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

ISSUANCE OF AN ACCESS AGREEMENT TO PERFORM CORRECTIVE ACTION WORK ON THE PREMISES
EQUILON ENTERPRISES LLC dba SHELL OIL PRODUCTS US
2805 UALENA STREET
HONOLULU INTERNATIONAL AIRPORT  OAHU
TMK: (1) 1-1-04-01 (PORTION)

REQUEST:

Issuance of an Access Agreement to Equilon Enterprises LLC dba Shell Oil Products US (SOPUS) to enter the property located at 2805 Ualena Street (the Property) to perform all monitoring well installations, tests, inspections, boring, engineering studies, surveys, appraisal, environmental studies, remediation operations and/or other activities that SOPUS deems necessary to comply with statutes, regulations, ordinances, directives and orders (Applicable Laws) applicable to the Property as related to SOPUS’ operation of the underground storage tank system (UST System) as may be required by the Hawaii Department of Health, Solid and Hazardous Waste Branch, Underground Storage Tank Section (the Agency), related to petroleum hydrocarbons, including gasoline additives and related constituents which may be present on the Property in excess of Applicable Laws as a result of the former operation of the UST System operated by SOPUS, all hereinafter referred to as the “Corrective Action.”

LEGAL REFERENCE:

Sections 261-7 and 171-59(b) Hawaii Revised Statutes.

APPLICANT / LESSEE:

Equilon Enterprises LLC, a Delaware limited liability company dba Shell Oil Products US, authorized to do business in the State of Hawaii.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-04-01 (portion).
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AREA:

Portion of Building/Space No. 005-130, containing 21,606 square feet more or less;
as shown and delineated on the attached maps labeled as “Exhibit A” and delineated
more specifically on “Exhibit B”.

ZONING:

State Land Use District: Urban
City and County of Honolulu: I-2 (Industrial)

LAND TITLE STATUS:

Non-ceded - Direct purchase from private land owner
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ___ NO __ X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3894, setting aside a
portion of Honolulu International Airport under the control and management of the State
of Hawaii, Department of Transportation, Airports Division (DOTA) for Airport purposes.

The DOTA acquired the subject property, together with most of the remaining properties
(except one) along the ocean (makai) side of Ualena Street, between Lagoon Drive and
Paiea Street, in the mid 1990’s from Loyalty Enterprises, Ltd.

CHARACTER OF USE:

For the purpose of performing Corrective Action work on the Property.

TERM:

Unspecified period from the start of the Corrective Action work, and to terminate when
SOPUS considers the Corrective Action to be complete and the Agency either:
1) determines that “No Further Action” is required or 2) Corrective Action would be
presumed to be completed in the event that the Agency does not, for a period of one (1)
year following the date of SOPUS’s written notice, express objections to the notice.

COMMENCEMENT DATE:

Upon execution of the document.
CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers 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.

DCCA VERIFICATION:

Place of business registration confirmed: YES X NO ____
Registered business name confirmed: YES X NO ____
Good standing confirmed: YES X NO ____

REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation (DOT) proposes to issue an Access Agreement to SOPUS for the purpose of performing Corrective Action work as required by the Agency.

When the lease for the Property expired on December 31, 2012, the Airport Shell Service Station (Shell), a sublessee under the expired lease, was taken over by Aloha Petroleum, Ltd. (APL), which operated under a revocable permit.

APL was later notified by DOT to vacate the premises by December 31, 2013, due to DOT’s plans to demolish the service station. Although APL has since vacated the property and removed the UST System, DOT has not accepted the property back from APL due to outstanding environmental concerns related to the removal of the UST System. APL has since placed responsibility on Shell to address DOT’s concerns.

SOPUS has hired an environmental consultant, URS Corporation, a Nevada corporation, authorized to do business in Hawaii, to perform the services for the Corrective Action work.

DOT will not release APL from its obligations under the revocable permit until the Access Agreement is fully executed by and between DOT and SOPUS.
The DOT is willing to allow SOPUS to access the Property to perform the Corrective Action work as required under the direction and supervision of the Agency.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue an Access Agreement to Equilon Enterprises LLC dba Shell Oil Products US subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the agreement form and content.

Respectfully submitted,

GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:

WILLIAM J. AILA, JR.
Chairperson and Member