

DAVID Y. IGE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

FORD N. FUCHIGAMI  
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EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawai'i  
Honolulu, Hawai'i

ISSUANCE OF AN INDUSTRIAL LAND LEASE  
BY NOTICE OF PUBLIC AUCTION (SPACE NO. 800-119C)  
HILO INTERNATIONAL AIRPORT  
TAX MAP KEY: (3) 2-1-12: PORTION OF 90

HAWAI'I

REQUEST:

Issuance of an Industrial Land Lease for airport related and business purposes at Hilo International Airport (ITO) by notice of public auction.

LEGAL REFERENCE:

Sections 171-14, -16, -17, -41, and other applicable sections of Chapter 171, Hawai'i Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Portion of Hilo International Airport (ITO), Hilo, Island of Hawai'i, identified by Tax Map Key: 3rd Division, 2-1-12: Portion of 90.

AREA:

Bldg/Room No. 800-119C, containing an area of approximately 153,173 square feet, as shown on the attached Exhibit "A"

ZONING:

State Land Use District:	Urban
County of Hawai'i:	Industrial (ML-20)

**ITEM M-11**

BLNR – SALE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION  
HILO INTERNATIONAL AIRPORT  
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LAND TITLE STATUS:

Section 5(a) lands of the Hawai'i Admission Act: Ceded  
DHHL 30% entitlement lands pursuant to Hawai'i Admission Act YES\_\_\_ NO X

CURRENT USE STATUS:

Airport related purposes

CHARACTER OF USE:

Commercial and business purposes

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the premises  
Improvements: The real property is vacant

TERM OF LEASE:

Thirty (35) years

COMMENCEMENT DATE:

Upon execution of the Lease

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENING:

\*If there are substantial leasehold improvements constructed on the premises, the annual lease rental for the first year shall be waived at the beginning of the lease pursuant to Section 171-6 Powers, HRS.

Years 1 thru 5*	\$154,704.72
Years 6 thru 10	115% x the rental for year 5
Years 11 thru 15	115% x the rental for year 10
Years 16 thru 20	Reopening at fair market rent (FMR) thru independent appraisal
Years 21 thru 25	115% x rental of year 20
Years 26 thru 30	Reopening at fair market rent (FMR) thru independent appraisal
Years 31 thru 35	115% x rental of year 30

PERFORMANCE BOND:

An amount equal to the annual rent then in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The area was included in the April 2003 Final Environmental Assessment (FEA). The FEA was prepared in support of: (1) Federal actions consisting of approval of the Airport Layout Plan in July, 2013, and (2) the State of Hawai'i actions consisting of environmental approval and construction of proposed Hilo International Airport Improvements. The FEA was prepared pursuant to Chapter 343, Hawai'i Revised Statutes and the Administrative Rules, Title 11, Chapter 200 of the State of Hawai'i Department of Health.

REMARKS:

In accordance with Section 171-14, -16, -17, -41 and other applicable sections of Chapter 171, HRS, as amended, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by notice of public auction, the Department of Transportation (DOT) proposes to issue an industrial land lease by notice of public auction at ITO.

RECOMMENDATION:

That the Board authorize the DOT to issue an industrial land lease by notice of public auction, 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 lease form and content.

Respectfully submitted,

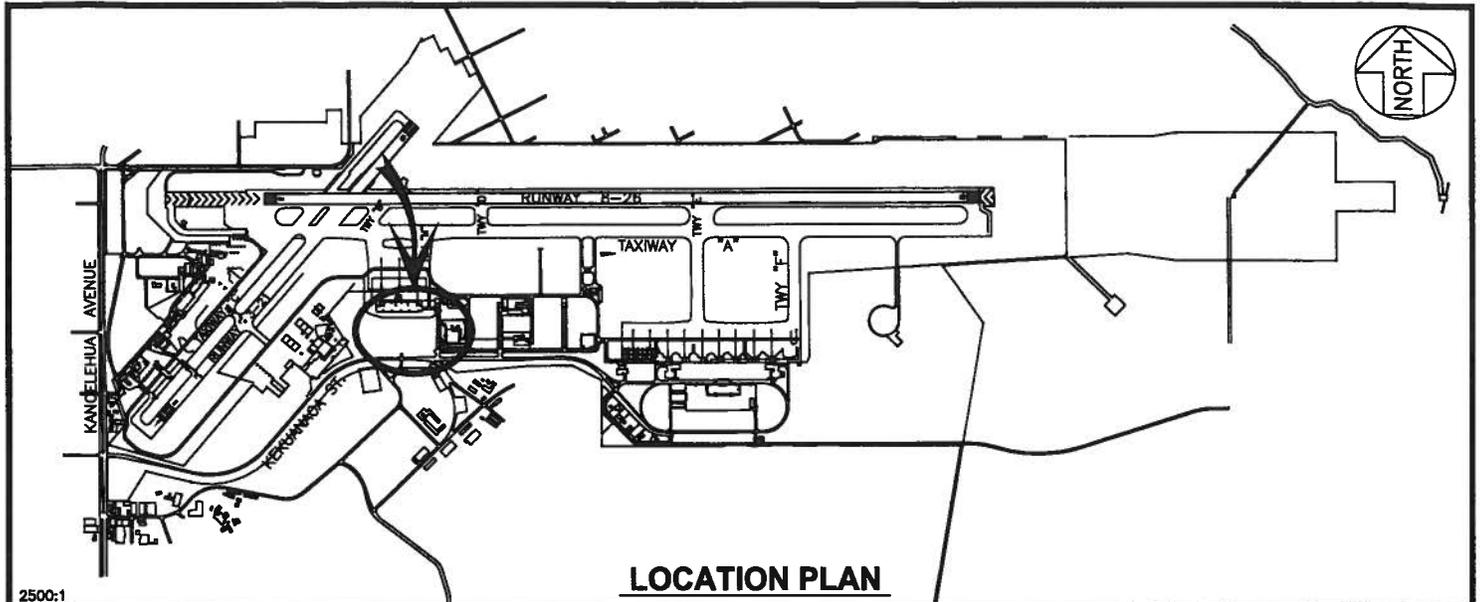


FORD N. FUCHIGAMI  
Director of Transportation

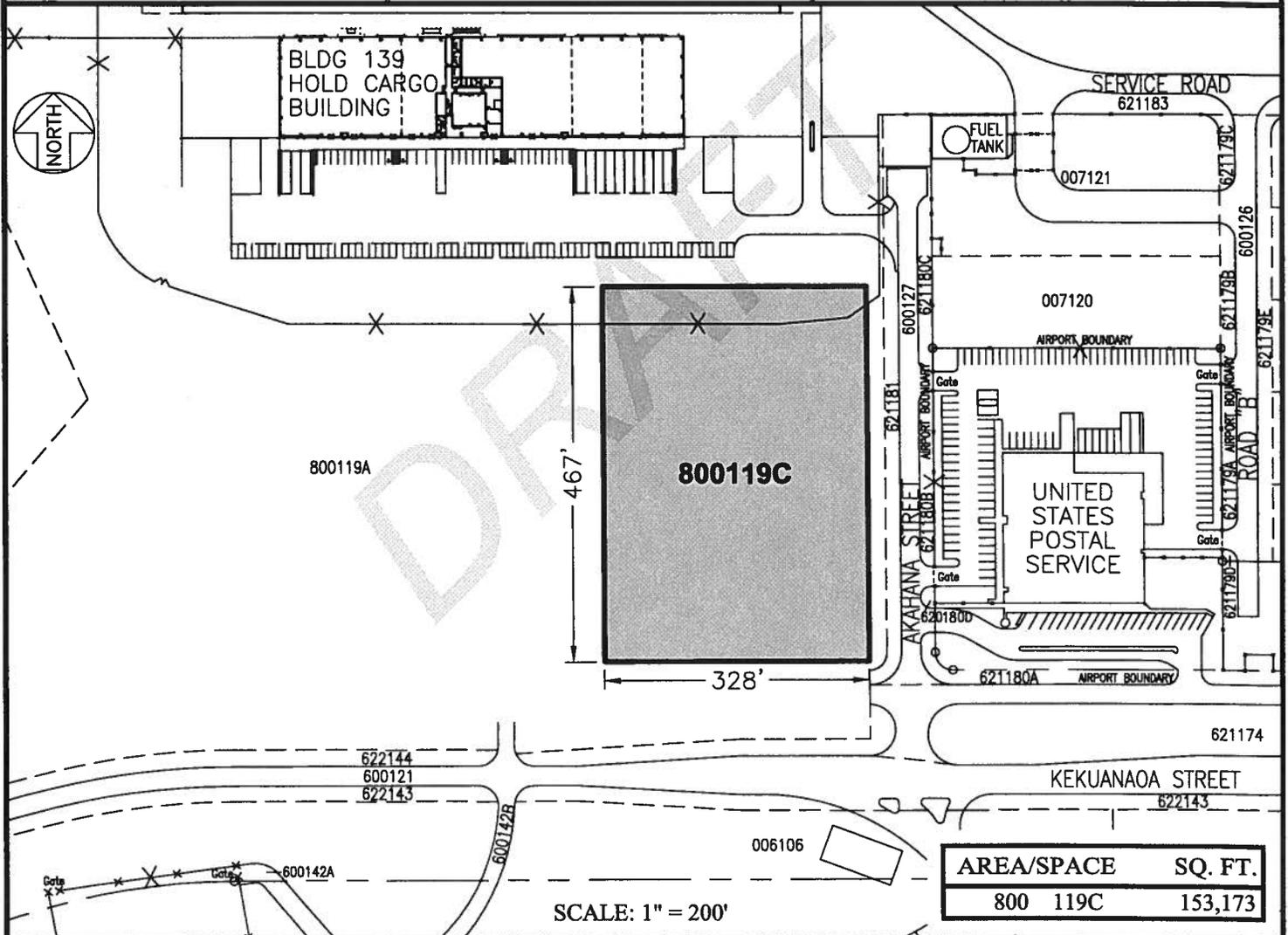
APPROVED FOR SUBMITTAL:



SUZANNE D. CASE  
Chairperson and Member



2500:1



DRAFT

DATE : MAY 2016

EXHIBIT: **A**



Airports Division

IMPROVED LAND

800119C

PLATS 31, 41

**HILO INTERNATIONAL AIRPORT**