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GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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IN REPLY REFER TO:

HAR-PM.0002080.23

October 5, 2023

Ms. Dawn N. S. Chang, Chairperson
Board of Land and Natural Resources
Kalanimoku Building
1151 Punchbowl Street
Honolulu, Hawaii 96813

Dear Ms. Chang:

OAHU

Request for Authorization to issue three month-to-month Revocable Permits (RP) to Petrospect, Inc., for container storage of petroleum product inspection equipment, storage of equipment, and office space, situated at Pier 21, Honolulu Harbor, island of Oahu, Tax Map Key (TMK) Nos. (1) 1-5-039:007 (P) and (1) 1-5-039:035 (P), Governor's Executive Order No. 2903.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS), Sections 171-6, 171-11, 171-13, 171-17, 171-55, and 171-59, as amended.

APPLICANT:

Petrospect, Inc. (Applicant), is a domestic profit corporation whose mailing address is 499 North Nimitz Highway, Pier 21, Honolulu, Hawaii 96817.

CHARACTER OF USE:

For container storage of petroleum product inspection equipment, storage of equipment and office space.

LOCATION:

Portion of Government lands at Pier 21, Honolulu Harbor, island of Oahu, TMK Nos. (1) 1-5-039:007 (P) and (1) 1-5-039:035 (P), as shown on enclosed Exhibit A.

ITEM M-2

ZONING:

State Land Use Commission: Urban
City and County of Honolulu: I-3 (Waterfront Industrial District)
IMX-1 (Industrial Mixed-Use District)

AREA: See enclosed Exhibit A

AREA	TAX MAP KEY NOS.	DESCRIPTION	TYPE	SQ. FT.	RATE	RENTAL	SECURITY DEPOSIT
1	(1) 1-5-039:007 (P)	Container storage of petroleum product inspection equipment	Paved – Improved Land	160	\$ 0.82	\$ 131.20	\$ 262.40
2	(1) 1-5-039:007 (P) (1) 1-5-039:035 (P)	Storage of equipment	Warehouse	548	\$ 1.08	\$ 591.84	\$ 1,183.68
3	(1) 1-5-039:007 (P) (1) 1-5-039:035 (P)	Office space	Office	746	\$ 1.01	\$ 753.46	\$ 1,506.92
						\$ 1,476.50	\$ 2,953.00
						Total Monthly Rental	Total Security Deposit

CONSIDERATION:

Month-to-month rent determined by appraisal as of January 1, 2021, for RPs in Honolulu Harbor.

LAND TITLE STATUS:

Governor’s Executive Order No. 2903 for maritime and maritime related use, to be under the control and management of the State of Hawaii, Department of Transportation (HDOT).

TRUST LAND STATUS:

Lands acquired after 8/59 (non-ceded lands).

CURRENT USE STATUS:

The Applicant currently occupies portions of Pier 21 of Honolulu Harbor, island of Oahu, for container storage of petroleum product inspection equipment, storage of equipment and office space. The HDOT has been reviewing all month-to-month revocable permits to ensure compliance with and applicability to HRS, Sections 171-17, and 171-55. The HDOT is updating the Applicant’s permits with current appraised rates and updated permit terms as applicable.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This use is exempt from the Office of Planning and Sustainable Development, and Environmental Review Program requirements pursuant to Hawaii Administrative Rules (HAR), Subchapter 11-200.1, which exempts the following:

“Exemption Type 1: Operations, repairs, or maintenance of existing structures, facilities, equipment or topographical features, involving minor expansion or minor change of use beyond that previously existing.”

The HDOT deems the action as de minimis and exempts it from the preparation of an exemption notice in accordance with HAR, Subchapter 11-200.1-16(b). The exemption declaration for the action described above, based on the Exemption List for the HDOT, reviewed and concurred to by the Environmental Advisory Council on February 1, 2022, is as follows:

Exemption Type 1, Part 1:

- No. A1. “Repair or maintain buildings, office space, sheds, parking structures, warehouses, utility systems, aircraft aprons and hardstands, hangars tunnels and other similar structures or facilities necessary for the continued function and use, and to meet current local, state and federal standards and regulations.”
- No. B2. “Temporary storage and staging of equipment and materials on State lands as necessary to support exempted and planned repair or maintenance activities.”

Exemption Type 8, Part 1:

- No. 8g. “Creation or extension of leases, revocable permits or easements involving negligible or minor expansion or change of use beyond that previously existing.”

REMARKS:

The Applicant is an independent petroleum inspection company based in Honolulu, Hawaii since 1985. The Applicant conducts independent inspection, documentation and reconciliation of marine transfers of crude oils and petroleum products. Additionally, the applicant’s services include bunker deliveries, on-hire/off-hire surveys, pipeline transfers, cargo sampling, quality control and loss control.

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RECOMMENDATION:

Based on this submittal, testimony, and facts presented, the HDOT recommends that the Board finds that approving the issuance of three month-to-month RPs to the Applicant, including its conditions and rent, will serve the best interest of the State.

Sincerely,



EDWIN H. SNIFFEN
Director of Transportation

APPROVED FOR SUBMITTAL:



DAWN N. S. CHANG, Chairperson

Enclosures

Area 1 – Container Storage



AREA	DESCRIPTION	TYPE	DIMENSIONS		SQ. FT.
1	Container storage of petroleum product inspection services equipment	Paved - Improved Land	8'	20'	160

Area 2 – Storage of Petroleum Inspection Equipment



AREA	DESCRIPTION	TYPE	DIMENSIONS	SQ. FT.
2	Storage inspection equipment	Warehouse	Warehouse (24' x 22' = 528) Extra Bathroom Space (5' x 4' = 20)	548

Area 3 – Office Space



AREA	DESCRIPTION	TYPE	DIMENSIONS	SQ. FT.
3	Office Space	Office	Private Office (9' x 22' = 198) Main Office (24' x 22' = 528) Extra Entry (5' x 4' = 20)	746