



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

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

**KAUAI**

AUTHORIZE ONE-YEAR HOLDOVER OF HARBOR LEASE NO. H-87-29, AS AMENDED, TO PAR HAWAII, LLC DBA KAUAI PETROLEUM COMPANY, LTD., FOR STORAGE AND DISTRIBUTION OF PETROLEUM PRODUCTS SITUATED AT NAWILIWILI HARBOR, ISLAND OF KAUAI, TAX MAP KEY NOS. (4) 3-2-004:002 (P), (4) 3-2-004:008 (P), (4) 3-2-004:016, AND (4) 3-2-004: 063 (P) GOVERNOR'S EXECUTIVE ORDER NOS. 509 AND 2532

**LEGAL REFERENCE:**

Sections 171-6, 171-35, 171-36, 171-40, and 171-59, Hawaii Revised Statutes (HRS), as amended.

**APPLICANT:**

Kauai Petroleum Company, Ltd. (Applicant), a domestic profit corporation whose mailing address is P. O. Box 1128, Lihue, Hawaii 96766.

**CHARACTER OF USE:**

To have and to hold the premises solely for the storage and distribution of petroleum products. No retailing operations of any type shall be permitted, except upon the written approval of the lessor.

**LEASE TERM:**

35 years, commenced on January 1, 1988, and expires December 31, 2022.

**ONE-YEAR HOLDOVER PERIOD:**

January 1, 2023, to December 31, 2023.

**LOCATION:**

That certain parcel of land, together with a non-exclusive subsurface pipeline easement appurtenant thereto, situated at Nawiliwili Harbor, Kauai, Tax Map Key Nos. (4) 3-2-004:002 (P), (4) 3-2-004:008 (P), (4) 3-2-004:016, and (4) 3-2-004:063 (P), Governor's Executive Order Nos. 509 and 2532, as shown on the map labeled Exhibit A.

**AREA: See attached Exhibit A**

The lease premises area encompasses a total of 60,119 square feet of land, which is composed of the following:

- 2,822 square feet of subsurface pipeline easement
- 57,297 square feet of land

**CONSIDERATION:**

Annual land rent determined by appraisal pursuant to Section 171-17, HRS, is as follows: \$87,066.00 per annum, paid quarterly in the amount of \$21,766.50.

**ZONING:**

State Land Use Commission:	Urban
County of Kauai:	Unknown

**TRUST LAND STATUS:**

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

**CURRENT USE STATUS:**

The Applicant currently occupies the premises under Harbor Lease No. H-87-29, for the purpose of storage and distribution of petroleum products.

**LAND TITLE STATUS:**

Under the control and management of the Department of Transportation, Harbors Division (DOTH), through issuance of Governor's Executive Order Nos. 509 and 2532.

**CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:**

This use is exempt from the Office of Planning and Sustainable Development, and Environmental Review Program requirements pursuant to Section 11-200.1, Hawaii Administrative Rules (HAR), 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 DOTH deems the action as de minimis and exempts it from the preparation of an exemption notice in accordance with Section 11-200.1-16(b), HAR. The exemption declaration for the action described above, based on the Exemption List for the DOTH, reviewed and concurred to by the Environmental Advisory Council on February 1, 2022, as follows: “Exemption Type 1, Part 1, Item No. A1.”

**REMARKS:**

The Applicant currently occupies the premises under Harbor Lease No. H-87-29, which will expire on December 31, 2022. The Applicant wishes to continue occupancy. The Applicant’s facility is situated at Nawiliwili Harbor stores and distributes petroleum products for the people on the island of Kauai.

**RECOMMENDATION:**

That the Board authorizes a one-year holdover for Harbor Lease No. H-87-29 for the period of January 1, 2023, to December 31, 2023, under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

- The standard terms and conditions of the most current holdover of Lease form as may be amended from time to time.
- Review and approval by the Department of the Attorney General.

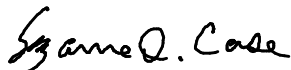
Based on this submittal, testimony, and facts presented, the Department of Transportation recommends that the Board finds that approving the authorization of a one-year holdover for Harbor Lease No. H-87-29 to the Applicant including its conditions and rent, will serve the best interest of the State.

Respectfully submitted,

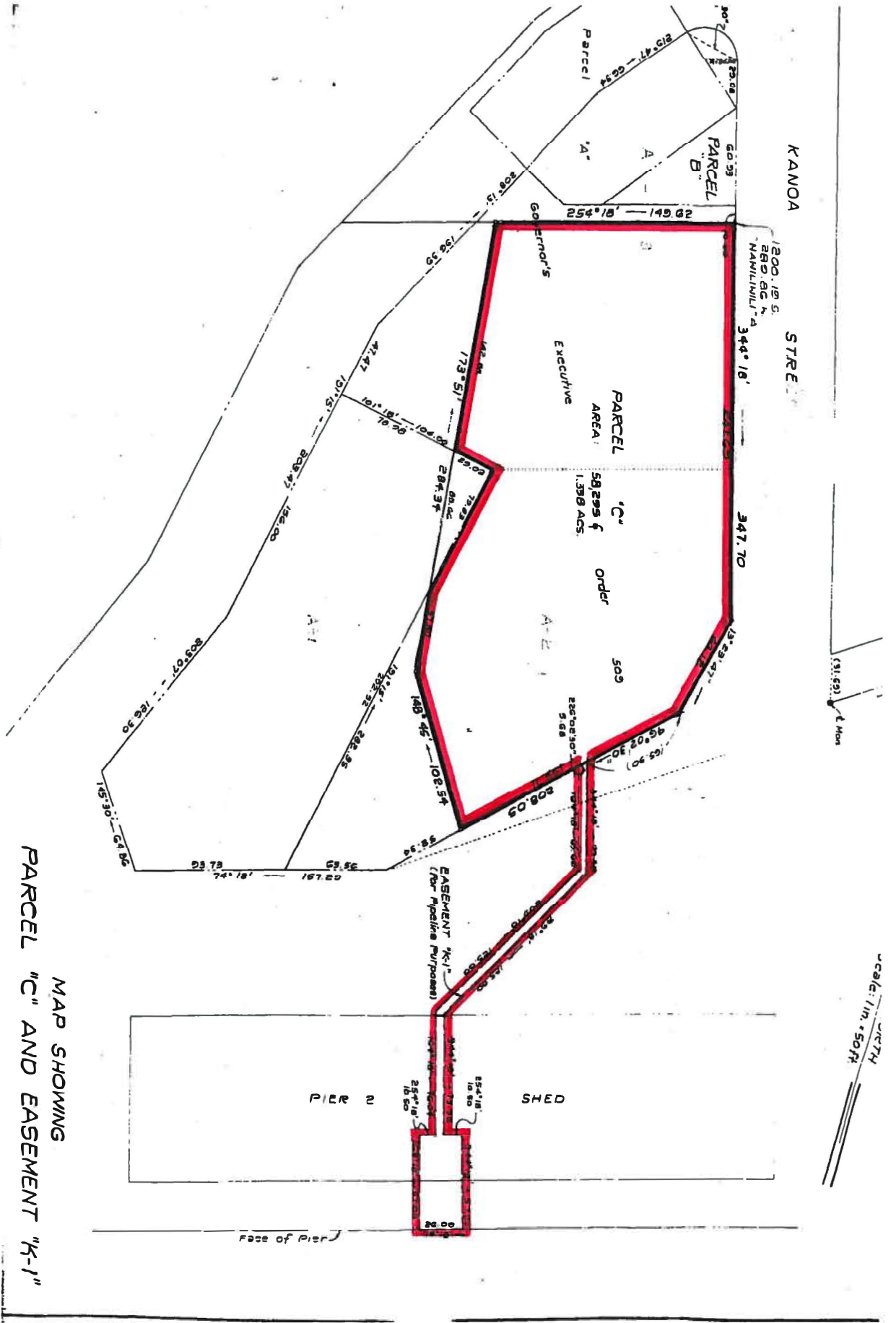


JADE T. BUTAY  
Director of Transportation

APPROVED FOR SUBMITTAL:



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



**EXHIBIT "A"**