

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

January 24, 2020

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

Land Board Members:

SUBJECT: AMEND PRIOR BOARD ACTION OF JULY 13, 2018, (ITEM J-3) TO ISSUE FIVE-YEAR CONCESSION CONTRACTS WITH AN OPTION TO RENEW FOR ONE ADDITIONAL FIVE-YEAR TERM FOR OPERATING FUEL DISPENSING TRUCKS AT MAALAEA SMALL BOAT HARBOR, MAUI, TMK (2) 3-6-001:002; KEAUAHOU 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

THIS SUBMITTAL REQUESTS AMENDMENT OF THE PRIOR ACTION BY SPECIFYING THE AUTHORIZATION IS TO OPERATE FUEL DISPENSING TRUCKS VIA THREE SEPARATE CONCESSION CONTRACTS TO BE OFFERED AT MAALAEA SMALL BOAT HARBOR, EACH ACCORDING TO ONE OF THREE SPECIFIED FUEL TYPES, THAT A SINGLE CONCESSION CONTRACT WILL BE OFFERED TO SELL BOTH GASOLINE AND DIESEL FUELS COVERING ALL THREE NAMED HAWAII ISLAND SMALL BOAT HARBORS; AND THE DELETION OF THE OPTION TO RENEW FOR ONE ADDITIONAL FIVE-YEAR TERM FROM EACH CONCESSION CONTRACT

BACKGROUND:

At its meeting on July 13, 2018, under agenda item J-3, the Board approved the issuance of four separate five-year concession contracts with an option to renew for an additional five-year term. The four concession contracts would operate unspecified fuel type dispensing trucks at the Maalaea, Kawaihae North, Kailua-Kona and Keauhou Small Boat Harbors (**Exhibit A**).

While working with the Office of the Attorney General (AG) to complete the Invitation for Bids for the concession contracts, staff were informed that the July 13th Board action did not allow **three** concession contracts each for dispensing a different fuel type via tank truck(s) at Maalaea Small Boat Harbor as staff envisioned. This amendment is to clarify and approve the prior

Board action to clearly specify the type of fuel and location of each concession contract for the discussed locations, and to delete the five-year option term on each tank truck concession contract.

Staff intends to issue three (3) new concession contracts for the Maalaea Small Boat Harbor, Maui, replacing Revocable Permits No. 19 (issued to Maui Oil Company), No. 26 (issued to Pacific Biodiesel Logistics, LLC) and No. 20 (issued to Maui Petroleum, Inc.). Each concession contract at Maalaea Small Boat Harbor will allow dispensing of only one specific fuel type: the first for gasoline, the second for biodiesel, and the third for diesel.

Staff intends to issue a single concession contract for the sale of both gasoline and diesel fuel covering all three of the island of Hawaii small boat harbors of Kawaihae North, Kailua-Kona and Keauhou, replacing Revocable Permit No. 8 (issued to Hawaii Petroleum, Inc.).

The total number of tank truck concession contracts authorized for issuance under this amendment will be four (4): three (3) at Maalaea Small Boat Harbor (each dispensing a different type of fuel); and one (1) for dispensing both gasoline and diesel fuels to service Kawaihae North, Kailua-Kona and Keauhou Small Boat Harbors. Aside from type of fuel dispensed, the dispensing locations within each small boat harbor remain as depicted in the subject maps to Exhibit A.

The July 13, 2018 board action included a determination of exemption from the preparation of an environmental assessment, under HRS chapter 343 and HAR chapter 11-200 (now chapter 11-200.1 as of August 9, 2019) which activities and analysis cover the anticipated amendment.

Concession Contract	Location	Replaces	Fuel type(s)
A	Maalaea SBH	RP No 19	diesel
B	" "	RP No 26	biodiesel
C	" "	RP No 20	gasoline
D	Kawaihae-North Kailua-Kona & Keauhou SBHs	RP No. 8	gasoline & diesel

RECOMMENDATION:

That the Board of Land and Natural Resources:

Authorize the issuance of a total of four concession contracts for the dispensing of fuel via tank truck(s) under the amended 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.

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 Prior Board Approval, July 13, 2018 (Item J-3),

EXHIBIT A

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 MAALAEA SMALL BOAT HARBOR, MAUI, TMK (2) 3-6-001:002; KEAUHOU SMALL BOAT HARBOR, HAWAII, TMK (3) 7-8-012:055; KAILUA-KONA SMALL BOAT HARBOR, HAWAII, TMK 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".

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON

JUL 13 2018

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 – Keauhou Boat Harbor Subject Map
- Exhibit D – Kailua-Kona Wharf Subject Map
- Exhibit E – Kawaihae Harbor North Subject Map
- Exhibit F – Chapter 343 Exemption

DIVISION OF BOATING AND OCEAN RECREATION Continuation of Revocable Permits on the Islands of Maui, and Hawaii

RP No.	Permittee Name	Location	TMK	Zoning	SLU	Trust Land Status	Current Monthly Rent	Character of Use	Insurance Exp. Date	DCCA
8	Hawaii Petroleum, Inc.	Keauhou, Kailua-Kona, Kawaihae	(3) 6-1-003:023, 7-5-006:039, 7-8-012:055	MG-1a, V-.75, Open	Urban	5(b)	\$101.40	Dispense fuel via tank truck	3/1/19	Yes
19	Maui Oil Company, Inc	Maalaea	(2) 3-6-001:002 (por)	Conservation, Urban	Conservation, Urban	5(b)	\$105.70	Dispense fuel via tank truck	6/1/19	Yes
20	Maui Petroleum, Inc	Maalaea	(2) 3-6-001:002 (por)	Conservation, Urban	Conservation, Urban	5(b)	\$101.40	Dispense fuel via tank truck	3/1/19	Yes
26	Pacific Biodiesel Logistics, LLC	Maalaea	(2) 3-6-001:002 (por)	B-2, BR, M-1, OZ, P, P-1, PK, R-2	Conservation, Urban	5(b)	\$101.40	Dispense fuel via tank truck	4/1/19	Yes
Monthly Total:							\$409.90			
Yearly Total:							\$4,918.80			

EXHIBIT A

Maalaea Small Boat Harbor
Island of Maui

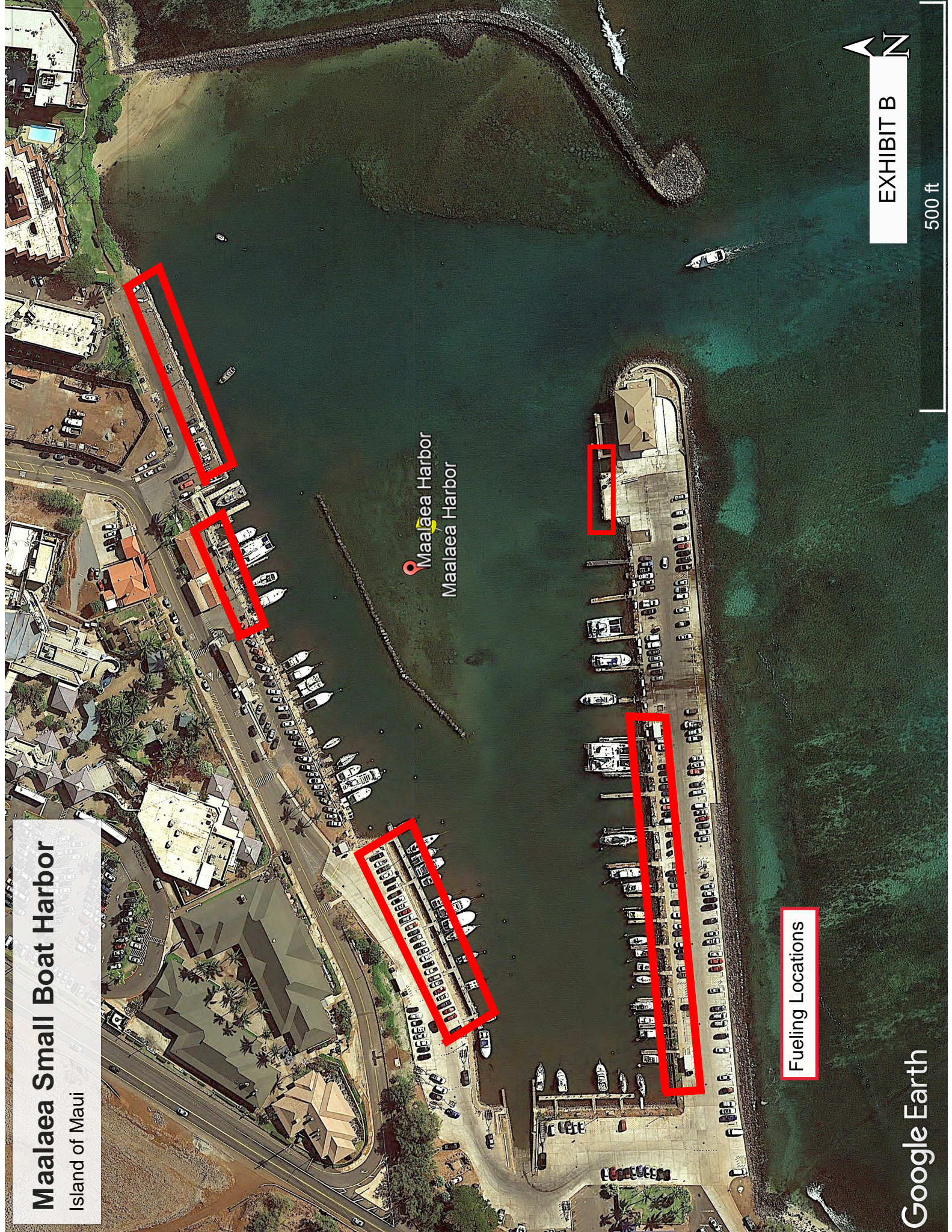
Maalaea Harbor
Maalaea Harbor

Fueling Locations

EXHIBIT B

Google Earth

500 ft



KEAUHOU SMALL BOAT HARBOR
NORTH KONA, ISLAND OF HAWAII

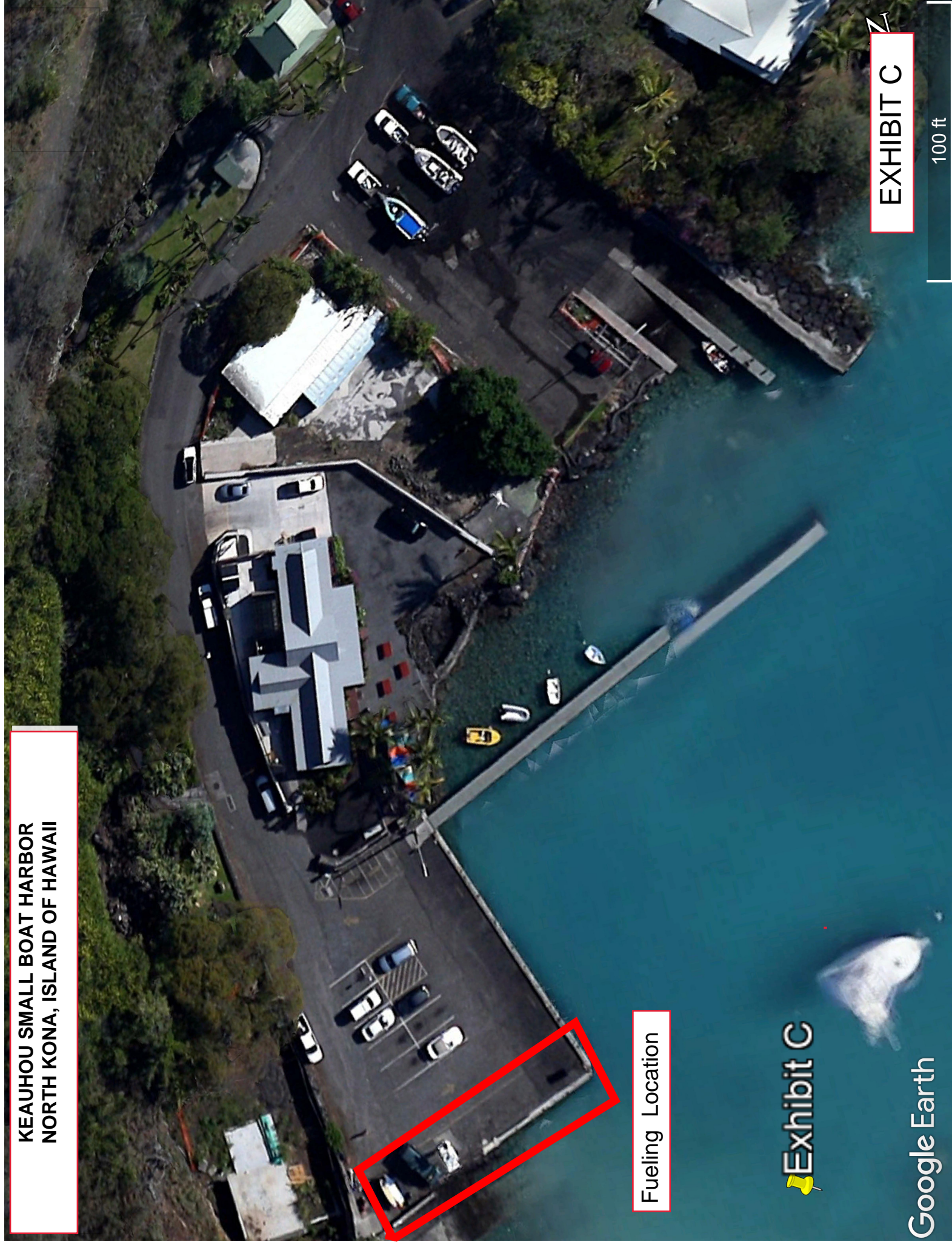
Fueling Location

📌Exhibit C

EXHIBIT C

100 ft

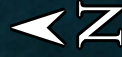
Google Earth



**KAILUA WHARF
KAILUA-KONA, ISLAND OF HAWAII**

Fueling Locations

EXHIBIT D



300 ft



**KAWAIHAE NORTH HARBOR
SOUTH KOHALA, ISLAND OF
HAWAII**



EXHIBIT E

Fueling Location



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

July 13, 2018

EXEMPTION OF NOTIFICATION

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

Project Title:	Mobile Fuel Concession Agreements
Project Number:	To be determined
Project Location:	<ol style="list-style-type: none">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:	<p>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.</p> <p>Item 47: Leases of state land involving negligible or no expansion or change of use beyond that previously existing.</p>

	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.
Determination:	It is declared that this project will likely have minimal or no significant impact on the environment and is therefore exempt from the preparation of an environmental assessment under the above exemption classes.