

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

June 9, 2023

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

Land Board Members:

SUBJECT: Authorize Retroactive Rent Adjustment for Revocable Permit 133 (RP 133) to Pacific Biodiesel Logistics, LLC from July to October 2022, Maalaea Small Boat Harbor Maalaea, Waikapu, Wailuku, Maui Tax Map Key: (2) 3-6-001:002 (por).

APPLICANT:

Pacific Biodiesel Technologies, LLC, a Hawaii limited liability company, whose mailing address is P.O. Box 1459, Kahului, HI 96733.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Maalaea Small Boat Harbor, Waikapu, Wailuku, Maui, identified by Tax Map Key: (2) 3-6-001:002 (por) as shown on **Exhibit A**, attached hereto.

AREA:

Approximately 300 square feet, more or less.

ZONING:

State Land Use District: Urban  
County of Maui Zoning: B-2 (Business-Community)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act: YES X NO \_\_\_  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_ NO X

CURRENT USE STATUS:

Mobile biodiesel fueling station.

COMMENCEMENT DATE:

The first day of July 2022.

MONTHLY RENTAL:

From July 1, 2022, to October 31, 2022, \$0.05 per gallon of fuel sold per month. Starting November 1, 2022, \$118.50 per month or \$.05 per gallon of fuel sold, whichever is greater.

SECURITY DEPOSIT:

To equal twice the monthly rental.

REMARKS:

At its meeting on August 13, 2021, under agenda item J-4, the Board approved the issuance of a revocable permit to Pacific Biodiesel Logistics, LLC for a mobile fueling station at the Maalaea Small Boat Harbor (Maalaea SBH).

At its meeting on August 12, 2022, under agenda item J-5, the Board approved the cancellation and reissuance of an updated revocable permit to Pacific Biodiesel Technologies, LLC, attached hereto as **Exhibit B**. As approved by the Board, the commencement date was July 1, 2022.

The Division of Boating and Ocean Recreation (DOBOR) received a complaint from the applicant stating that vessels were often docked in the loading zone adjacent to the fueling station, shown on **Exhibit C**, blocking access for biodiesel customers. DOBOR has been able to address this by installing a sign to indicate that the area is used for fueling and loading. But due to the construction on the finger piers at Maalaea SBH, which commenced in June, access to Pacific Biodiesel Technologies, LLC's biodiesel fueling station has been further restricted to vessels that need to fuel from the dock.

Pacific Biodiesel Technologies, LLC has not had any marine fuel sales out of the station since its installation due to the ongoing access issues. With heavy machinery used for the construction of the finger piers blocking the road to the fueling station, access for drive-up customers is also limited.

Staff is requesting that Pacific Biodiesel Technologies, LLC's rent from July to October 2022 be \$0.05 per gallon of fuel sold in lieu of paying the full rental amount of \$118.50 per month, or \$0.05 per gallon of fuel sold, whichever is greater. The applicant will resume paying the full monthly rental amount starting November 1, 2022.

The 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.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Based on the testimony and facts presented, the Board finds that approving the revocable permit under the conditions and rent set forth herein will serve the best interests of the State.
2. Approve retroactive rent adjustment from July 2022 to October 2022 for Revocable Permit 133 to Pacific Biodiesel Logistics, LLC, at Maalaea Small Boat Harbor under the terms and conditions cited above, 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. 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 and Ocean Recreation

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
DAWN N.S. CHANG, Chairperson

Board of Land and Natural Resources

Attachments:

- A Site Location
- B Approved Board action dated August 12, 2022, under agenda item J-5
- C Biodiesel fueling station

## Exhibit A

Site Location  
Maalaea Small Boat Harbor, Maui



Exhibit A

# Exhibit B

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

**AUG 12 2022**

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

August 12, 2022

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

Land Board Members:

**SUBJECT:** Mutual Cancellation of a Revocable Permit 117 (RP 117) to Pacific Biodiesel Logistics, LLC, and Waiver of Phase I Environmental Site Assessment Required under RP 117; Issuance of a New Revocable Permit to Pacific Biodiesel Technologies, LLC, Maalaea Small Boat Harbor Maalaea, Waikapu, Wailuku, Maui Tax Map Key: (2) 3-6-001:002 (por).

APPLICANT:

Pacific Biodiesel Technologies, LLC, a Hawaii limited liability company, whose mailing address is 40 Hobron Avenue, Kahului, Hawaii 96732.

LEGAL REFERENCE:

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

LOCATION:

Portion of Government lands situated at Maalaea Small Boat Harbor, Waikapu, Wailuku, Maui, identified by Tax Map Key: (2) 3-6-001:002 (por) as shown on attached Exhibit A-1 and A-2.

AREA:

Approximately 300 square feet, more or less.

**Item J-5**

**Exhibit B**

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

August 12, 2022

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

Land Board Members:

**SUBJECT:** Mutual Cancellation of a Revocable Permit 117 (RP 117) to Pacific Biodiesel Logistics, LLC, and Waiver of Phase I Environmental Site Assessment Required under RP 117; Issuance of a New Revocable Permit to Pacific Biodiesel Technologies, LLC, Maalaea Small Boat Harbor Maalaea, Waikapu, Wailuku, Maui Tax Map Key: (2) 3-6-001:002 (por).

**APPLICANT:**

Pacific Biodiesel Technologies, LLC, a Hawaii limited liability company, whose mailing address is 40 Hobron Avenue, Kahului, Hawaii 96732.

**LEGAL REFERENCE:**

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

**LOCATION:**

Portion of Government lands situated at Maalaea Small Boat Harbor, Waikapu, Wailuku, Maui, identified by Tax Map Key: (2) 3-6-001:002 (por) as shown on attached Exhibit A-1 and A-2.

**AREA:**

Approximately 300 square feet, more or less.

ZONING:

State Land Use District: Urban  
County of Maui Zoning: B-2 (Business-Community)

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act: YES X NO \_\_\_  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_ NO X

CURRENT USE STATUS:

Mobile biodiesel fueling station.

COMMENCEMENT DATE:

The first day of July 2022.

RENT:

\$118.50 per month or \$.05 per gallon of fuel sold, whichever is greater.

SECURITY DEPOSIT:

To equal twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15, Hawaii Administrative Rules (“HAR”) and the Exemption List for the, Department of Land and Natural Resources, reviewed and concurred in by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an Environmental Assessment pursuant to Exemption Class No. 1, No. 44, that states, “Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing.”

DCCA VERIFICATION:

Place of business registration confirmed: YES X NO \_\_\_  
Registered business name confirmed: YES X NO \_\_\_  
Applicant in good standing confirmed: YES X NO \_\_\_

JUSTIFICATION FOR REVOCABLE PERMIT:

The issuance of a revocable permit is a short-term measure which will allow staff to test the market to determine if it’s practicable to seek the sale of lease at public auction for a



biofuel facility at this and other recreational harbor locations.

REMARKS:

At its meeting on August 13, 2021, under agenda item J-4, the Board approved the issuance of a revocable permit to Pacific Biodiesel Logistics, LLC for a mobile fueling station at the Maalaea Small Boat Harbor.

In February 2022, Pacific Biodiesel Logistics, LLC was merged into Pacific Biodiesel Technologies, LLC.

The fueling station began operations in June 2022, well past the revocable permit commencement date of December 1, 2021, due to several factors.

The location of the mobile biodiesel fueling station has been relocated to a different area within the harbor (see Exhibit A-2) due to noise concerns from its operation on the nearby condominiums. The opening was further delayed by delivery of the unit and calibration of its pumps.

For these reasons, staff is therefore requesting that the rental for RP 117 from December 1, 2021 through May 30, 2022 be waived.

Staff is requesting the cancellation of RP 117 to Pacific Biodiesel Logistics, LLC and the waiver of the Phase I environmental site assessment, and reissuance of an updated Revocable Permit to Pacific Biodiesel Technologies, LLC under the same terms and conditions.

The monthly rental presently at \$115 per month increased to \$118.50 as of July 1, 2022. The security deposit is equal to twice the monthly rental.

The 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.

RECOMMENDATION:

That the Board of Land and Natural Resources:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 232, HRS, and Chapter 11-200.1, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Approve the cancellation of RP 117 to Pacific Biodiesel Logistics, LLC and the waiver of the Phase I environmental site assessment, and the reissuance of a new Revocable Permit to Pacific Biodiesel Technologies, LLC, at Maalaea

Small Boat Harbor for a mobile fuel station on the terms and conditions cited above, 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. 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 and Ocean Recreation

APPROVED FOR SUBMITTAL:



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

Attachments:

Exhibit A-1 – Site Map

Exhibit A-2 – Site Map

Exhibit A-1  
Maalaea Small Boat Harbor



Exhibit A-2  
Maalaea Small Boat Harbor





## Exhibit C

Biodiesel Fueling Station  
Maalaea Small Boat Harbor, Maui



Exhibit C