

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 11, 2012

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

PSF No.: 12od-029

OAHU

Amend Grant of Non-Exclusive Easement for Gas Lines Purposes filed under Land Office Deed No. 28331 by Expanding Easement Area; Issuance of Right-of-Entry for Access Purposes, Honolulu, Oahu, Tax Map Key: (1) 1-2-021:portions of 035, 036, 039, 041, and 043 and (1) 1-5-042:portion of 002

APPLICANT:

The Gas Company, a domestic corporation

LEGAL REFERENCE:

Section 171-55 and 95, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Honolulu, Oahu, Tax Map Key: (1) 1-2-021: portions of 035, 036, 039, 041, and 043 and (1) 1-5-042:portions of 002 as shown on the attached map labeled **Exhibit A1** and **A2**.

AREA:

To be determined, subject to review and approval of the Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District: Urban
City & County of Honolulu LUO: I-2/ I-3/IMX-1

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

ENCUMBRANCES:

(1) 1-2-021:035, 039, and 043 – vacant and unencumbered

(1) 1-2-021:036 - encumbered by Revocable Permit No. 7470 to JSR Equipment, Inc. for baseyard, office and storage purposes.

(1) 1-2-021:041 – encumbered by Revocable Permit No. 7748 to Robert's Central Laupahoehoe, Inc. for parking purposes.

(1) 1-5-042:002 - encumbered by General Lease No. S-5841, Honolulu Limited, Lessee, for parking purposes, expiring on October 31, 2035.

CHARACTER OF USE:

Gas transmission lines purposes

COMMENCEMENT DATE:

To be determined by the Chairperson.

CONSIDERATION:

One-time payment to be determined by independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Sections 11-200-8(a)(3)(d) & (4), HAR and the Exemption List for the Land Division, Department of Land and Natural Resources approved by the Environmental Council and dated April 28, 1986 exempt the subject request from the preparation of an environmental assessment pursuant to Exemption Class No. 3.d, that states "Construction and location of single, new, small facilities or structures and the alteration and modification of the same and installation of new, small, equipment and facilities and the alteration and modification of same, including, but not limited to: ... Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to serve such structures or facilities; accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences; and, acquisition of utility easements;" and Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation." See **Exhibit B** for exemption notification.

DCCA VERIFICATION:

Place of business registration confirmed: YES NO

Registered business name confirmed:	YES <u> x </u>	NO <u> </u>
Applicant in good standing confirmed:	YES <u> x </u>	NO <u> </u>

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Pay for an appraisal to determine one-time payment;
- 2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost; and
- 3) Process and obtain subdivision at Applicant's own cost.

REMARKS:

The Gas Company ("TGC") uses its gas lines transmission system starting from its production facility in the Campbell Industrial Park until the system reaches the downtown area. Portions of the system are over lands under the jurisdiction of the Board. Perpetual, non-exclusive easements bearing Land Office Deed ("LOD") No. 28331 and 28853 were therefore issued to The Gas Company.

Pursuant to the federal pipeline safety regulations, TGC intends to install and use the temporary above grade "pig"¹ launcher and receiver to inspect the pipeline segment before the deadline on December 17, 2012. A device will be inserted through a launcher at Parcel 35, and it will be propelled by the gas inside the pipeline. The device will be retrieved by a receiver at Parcel 2 in Kapalama. During the movement of the device, the inner surface of the pipelines will be screened for any possible damage.

Parcel 35 - encumbered by LOD 28331, Sand Island

A below grade valve vault will be built adjacent to the existing pipeline. Therefore, the easement area under LOD 28331 will need to be revised to accommodate the additional area. Exact area will be determined after TGC completes the survey. Before the amendment document for the easement is completed, TGC requests a construction and management right-of-entry until the issuance of the easement to meet the deadline for inspection as imposed by the federal government. Tentatively, the commencement of the installation activities over Parcel 35 is June 2012. A site plan showing the future layout is attached as **Exhibit C**.

To gain access to the subject location, TGC requests the Board authorize the right-of-entry including access over State parcels (1) 1-2-021:036, 039, 041, and 043, and the approximate alignment of the access is shown on Exhibit A1. This section of tax map plat (1) 1-2-021 is encumbered with monthly permits. Staff believes a long term commitment of access associated with the subject gas line easement might negatively

¹ According to the applicant, pipeline "pigging" is a way to perform different tasks (cleaning, inspecting, product batching, etc ...) while the pipeline is still in service.

impact the future planning of the area. Therefore, staff does not have any objection for the requested right-of-entry. In addition, written concurrences from the permittees mentioned above are attached as **Exhibit D1** and **D2**.

Parcel 2 - encumbered by LOD 28853, Kapalama

No additional easement area over Parcel 2 is required for the installation of the receiver. However, during the installation and actual monitoring of the receiver activities, TGC need to use certain parking stalls over Parcel 002 for its trucks and other equipment. Therefore, TGC requests a right-of-entry for about two months tentatively commencing from July 2012 over Parcel 2. Honolulu Limited, the lessee of GL 5841 and its tenant have indicated no objection to the requested right-of-entry. (**Exhibit E1** and **E2**)

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.

Department of Health, Department of Parks and Recreation, and Department of Facility Maintenance have no objection/comment to the subject request.

Department of Planning and Permitting advises that the applicant shall provide construction plans for review and approval by the City in view of the sewer lines maintained by the City's Wastewater Branch in the vicinity. Similarly, Board of Water Supply cautions the applicant of the existence of waterlines in the vicinity. Staff understands that compliance with all applicable statutes and ordinance by the grantee is standard condition in the easement document.

Department of Transportation, Division of Aquatic Resources, and Office of Hawaiian Affairs have not responded as of the suspense date. There are no other pertinent issues or concerns.

RECOMMENDATION: That the Board:

1. 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 probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the amendment of the non-exclusive easement to The Gas Company filed under Land Office Deed No. 28331 by expanding the easement area for gas transmission lines purposes 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 amendment easement document form, as may be amended from time to time;

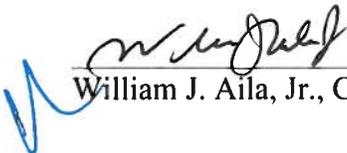
- B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Authorize the issuance of right-of-entry for access purposes over TMK (1) 1-2-021:035, 036, 039, 041 and 043 to The Gas Company further subject to the following:
- A. The standard terms and conditions of the most current right-of-entry permit document form, as may be amended from time to time;
 - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
4. Authorize the issuance of right-of-entry for access purposes over TMK (1) 1-5-042:002 to The Gas Company further subject to the following:
- A. The standard terms and conditions of the most current right-of-entry permit document form, as may be amended from time to time; and
 - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Amendment of Easement Area & Issuance of Right-of-Entry

Project / Reference No.: PSF 12od-029

Project Location: Honolulu, Oahu, Tax Map Key: (1) 1-2-021:035,036,039,041, and 043; (1) 1-5-042:002

Project Description: Installation of launcher and receiver for monitoring the gas pipeline as required by the federal law

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: Sections 11-200-8(a)(3)(d) & (4), HAR and the Exemption List for the Department of Land and Natural Resources, Land Division approved by the Environmental Council and dated April 28, 1986, Class No. 3(d) that states "Construction and location of single, new, small facilities or structures and the alteration and modification of the same and installation of new, small, equipment and facilities and the alteration and modification of same, including, but not limited to: ... Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to serve such structures or facilities; accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences; and, acquisition of utility easements;" and Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation."

The proposed installation of the receiver and launcher for monitoring the gas pipeline does not have any major alteration in the condition of land, water, or vegetation. Staff recommends the Board declare they are exempt from preparation of an environmental assessment in accordance with Hawaii Administrative Rules.

Consulted Parties Not applicable

Exemption Item Description
from Agency Exemption List: Not applicable

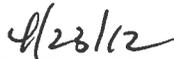
EXHIBIT B

Recommendation:

It is recommended that the Board declare that this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.



William J. Aila, Jr., Chairperson



Date



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

March 19, 2012

Ref. No.: 12od-029
RP 7470

JSR Equipment, Inc.
2295 Alahao Place
Honolulu, Hawaii 96819

Dear Permittee:

Subject: Request to Expand the Easement Area for Gas Lines Purposes and Issuance of Right-of-Entry, Honolulu, Oahu, Tax Map Key: (1) 1-2-021:portions of 035, 036 and 041 and 1-5-042:portion of 002

Enclosed is a draft Land Board submittal for the above referenced request, tentatively scheduled for the next available Board meeting in Honolulu.

Please submit any comments or objections you may have regarding the enclosed submittal to us by March 31, 2012, and sign at the space provided below. If we do not hear from you by this date, we will assume you are in agreement with the above-referenced request.

If you have any further questions, please feel free to contact us at 587-0430, or Mr. Charles Calvet of The Gas Company at 594-5570. Thank you.

Sincerely,

Barry Cheung
District Land Agent

Enclosure

- We have no objections.
- We have no comments.
- Comments are attached.

Signed: Rochal T. Lee, President
Date: 4-18-12

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



WILLIAM J. AHLA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Ahle

March 19, 2012

Ref. No.: 12od-029
RP 7748

Robert's Central Laupahoehoe, Inc.
680 Iwilei Road, Suite 700
Honolulu, Hawaii 96817

MAR 21 2012

Dear Permittee:

Subject: Request to Expand the Easement Area for Gas Lines Purposes and Issuance of Right-of-Entry, Honolulu, Oahu, Tax Map Key: (1) 1-2-021:portions of 035, 036 and 041 and 1-5-042:portion of 002

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If you have any further questions, please feel free to contact us at 587-0430, or Mr. Charles Calvet of The Gas Company at 594-5570. Thank you.

Sincerely,

Barry Cheung

Barry Cheung
District Land Agent

Enclosure

- We have no objections.
- We have no comments.
- Comments are attached.

Signed: *[Signature]*

Date: 04-17-12

EXHIBIT "D2"



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

RECEIVED

MAR 20 2012

March 19, 2012

Ref. No.: 12od-029
GL 5841

Honolulu Limited
3660 Waiialae Ave., Suite 400
Honolulu, Hawaii 96816

Dear Lessee:

Subject: Request to Expand the Easement Area for Gas Lines Purposes and Issuance of Right-of-Entry, Honolulu, Oahu, Tax Map Key: (1) 1-2-021:portions of 035, 036 and 041 and 1-5-042:portion of 002

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If you have any further questions, please feel free to contact us at 587-0430, or Mr. Charles Calvet of The Gas Company at 594-5570. Thank you.

Sincerely,

Barry Cheung
District Land Agent

Enclosure

- (x) No objection, subject to obtaining Dal-Tile SSC West Inc.'s (Tenant) approval.
- () We have no objections.
- () We have no comments.
- () Comments are attached.

Signed: , Vice President
Date: March 27, 2012

EXHIBIT "E"

Barry W
Cheung/DLNR/StateHIUS
04/19/2012 09:10 AM

To John Pasternak <John.Pasternak@hawaii.gov>
cc ccalvet@hawaiiigas.com, Stephen.T.Lau@hawaii.gov
bcc
Subject Re: Gas company

John
Thanks for the prompt response.

Charles
Please note John's email.

Barry Cheung
District Land Agent, Land Division
Department of Land and Natural Resources
1151 Punchbowl Street, Room 220
Honolulu, Hawaii 96813
Main Line; (808) 587-0433
Direct Line: (808) 587-0430
Cell Phone: (808) 286-8905
Fax: (808) 587-0455
John Pasternak <John.Pasternak@Daltil.com>



John Pasternak
<John.Pasternak@hawaii.gov>
m>
04/19/2012 09:10 AM

To Barry.W.Cheung@hawaii.gov
cc ccalvet@hawaiiigas.com, Stephen.T.Lau@hawaii.gov
Subject Re: Gas company

Barry,

That is correct. As discussed, please communicate with me prior to mobilization of your equipment to the work site so we can coordinate on our end.

Thanks,

John

John Pasternak
Daltil-Honolulu
1200 North Nimitz Highway
Honolulu, HI 96817
Tel: (808) 523-3660
Fax: (808) 537-4602
Mobile: (808) 216-1676
john.p

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EXHIBIT "E2"

-----Barry.W.Cheung@hawaii.gov wrote: -----
To: john.pasternak@daltile.com
From: Barry.W.Cheung@hawaii.gov
Date: 04/19/2012 08:34AM
Cc: Stephen.T.Lau@hawaii.gov, ccalvet@hawaiiigas.com
Subject: Gas company

Morning, Mr. Pasternak

We understand Mr. Charles Calvet of The Gas Company and Mr. Steve Lau of our office have discussed with you on April 18, 2012 about a project to be conducted by The Gas Company over a portion of the parking lot. You indicated that you had no comment/objection to the proposed project. We appreciate your concurrence. We also obtained similar concurrence from your lessor, Honolulu Limited. Please feel free to contact us if you have further questions.

Thanks you.

Barry Cheung
District Land Agent, Land Division
Department of Land and Natural Resources
1151 Punchbowl Street, Room 220
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Main Line; (808) 587-0433
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