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

AMENDMENT NO. 1 TO DIRECT LEASE DOT-A-12-0012
ISSUED TO HAWAII FUELING FACILITIES CORPORATION
FOR A FUELING FACILITY TO PROVIDE ONSITE FUEL
STORAGE AND DELIVERY OF AVIATION FUEL VIA
UNDERGROUND PIPELINE AT KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-01:19 (PORTION)

APPLICANT:

Hawaii Fueling Facilities Corporation, whose mailing address is 3201 Aolele Street, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

Section 171-59, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Kahului Airport, Tax Map Key: 2nd Division - 3-8-01: 19 (Portion) Kahului

AREA:

A subsurface pipeline easement of approximately 44,751 square feet and an above ground load rack easement of 10,276 square feet, as shown on Exhibits C and D.

ZONING:

State Land Use: Urban
County of Maui: Airport

LAND TITLE STATUS:

Section 5(a), Hawaii Admission Act: Non-Ceded
DHHL 30% entitlement lands: No

ITEM M-7
CURRENT USE STATUS:

Airport and aeronautical uses.

CHARACTER OF USE:

Easement for underground pipeline, and above ground load rack to provide fuel at Kahului Airport.

LEASE TERM:

Thirty-five years commencing as of December 1, 2012

ANNUAL RENT:

Initial rental rate for the Subsurface Pipeline Easement is $0.52 per square foot per annum which corresponds to an annual rental of $23,270.52.

Initial rental rate for the Load Rack Easement is $0.75 per square foot per annual which corresponds to an annual rental of $7,707.00.

The above rates will continue until the end of the fifth year of the lease term at which time the annual easement rental shall be increased to 115% of the previous annual rental. The process shall be repeated after each five year period throughout the lease term.

PERFORMANCE BOND:

Three months of land rental.

CHAPTER 343, HRS-ENVIRONMENTAL ASSESSMENT:

The proposed fueling facility and pipeline were included in the September 1997 Final Environmental Impact Statement for the Kahului Airport Improvements.

The above ground load rack portion of the project is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, HRS, as amended, because the proposed action falls within Exemption Class #3 Exempt Item (e)7, Comprehensive Exemption List of the State of Hawaii, Department of Transportation dated November 14, 2000, as approved by the Environmental Quality Control.
Exemption Class #3 covers construction and location of single, new, small facilities or structures and the alteration and modification of same and installation of new, small equipment and facilities and the alteration and modification of same including, but not limited to:

Exempt Item (e)7: Utility service connections and installation along and across State highway or roads, and in airports and harbors.

**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 |

**REMARKS:**

Fuel storage capacity is limited at Kahului Airport. Consequently, fuel is delivered to the airport by tanker truck approximately 20 times per day. Each tanker truck holds approximately 8,000 gallons. Current demand at Kahului Airport is about 160,000 gallons per day. The pipeline easement will allow fuel to be pumped to the load rack eliminating the need to truck fuel from the fuel storage facility to the west side of the airfield. This will significantly reduce the number of trips on public roads by tanker trucks carrying aviation fuel.

**RECOMMENDATION:**

That the Board approve of Amendment to Lease No. DOT-A-12-0012 establishing the easement rental subject to: (1) the terms and conditions hereinabove outlined; (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) the review and approval of the Department of the Attorney General.

Respectfully submitted,

[Signature]
FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

[Signature]
WILLIAM J. AILA, Jr.
Chairperson and Member