1) 1-5-041:006.

Honolulu Seawater Air Conditioning LLC proposes to construct a seawater-based District Cooling System to provide chilled water service to customers in the downtown Honolulu District. The system would consist of (1) a 63-inch diameter seawater intake pipe extending approximately 25,000 feet offshore from Kakaako to a depth of 1,755 feet, (2) a 54-inch seawater return pipe extending approximately 5,225 feet offshore from Kaakako to a depth of 423 feet; (3) a pump station containing pumps, heat exchangers and auxiliary chillers in the Makai District of the Kakaako Community Development District; and a(4) a network of chilled water distribution pipes from the pump station to customer buildings in the downtown area. A staging area for the seawater pipe assembly is proposed for an area along the western shore of Sand Island and in the adjoining channel in Keehi Lagoon.

Applicant has obtained a Special Use Permit from the Division of State Parks over a portion of the adjacent Sand Island State Recreation Area for the construction of the pipelines. When segments of the pipelines are completed, they would be stored in the water pending completion of all segments.

Land Division staff is presently working with the applicant on the issuance of an easement for this phase of the project.

In conjunction with this project, Honolulu Seawater Air Conditioning LLC., is requesting from the Division of State Parks for a right of entry permit for roadway access purposes and revocable permit for construction and staging purposes on the adjacent Sand Island State Recreation Area identified as portion parcel 06 of Tax Map Key: (1) 1-5-041, as shown on attached map labeled as Exhibit A1 and A2.

The anticipated duration of the permit is for a period of (12) twelve months from June 1, 2017 to May 31, 2018. For financing purposes, the applicant requests the revocable permit for the subject area now.

The subject area was covered in the Final Environmental Impact Statement, and comments from other agencies have been addressed and responded accordingly.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

There are no other pertinent issues or concerns. Staff has no objection to the request.

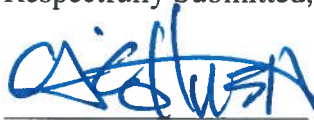
RECOMMENDATION: That the Board:

1. Authorize the issuance of a right-of- entry permit to Honolulu Seawater Air Conditioning, LLC, for roadway and access purposes covering the subject area 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 right-of-entry permit form, as may be amended from time to time;
 - b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State
2. Authorize the issuance of a revocable permit to Honolulu Seawater Air Conditioning, LLC, covering the subject area for construction and staging area purposes 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 revocable permit form, as may be amended from time to time;
 - b. Conditions of Conservation District Use Permit (OA-3579) as provided in Exhibit B;
 - 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,

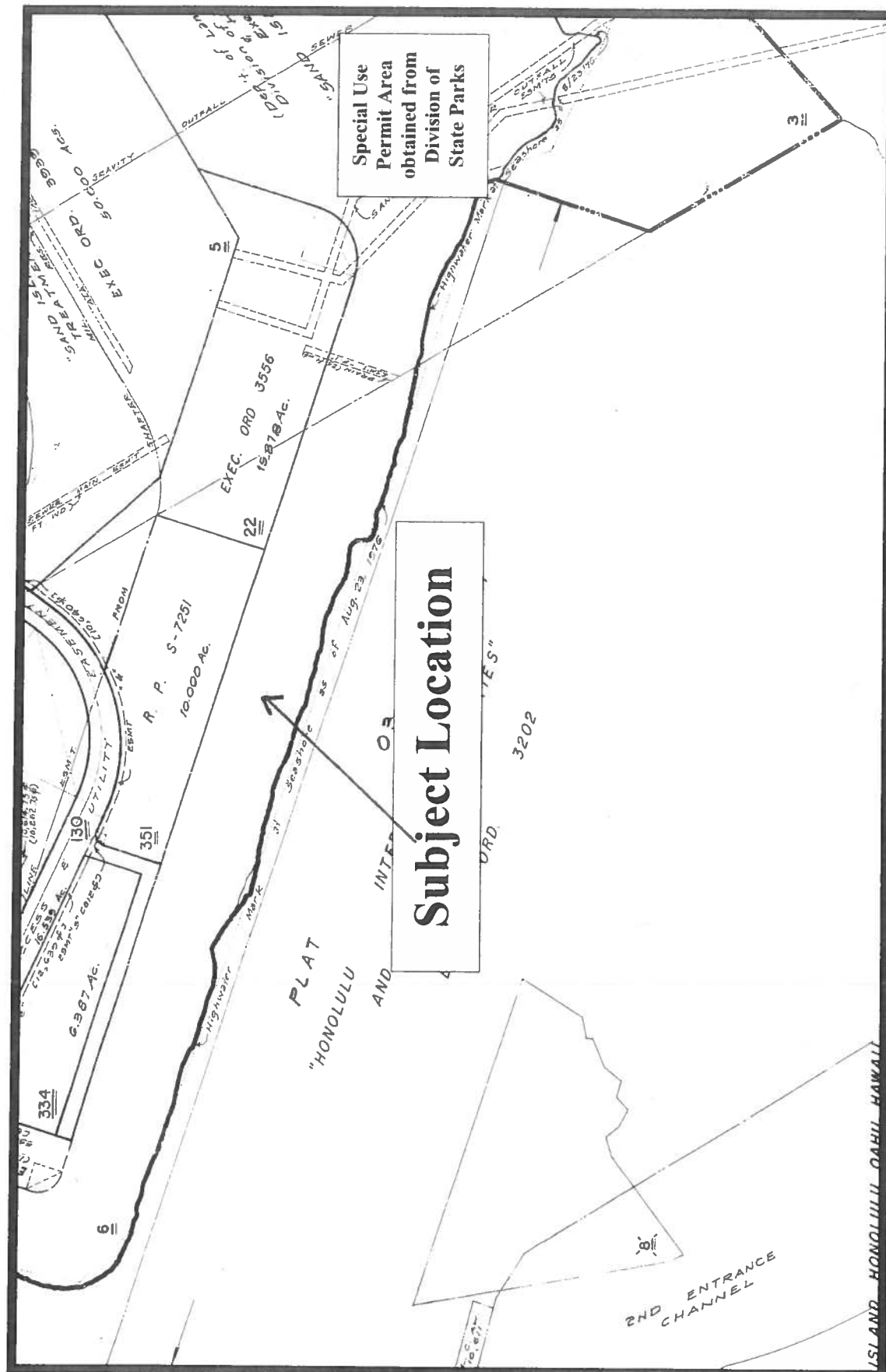


Curt Cottrell
Administrator

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson



TMK (1) 1-5-041:seaward of 006

EXHIBIT A1



Staging & Assembly
Area

Access Road

EXHIBIT A2

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
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CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
INSPECTOR
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
LAND AND RESERVE COMMISSION
LAND
STATE PARKS

REF:OCCL:TM

CDUP: OA-3579

George Krasnick
TEC Inc.
1003 Bishop Street
Pauahi Tower, Suite 1550
Honolulu, HI 96814

JUN 27 2011

SUBJECT: Conservation District Use Permit (CDUP) OA-3579 for the Honolulu Seawater Air Conditioning Project

Dear Mr. Krasnick:

This is to inform you that on June 23, 2011, the Board the Board of Land and Natural Resources approved your client, Honolulu Seawater Air Conditioning, LLC's Conservation District Use Application OA-3579 for the Honolulu Sea Water Air Conditioning Project located upon submerged land, makai of Kakaako Waterfront Park, offshore of plat (1) 2-1-060 and temporary use of Channel D of Keehi Lagoon, island of Oahu subject to the following conditions:

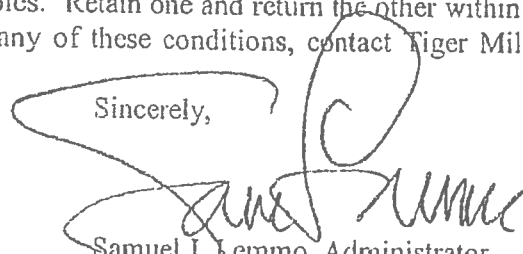
1. The applicant shall comply with all applicable statutes, ordinances, rules, regulations, and conditions of the Federal, State, and County governments, and applicable parts of the Hawaii Administrative Rules, Chapter 13-5;
2. The applicant, its successors and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss, liability, claim or demand for property damage, personal injury or death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of this permit;
3. The applicant shall obtain appropriate authorization from the Department for the occupancy of State lands;
4. The applicant shall consult with the Division of Aquatic Resources in regards to a determination for a Special Activity Permit;
5. The applicant shall coordinate with the Department of Transportation's Oahu District Office due to the proximity of the project to Honolulu Harbor to avoid conflicts with maritime operations during construction of this project;

EXHIBIT B

17. Other terms and conditions as may be prescribed by the Chairperson; and
18. Failure to comply with any of these conditions shall render this Conservation District Use Permit null and void.

Please acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two copies. Retain one and return the other within thirty (30) days. Should you have any questions on any of these conditions, contact Tiger Mills at (808) 587-0382.

Sincerely,



Samuel J. Lemmo, Administrator
Office of Conservation and Coastal Lands

Receipt acknowledged:

George Krasnick
Applicant's Signature

Date 6/29/11

- c: Chairperson
- ODLO/DAR/DOBOR/SP
- DOT-Harbors/Coast Guard/DOA
- City & County of Honolulu, DPP