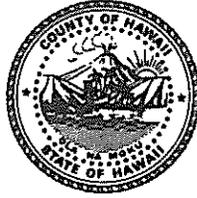


Stephen K. Yamashiro
Mayor



County of Hawaii

PLANNING COMMISSION

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

CERTIFIED MAIL
Z 095 323 307

OCT 07 1997

Mr. Sidney Fuke
100 Pauahi Street, Suite 212
Hilo, HI 96720

Dear Mr. Fuke:

Special Management Area Use Permit Application (SMA 97-7)
Applicant: Shell Oil Products Company
Request: Allow for the Installation of a Vapor Recovery Unit and
Counterflow Lane for Gasoline and Related Improvements
Tax Map Key: 2-1-7:2

The Planning Commission at its duly held public hearing on September 26, 1997, voted to approve the above-referenced application. Special Management Area Use (SMA) Permit No. 380 is hereby issued to allow the installation of a vapor recovery unit and counterflow lane for gasoline and related improvements at the existing Shell Oil Fuel Storage Facility. The property is located on the makai side of Kalaniana'ole Street approximately 200 feet west of its intersection with Kuhio Street, in the vicinity of Kuhio Wharf 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 subject property 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

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Shell Oil Products Company petroleum storage and distribution facility located along Kalaniana'ole Street. The subject property is part of a designated harbor facility and is surrounded by other industrial uses including warehouse facilities and other fuel terminals. The proposed improvements to the existing petroleum storage and distribution facility include the construction of a new vapor recovery unit which would capture vapors from the loading of petroleum products into the delivery trucks and to reprocess them back into one of the storage tanks. In so doing, the unit will help to reduce emissions at the facility. To facilitate truck movements within the site during the loading of petroleum products, a counterflow lane will be created. This will enable the loading of petroleum products from both sides of the pump. To create this counterflow lane, an existing canopy will be extended; the petroleum loading rack will be improved with meters, strainers, control valves, and the like; and the existing gates will be modified. The canopy will be extended to reduce contact with the rain during fueling operations. These improvements will help to improve the loading system and loading area; and will result in greater loading efficiency and improve safety conditions onsite.

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 subject property nor in the immediate area. The subject property is located approximately 300 feet from the shoreline at Kuhio Bay. As such, the project would not interfere with any recreational resources, public shoreline access, 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. Asphalt berms will contain any fuel spillage during the loading process. 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.

As the area is already developed, there are no known threatened or endangered species of flora or fauna or their special habitats within the subject property. 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 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 City of 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. 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.

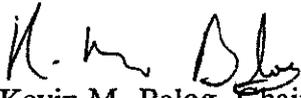
1. The applicant, successors or assigns shall be responsible for complying with all of the stated conditions of approval.
2. Construction of the proposed improvements shall be completed within five (5) years from the effective date of this permit. Prior to commencing construction, Final Plan Approval 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 road widening setback along the makai property boundary shall also be indicated on the plans.
3. Comply with all applicable rules, regulations and requirements of other affected agencies, including the Department of Public Works and the Department of Health, for approval of the proposed improvements.
4. 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).

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

LShell01.PC

cc: Department of Public Works
Department of Water Supply
County Real Property Tax Division
Office of State Planning, CZM Program (w/Background)
Kazu Hayashida, Director/DOT-Highways, Honolulu
Mr. Hiram A. deFries