

State of Hawai'i
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawai'i 96813

June 14, 2019

Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

OAHU

Request the Continuation 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, (HSWAC), 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 and delineated 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 Executive Order 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:

On September 23, 2016, item E-1, the Board approved the Right-of-Entry (ROE) and Revocable Permit (RP) for construction and staging purposes for a period of twelve (12) months.

MONTHLY RENTAL:

Four Hundred Eighty and NO/100 dollars (\$480.00) per annum and/or Forty and NO/100 dollars (\$40.00) per month. HSWAC project, subject to review and approval by the Board.

SECURITY DEPOSIT:

Twice the monthly rental, in the amount of Eighty and NO/100 dollars (\$80.00).

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
Registered business name confirmed:	YES
Applicant in good standing confirmed:	YES

REMARKS:

On September 23, 2016, Item E-1, the Board of Land and Natural Resources (BLNR) approved the issuance of a right-of-entry and revocable permit for roadway access and for construction and staging area purposes.

Division of State Parks has not received any other serious written applicants for the site. HSWAC has not had a lease, easement, or other disposition of state lands terminated within the last five years due to non-compliance with such terms and conditions.

BACKGROUND:

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 Kaka'ako 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.

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

RECOMMENDATION: That the Board:

1. Authorize the continuation 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 A. Cottrell,
Administrator
Division of State Parks

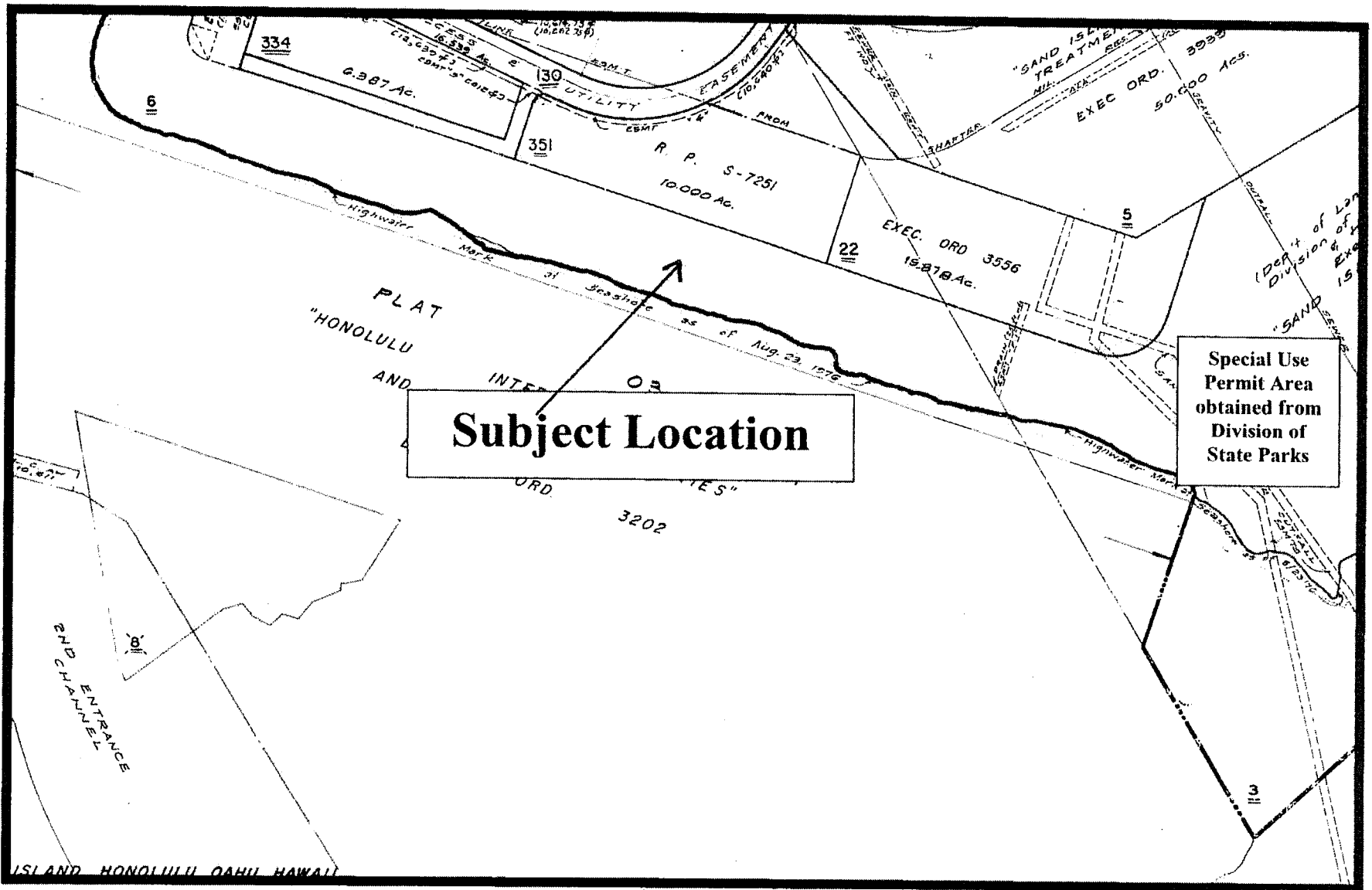
APPROVED FOR SUBMITTAL:



Suzanne D. Case
Chairperson
Board of Land and Natural
Resources

ATTACHEMENTS:

- Exhibit A1 – Map of Location
- Exhibit A2 – Aerial map of Staging & Assembly Area
- Exhibit B - OCCL letter to TEC Inc.



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



EXHIBIT A-2

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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BOARD OF LAND AND NATURAL RESOURCES
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COMMISSIONER OF COASTAL LANDS
COMMISSIONER OF CONSERVATION AND NATURAL RESOURCES
LAND
HONOLULU, HAWAII 96809
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 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

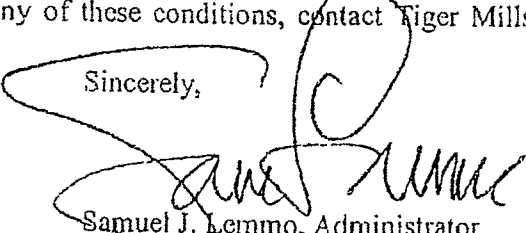
EXHIBIT B

6. The applicant shall coordinate with the Division of Boating and Ocean Recreation at Keehi Lagoon and the Coast Guard relative to maintaining safe navigation during construction activities and operations;
7. The applicant shall comply with all applicable Department of Health administrative rules;
8. Before proceeding with any work authorized by the Board, the applicant shall submit four (4) copies of the construction and grading plans and specifications to the Chairperson or his authorized representative for approval for consistency with the conditions of the permit and the declarations set forth in the permit application. Three (3) of the copies will be returned to the applicant. Plan approval by the Chairperson does not constitute approval required from other agencies;
9. Any work done or construction to be done on the land shall be initiated within three years of the approval of such use, in accordance with construction plans that have been signed by the Chairperson, and, unless otherwise authorized, shall be completed within five years of the approval. The applicant shall notify the Department in writing when construction activity is initiated and when it is completed;
10. All mitigation measures set forth in the application materials, in the final environmental impact statement, and all required permits within the conservation District for this project are hereby incorporated as conditions of this permit;
11. The Applicant shall provide public notification to inform the public of the project;
12. The applicant understands and agrees that this permit does not convey any vested rights or exclusive privilege;
13. In issuing this permit, the Department and Board have relied on the information and data that the applicant has provided in connection with this permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Department may, in addition, institute appropriate legal proceedings;
14. Where any interference, nuisance, or harm may be caused, or hazard established by the use, the applicant shall be required to take the measures to minimize or eliminate the interference, nuisance, harm, or hazard;
15. Should historic remains such as artifacts, burials or concentration of charcoal be encountered during construction activities, work shall cease immediately in the vicinity of the find, and the find shall be protected from further damage. The contractor shall immediately contact HPD (692-8015), which will assess the significance of the find and recommend an appropriate mitigation measure, if necessary;
16. The applicant shall insure access to Mokauea Island to those individuals that have a vested interest related to the island;

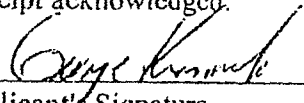
17. Other terms and conditions as may be prescribed by the Chairperson; and
18. Failure to comply with any of these conditions shall render this Conservation District Use Permit null and void.

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:


Applicant's Signature

Date

6/29/11

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