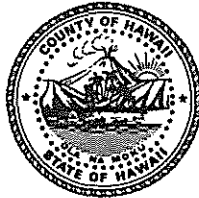


Stephen K. Yamashiro
Mayor



County of Hawaii

PLANNING COMMISSION

25 Aupuni Street, Room 109 • Hilo, Hawaii 96720-4252
(808) 961-8288 Fax (808) 961-9615

CERTIFIED MAIL
Z 095 323 782

DEC 05 1996

David H. Lomas, Project Manager
BHP Petroleum Americas (Hawaii) Inc.
P.O. Box 3379
Honolulu, HI 96842-0001

Dear Mr. Lomas:

Special Management Area Use Permit Application (SMA 96-10)
Applicant: BHP Petroleum Americas (Hawaii) Inc.
Request: Proposed Improvements and Renovations to Existing Fuel Terminal
Tax Map Key: 2-1-7:16

The Planning Commission at its duly held public hearing on November 21, 1996, voted to approve the above-referenced application. Special Management Area Use (SMA) Permit No. 368 is hereby issued to allow the construction of proposed improvements and renovations to the existing Hilo Fuel Storage Terminal. The property is located along the makai side of Kalaniana'ole Street and on the Hilo side of its intersection with Kuhio Street and Silva Street, adjacent to the Kuhio Wharf Facility at Waiakea, South Hilo, Hawaii.

Approval of this request is based on the following:

The purpose of Chapter 205-A, Hawaii Revised Statutes and Rule 9, Special Management Area Rules and Regulations of the County of Hawaii, is to preserve, protect, and, where possible, to restore the natural resources of the coastal zone areas. Therefore, special controls on development within an area along the shoreline are necessary to avoid permanent loss of valuable resources and the foreclosure of management options, and to insure that adequate public access is provided to public-owned or used beaches, recreation areas, and natural reserves by dedication or other means.

The proposed project will not have any significant adverse environmental or ecological effect. The project site is situated in an area planned for industrial uses and harbor related activities serving the eastern half of the Island of Hawaii. Hilo Harbor was established as the primary commercial port for the island in the early 1900's. The proposed request involves improvements and renovation of the existing BHP Fuel

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DEC 05 1996

Storage Facility located along Kalaniana'ole Street. The subject property is part of a designated harbor facility and is surrounded by other industrial uses including a gas company office/baseyard, sugar and fertilizer warehouse facilities and other fuel terminals. The proposed improvements to the existing BHP fuel storage facility include a loading rack and canopy, impound area wall, tank catwalks, impound basin equipment area, motor/control center and water treatment equipment. These improvements will help to improve the loading system and loading area, and will result in greater loading efficiency and improve safety conditions onsite. As the area is already developed, there are no known threatened or endangered species of flora or fauna or their special habitats within the project area. There will be an increase in noise levels and dust during construction activities. However, these temporary, short-term impacts generated during the construction phase can be mitigated by existing construction regulations. The applicant also proposes limited work hours and frequent watering to limit fugitive dust. Therefore, impacts to the physical environment within the immediate area will be minimal.

The proposed project is consistent with the objectives, policies and guidelines of the Special Management Area. These were established to provide guidance for the preservation, protection and development of coastal resources of the State and County. They identify several areas of management concerns including historic, recreational, scenic resources, coastal ecosystems, economic use and coastal hazards. The surrounding area includes existing extensive industrial uses. No known presence of any significant historic or archaeological feature is situated on the project area. The closest portion of the project area is located approximately 300 feet from the shoreline at Radio Bay. As such, the project would not interfere with any recreational resources, with the natural shoreline processes nor impact viewplanes to the coastal area.

Runoff or discharge generated by the proposed project will be handled by on-site drainage improvements meeting with the approval of the Department of Public Works. The applicant proposes to surface the existing asphalt-paved loading area with concrete. Any fuel spillage will drain into an underground tank and either released into a dry well if contents are clean or suctioned off into tanker trucks for disposal. Potential adverse impacts to coastal waters from soil erosion and runoff during construction can be adequately mitigated through compliance with existing construction regulations. The location of the project area from coastal areas coupled with the provision of on-site drainage improvements and compliance with existing governmental regulations to control runoff, drainage and erosion would mitigate any adverse impact to the area's environment or the ecology of the area's coastal waters.

The proposed project within the Special Management Area is consistent with the General Plan and Zoning Code. The proposed improvements on the subject property are consistent with the existing industrial land use designations as well as the long-range planning for the subject area. The approval of the request would conform to the General Plan's Land Use Pattern Allocation Guide (LUPAG) Map which designates the area for Industrial uses. The proposed project would complement the following goals and policies of the Transportation - Transportation Terminals Element of the General Plan:

- * Provide transportation terminals and related facilities for the safe, efficient and comfortable movement of people and goods.
- * The State Department of Transportation should continue to implement its framework of transportation terminals and related facilities which will promote and influence desired land use.
- * The County shall encourage maximum use of the island's airport and harbor facilities.

As the Hilo Zone Map includes a widening and extension of Ocean View Drive, an additional future 5-foot road widening setback is required along the makai property boundary of the subject property and shall be shown on plans.

Approval of this request will be consistent with the general purpose of the General Plan and the Zoning Code as well as the State Department of Transportation's "2010 Master Plan for Hilo Harbor."

Based on the above, the proposed project will not have any substantial adverse impacts to the subject or surrounding area and, therefore, will not be contrary to the purpose and intent of Chapter 205-A, HRS, relating to Coastal Zone Management, Rule 9 of the Planning Commission relating to the Special Management Area, the General Plan and Zoning Code of the County of Hawaii.

Approval of this request is subject to the following conditions:

1. The applicant, successors or assigns shall be responsible for complying with all of the stated conditions of approval.
2. The applicant, its successors or assigns shall indemnify and hold the County of Hawaii harmless from and against any loss, liability, claim or demand for the property damage, personal injury or death arising out of any act or omission of the applicant, its successors or assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of the permit.
3. Construction of the proposed improvements shall be completed within five (5) years from the effective date of this permit. Prior to commencing construction, Final Plan Approval shall be secured from the Planning Department. Plans shall identify existing and proposed structures, parking associated with the proposed uses and landscaping where appropriate. A 5-foot wide future roading widening setback along the makai property boundary shall also be indicated on plans.
4. All grading shall meet with the approval of the Department of Public Works.
5. The applicant shall comply with all applicable agency requirements, including the Department of Health.

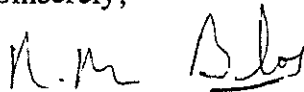
6. An initial extension of time for the performance of conditions within the permit may be granted by the Planning Director upon the following circumstances:
 - A. The non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors or assigns, and that are not the result of their fault or negligence.
 - B. Granting of the time extension would not be contrary to the General Plan or Zoning Code.
 - C. Granting of the time extension would not be contrary to the original reasons for granting of the permit.
 - D. The time extension granted shall be for a period not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended for up to one additional year).

Should any of the conditions not be met or substantially complied with in a timely fashion, the Director may initiate procedures to revoke the permit.

This approval does not, however, sanction the specific plans submitted with the application as they may be subject to change given specific code and regulatory requirements of the affected agencies.

Should you have any questions, please feel free to contact Alice Kawaha or Susan Gagorik of the Planning Department at 961-8288.

Sincerely,



Kevin M. Balog, Chairman
Planning Commission

AK:syw

LBHPPe01.PC

cc: Honorable Stephen K. Yamashiro, Mayor
Department of Public Works
Department of Water Supply
County Real Property Tax Division
Office of State Planning, CZM Program (w/Background)
Mr. Taeyong M. Kim