

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

August 26, 2011

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

PSF No.:08od-064

OAHU

Grant of Perpetual, Non-Exclusive Easement to Honolulu Seawater Air Conditioning, LLC for Seawater Air Conditioning Waterlines Purposes on State Submerged Lands off Kakaako, Honolulu, Oahu, Tax Map Key: (1) 2-1-060:seaward of 008

APPLICANT:

Honolulu Seawater Air Conditioning, LLC, a domestic limited liability company.

LEGAL REFERENCE:

Section 171-13, 53(c) Hawaii Revised Statutes, as amended.

LOCATION:

Portion of submerged lands situate off Kakaako, Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-060:seaward of 001, as shown on the attached map labeled **Exhibit A1 & A2**.

AREA:

8.813 acres, more or less, subject to review and approval by the Department of Accounting and General Services, Survey Division

ZONING:

State Land Use District: Conservation

TRUST LAND STATUS:

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

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Right, privilege and authority to construct, use, maintain, repair, replace and remove waterlines for transmitting seawater for air conditioning purposes over, under and across State-owned submerged lands.

TERM

Perpetual

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:

Final Environmental Impact Statement was published in the Environmental Notice on September 23, 2009.

DCCA VERIFICATION:

|   |                  |              |
|---|------------------|--------------|
| Place of business registration confirmed: | YES <u>  x  </u> | NO <u>  </u> |
| 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; and
- 2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

REMARKS:

Honolulu Seawater Air Conditioning, LLC (HSWAC) proposes to install approximately 25,000 feet of supply and 4,500 feet return waterlines on the State submerged lands for the purpose of distributing chilled water to customers, including government buildings in downtown Honolulu. The system will also include a cooling station situated on lands at the corner of Ilalo and Keawe Streets and pipelines under the public roads.

The project, by providing a renewable source of energy, will reduce the use of fossil fuels and potable water used by the current air conditioning system. In addition, it reduces the amount of water dumped into the existing sewer system by the current air conditioning system.

Staff understands HSWAC will submit separate requests to the State Department of Transportation and the City and County of Honolulu for the respective portions of waterline underneath the public roads. Once the waterlines go into the property boundary, HSWAC will seek authorization from the owners for installation for the waterlines. Staff will bring any request, if appropriate, over State lands to the Board for consideration at a later date.

Conservation District Use Permit (OA-3579) was approved by the Board on June 23, 2011, and the Final Environmental Impact Statement was published on September 23, 2009. Staff did not solicit comments for the subject easement request as comments were solicited during the CDUA and EIS stages already.

HSWAC also requests for immediate construction right-of-entry in view of the tight time line of the project.

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.

RECOMMENDATION: That the Board:

1. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a perpetual, non-exclusive easement to Honolulu Seawater Air Conditioning, LLC covering the subject area for waterline for seawater air conditioning 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 perpetual easement document form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and

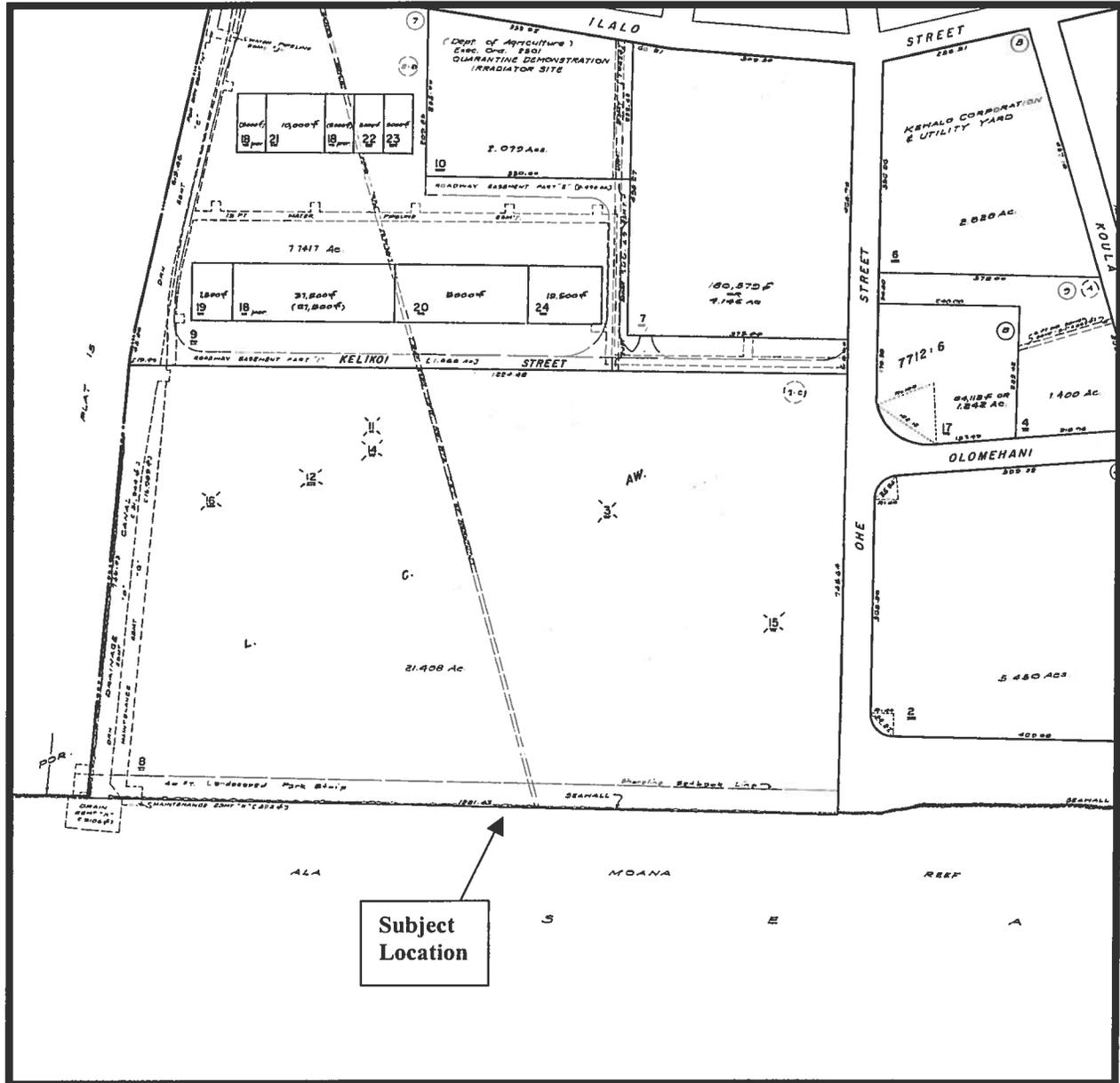
- C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
  
- 2. Authorize the issuance of a construction right-of-entry to Honolulu Seawater Air Conditioning, LLC covering the subject area for waterline for seawater air conditioning purposes 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 right-of-entry 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.

Respectfully Submitted,

  
Barry Cheung  
District Land Agent

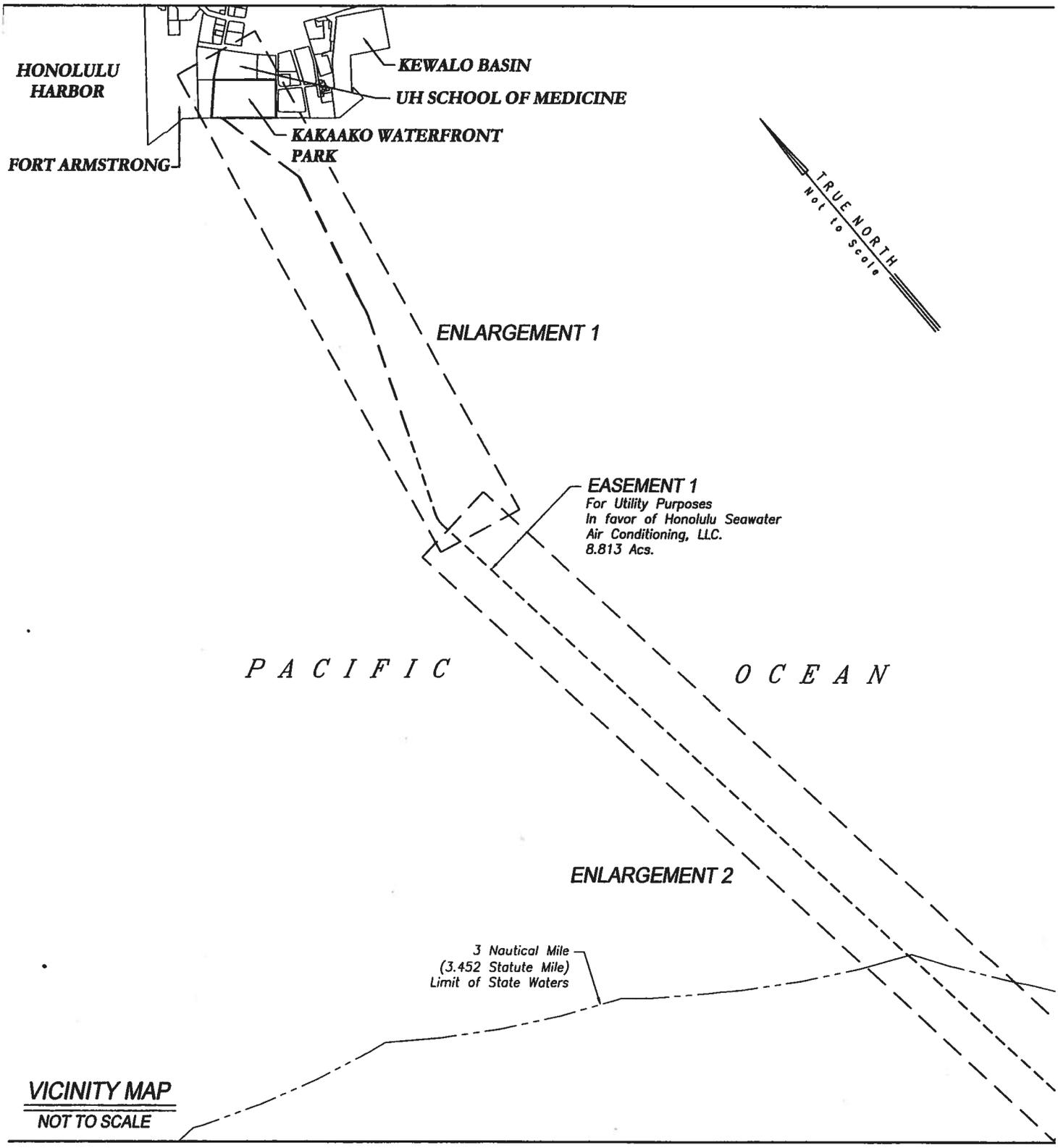
APPROVED FOR SUBMITTAL:

  
William J. Aila, Jr., Chairperson



**TMK (1) 2-1-060:008 seaward**

# EXHIBIT A1



**ENLARGEMENT 1**  
 SCALE: 1 in. = 300 ft.