



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

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

OAHU

AMENDMENT OF HARBOR LEASE NO. H-06-28 ISSUED TO THE GAS COMPANY, LLC, TO INCLUDE NON-EXCLUSIVE SUBSURFACE ELECTRICAL EASEMENT SITUATED AT PIER 38, HONOLULU HARBOR, OAHU, TAX MAP KEY NO. (1) 1-5-042:001 (P), GOVERNOR'S EXECUTIVE ORDER NO. 1346

LEGAL REFERENCE:

Sections 171-6, 171-11, 171-13, 171-17, and 171-59, Hawaii Revised Statutes ("HRS"), as amended.

APPLICANT:

The Gas Company, LLC ("Applicant") is a domestic limited liability company whose mailing address is 745 Fort Street, 18th Floor, Honolulu, Hawaii 96813.

CHARACTER OF USE:

Use of non-exclusive subsurface electrical easement for the transmission of electricity to provide power for the off-loading of propane and other petroleum products from barges, and for testing and maintenance of motors and compressors.

LOCATION:

A portion of Governmental lands at Pier 38, Honolulu Harbor, Oahu, Tax Map Key No. (1) 1-5-042:001 (P), Governor's Executive Order No. 1346, as shown on the attached map labeled Exhibit A.

AREA: See attached Exhibits A and B

The non-exclusive subsurface electrical easement is 1,020 square feet, at Pier 38 in Honolulu Harbor.

CONSIDERATION:

Amended rent as determined by Agreement of Lease Negotiations for Rent Re-Opener, for DOT Harbor Lease No. H-06-28, Years 11 to 20, Effective December 1, 2016 to November 30, 2026. Non-exclusive subsurface electrical easement occupies approximately 1,020 square feet which amount to ONE THOUSAND NINE AND 80/100 DOLLARS (\$1,009.80) per annum.

ZONING:

State Land Use Commission: Urban
City and County of Honolulu: I-3, Water Front Industrial District

COMMENCEMENT DATE:

Upon approval by the Board of Land and Natural Resources and as determined by the Director of Transportation.

TRUST LAND STATUS:

Subsection 5(a) of the Hawaii Admission Act (non-ceded lands).

CURRENT USE STATUS:

The Applicant currently uses the non-exclusive subsurface electrical easement under Harbor Lease No. H-72-15, which has been in holdover status since 2004.

LAND TITLE STATUS:

Acquired by the DOT Harbors, through eminent domain proceedings by the issuance of Governor's Executive Order No. 1346.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action is exempt from Office of Environmental Quality Control (OEQC) requirements pursuant to Sub-Chapter 11-200.1, Hawaii Administrative Rules, that exempts the following:

“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.”

The DOT Harbors will submit its publication request of this Exemption Notice to the OEQC for publication, on the 8th of each month.

REMARKS:

Background

The Applicant has been providing gas for consumers and businesses throughout the State of Hawaii since 1904. The Applicant's primary products are synthetic natural gas and propane which provides clean energy and cost-effective energy. The islands have no source of natural gas, therefore natural-synthetic gas is created from naphtha, a petroleum byproduct created during the refining process. The naphtha undergoes a series of reactions to create a final product of synthetic natural gas and byproducts of hydrogen and carbon dioxide. The hydrogen can be used for this process again, and the carbon dioxide can be used for products like dry ice and carbonated beverages.

The Applicant is the first in the state to capture and process the biogases that are a byproduct from the City and County of Honolulu's, Honouliuli Wastewater Treatment Plant, and turn them into clean-burning biomethane. This facility produces enough energy for roughly six thousand (6,000) homes and reduces the need for fifteen thousand (15,000) barrels of oil annually. The City and County of Honolulu also generate revenue by selling the accumulated biogas to the Applicant. The Applicant is working toward reaching carbon neutrality by 2045 through decarbonization, diversification, innovation, and carbon offset programs.

Appraisal and Lease Terms

The Applicant is requesting an amendment to Harbor Lease No. H-06-28, to include this electrical easement as they will only have use for this easement while this lease is in effect. DOT Harbors and the Applicant negotiated the reopening rental rate of Harbor Lease No.H-06-28, in accordance with 171-17(d), HRS, and came to an agreement in August 2019. The amendment of the non-exclusive subsurface electrical easement will use the price per square foot value resulting from the Agreement of Lease Negotiations for Rent Re-Opener, for DOT Harbor Lease No. H-06-28, Years 11 to 20, Effective December 1, 2016 to November 30, 2026. If approved, the amended easement area will be included in the appraisal for the final two (2) reopening periods of Harbor Lease No. H-06-28.

RECOMMENDATION:

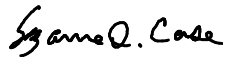
That the Board authorizes the issuance of an Amendment of Harbor Lease No. H-06-28, for the purposes cited above, subject to the terms and conditions outlined above and incorporated herein by reference, and such terms and conditions of the most current amendment of lease form, reviewed and approved by the department of the Attorney General; and such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,



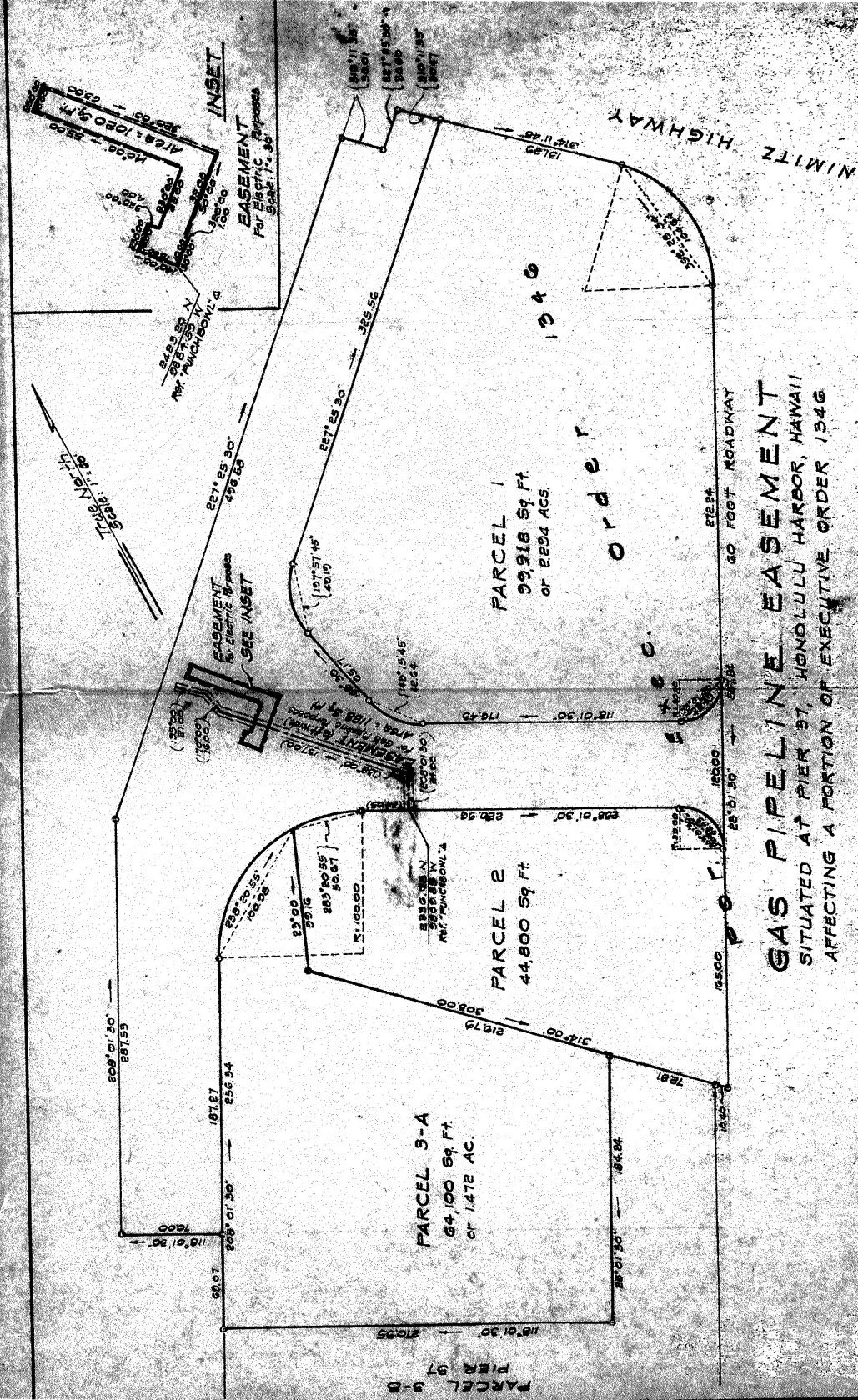
JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



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

Attachments: Exhibits A and B



GAS PIPELINE EASEMENT
 SITUATED AT PIER 37, HONOLULU HARBOR, HAWAII
 AFFECTING A PORTION OF EXECUTIVE ORDER 1946

MAYLAND C. DEANE & ASSOC., INC.



Mayland C. Deane
 MAYLAND C. DEANE
 Registered Professional Engineer
 License No. 282-E5

931 University Ave
 Honolulu, Hawaii
 Phone: 531-0850
 JUN 25 1978

ELECTRIC EASEMENT

Situated at Pier 37, Honolulu Harbor, Hawaii

Affecting a portion of Executive Order 1346

Owner: State of Hawaii (Department of Transportation)

Address: 869 Punchbowl Street
Honolulu, Hawaii 96813

Being an easement for electric purposes, affecting a portion of Executive Order 1346 more particularly described as follows:

Beginning at the South corner of this electric easement, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 2423.20 feet North and 9884.59 feet West and running by azimuths measured clockwise from true South:

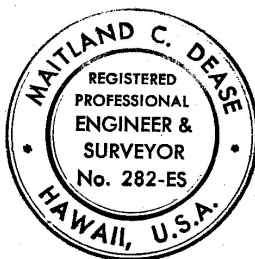
- | | | | |
|-----|---------|------------|--|
| 1. | 140°00 | 15.00 feet | along the remainder of the proposed 60-foot road, a portion of Executive Order 1346; |
| 2. | 230°00' | 10.00 feet | along same; |
| 3. | 320°00' | 4.00 feet | along same; |
| 4. | 230°00' | 22.00 feet | along same; |
| 5. | 140°00' | 55.00 feet | along same; |
| 6. | 230°00' | 10.00 feet | along same; |
| 7. | 320°00' | 65.00 feet | along same; |
| 8. | 50°00' | 32.00 feet | along same; |
| 9. | 320°00' | 1.00 foot | along same; |
| 10. | 50°00' | 10.00 feet | along same to the point of beginning |

Area - 1,020 Square Feet

SUBJECT HOWEVER TO a portion of an Easement six (6.00) feet wide for gas pipeline purposes.

MAITLAND C. DEASE & ASSOCIATES, INC.

931 University Avenue
Honolulu, Hawaii 96814
July 31, 1972



Maitland C. Dease
Maitland C. Dease
Registered Professional Surveyor
Certificate No. 282-ES

EXHIBIT "B"