STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawaii 96819

July 13, 2018

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

Land Board Members:

SUBJECT: REQUEST APPROVAL TO ISSUE FIVE-YEAR CONCESSION CONTRACTS WITH AN OPTION TO RENEW FOR ONE ADDITIONAL FIVE-YEAR TERM FOR OPERATING FUEL DISPENSING TRUCKS AT MALAAEA SMALL BOAT HARBOR, MAUI, TMK (2) 3-6-001:002; KEAOUH SMALL BOAT HARBOR, HAWAII, TMK (3) 7-8-012:055; KAILUA-KONA SMALL BOAT HARBOR, HAWAII, TMK (3) 7-5-006:039; AND KAWAIHAE SMALL BOAT HARBOR, HAWAII, TMK (3) 6-1-003:023

AND

DECLARE PROJECT EXEMPT FROM REQUIREMENTS OF CHAPTER 343, HRS, AND TITLE 11, CHAPTER 200, HAWAII ADMINISTRATIVE RULES

REQUEST:

The Division of Boating and Ocean Recreation (“DOBOR”) is seeking approval from the Board of Land and Natural Resources (Board) to authorize DOBOR to issue invitations for Bid to convert Revocable Permits No. 19 (Maui Oil Company), No. 26 (Pacific Biodiesel Logistics, LLC), No. 20 (Maui Petroleum, Inc.), and No. 8 (Hawaii Petroleum, Inc.) into four separate five-year concession contracts, with an option to renew for one additional five-year term, for the purpose of operating mobile fuel concessions.

LOCATIONS:

1. Maalaea Small Boat Harbor, Island of Maui, Hawaii, tax map key no. (2) 3-6-001:002, as indicated on the map designated as Exhibit “B”.

2. Keauhou Small Boat Harbor, Island of Hawaii, Hawaii, tax map key no. (3) 7-8-012:055, as indicated on the map designated as Exhibit “C”.

3. Kailua-Kona Small Boat Harbor, Island of Hawaii, Hawaii, tax map key no. (3) 7-5-006:039, as indicated on the map designated as Exhibit “D”.

Item J-3
4. Situated at Kawaihae Harbor North, Island of Hawaii, Hawaii, tax map key no. (3) 6-1-003:023, as indicated on the map designated as Exhibit “E”.

AREA:
Various sites within the small boat harbors that are available when fueling of vessels takes place.

ZONING:
See attached Exhibit A.

TRUST LAND STATUS:
See attached Exhibit A.

CURRENT USE STATUS:
Under Revocable Permits for the operation of mobile fuel concessions at the small boat harbors listed previously.

CHARACTER OF USE:
Dispense fuel via tank truck.

RENT
Minimum upset rent for each concession contract will be two hundred dollars per month.

REMARKS:
DOBOR currently has four Revocable Permits across State property in which the permittees have been granted the right to dispense fuel via tank trucks. DOBOR is seeking to convert these four Revocable Permits into separate concession contracts. DOBOR is seeking authorization to bid three concession contracts for the Maalaea Small Boat Harbor and one concession contract that will include Keauhou, Kailua-Kona, and Kawaihae Small Boat Harbors.

RECOMMENDATION:
That the Board of Land and Natural Resources:

Authorize the issuance of concession contracts for the dispense of fuel via tank truck(s) 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 concession contract as may be amended from time to time;
b. Review and approval by the Department of the Attorney General; and

c. Such other terms and conditions as may be prescribed by the Chairperson to best
serve the interests of the State.

d. Declare that after considering the potential effects of the proposed disposition as
provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will have
minimal or no significant effect on the environment and is therefore exempt from the
preparation of an environmental assessment.

Respectfully Submitted,

EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Attachment:

Exhibit A – Fuel Truck Inventory Spreadsheet
Exhibit B – Maalaea Small Boat Harbor Subject Map
Exhibit C – Keaulou Boat Harbor Subject Map
Exhibit D – Kailua-Kona Wharf Subject Map
Exhibit E – Kawaihae Harbor North Subject Map
Exhibit F – Chapter 343 Exemption
<table>
<thead>
<tr>
<th>RP No.</th>
<th>Permittee Name</th>
<th>Location</th>
<th>TMK</th>
<th>Zoning</th>
<th>SLU</th>
<th>Current Monthly Rent</th>
<th>Character of Use</th>
<th>Insurance Exp. Date</th>
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<td>8</td>
<td>Hawaii Petroleum, Inc.</td>
<td>Keauhou, Kailua-Kona,</td>
<td>(3) 6-1-003:023,</td>
<td>MG-1a, V-.75,</td>
<td>Urban</td>
<td>5(b)</td>
<td>Dispense fuel via tank truck</td>
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<td>Yes</td>
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<td></td>
<td>Kawaihae</td>
<td>7-5-006:039,</td>
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<td>$101.40</td>
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<td>7-8-012:055</td>
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<tr>
<td>19</td>
<td>Maui Oil Company, Inc</td>
<td>Maalaea</td>
<td>(2) 3-6-001:002</td>
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<td>Urban</td>
<td>5(b)</td>
<td>Dispense fuel via tank truck</td>
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<td>Yes</td>
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<td></td>
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<td>(por)</td>
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<td>Maalaea</td>
<td>(2) 3-6-001:002</td>
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<td>Urban</td>
<td>5(b)</td>
<td>Dispense fuel via tank truck</td>
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<td>(por)</td>
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<td>26</td>
<td>Pacific Biodiesel Logistics, LLC</td>
<td>Maalaea</td>
<td>(2) 3-6-001:002</td>
<td>B-2, BR, M-1, OZ,</td>
<td>Urban</td>
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<td></td>
<td>(por)</td>
<td>P, P-1, PK, R-2</td>
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**Monthly Total:** $409.90  
**Yearly Total:** $4,918.80

EXHIBIT A
**EXEMPTION OF NOTIFICATION**

Regarding the preparation of an environmental assessment under the authority of Chapter 343, HRS and Section 11-200-8, HAR

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Mobile Fuel Concession Agreements</th>
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<td>Project Number:</td>
<td>To be determined</td>
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</table>
| Project Location: | 1. Situated at Maalaea Boat Harbor, Island of Maui, Hawaii, tax map key no. (2) 3-6-001:002, as indicated on the map designated as Exhibit “B”.
2. Situated at Keauhou Boat Harbor, Keauhou 1 and 2, North Kona, Island of Hawaii, Hawaii, tax map key no. (3) 7-8-012:055, as indicated on the map designated as Exhibit “C”.
3. Situated at Kailua-Kona Wharf, Lanihau 2, North Kona, Island of Hawaii, Hawaii, tax map key no. (3) 7-5-006:039, as indicated on the map designated as Exhibit “D”.
4. Situated at Kawaihae Harbor North, Kawaihae 1st, South Kohala, Island of Hawaii, Hawaii, tax map key no. (3) 6-1-003:023, as indicated on the map designated as Exhibit “E”.
| Chapter 343 Trigger(s): | Use of State Lands |
| Project Description: | The Division of Boating and Ocean Recreation (“DOBOR”) is seeking approval from the Board of Land and Natural Resources (BLNR) to authorized DOBOR to issue invitations for Bid to convert Revocable Permits No. 19 (Maui Oil Company), No. 26 (Pacific Biodiesel Logistics LLC), No. 20 (Maui Petroleum Inc.), and No. 8 (Hawaii Petroleum) into four separate five-year concession contracts with an option to renew for one additional five-year term. |
| Consulted Parties: | Office of Conservation and Coastal Lands; Land Division |
| Both agencies concurred with the proposed exemption notification. |
| Exemption Class & Description: | Exemption Class 1: 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.

Item 47: Leases of state land involving negligible or no expansion or change of use beyond that previously existing.
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<th>Item 53: Granting to a person the privilege to conduct operations involving the provision of goods, wares, merchandise, or services to the general public including, but not limited to, tours, food and beverage operations, retail operations, rental operations, or communications and telecommunications services in or on an existing building, facility, or area.</th>
</tr>
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<tbody>
<tr>
<td>Determination:</td>
</tr>
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