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GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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IN REPLY REFER TO:

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

SALE OF AN AIR CARGO LEASE BY NOTICE OF PUBLIC AUCTION
NEW CARGO BUILDING (SPACE NO. 139-116)
HILO INTERNATIONAL AIRPORT
TAX MAP KEY: (3) 2-1-12: PORTION OF 90

HAWAII

REQUEST:

Sale of an Air Cargo Lease for aeronautical and business purposes in the New Cargo Building 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. 139-116, containing an area of approximately 10,967 square feet, as shown on the attached Exhibit "B".

ZONING:

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

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

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CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Air cargo operations

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available in the premises
Improvements: All improvements exist on the premises

TERM OF LEASE:

Thirty (30) years

COMMENCEMENT DATE:

Upon execution of the Lease

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENING:

Should there be additional leasehold improvements constructed on the premises, the annual lease rental for the first year is waived pursuant to Section 171-6 Powers, HRS;

Years 2 thru 5	\$118,443.60
Years 6 thru 10	\$136,210.20
Years 11 thru 15	\$156,641.76
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

PERFORMANCE BOND:

An amount equal to the annual rent then in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The new cargo building at ITO 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

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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 a sale of an air cargo lease by notice of public auction in its new cargo building at ITO.

RECOMMENDATION:

That the Board authorize the DOT to sell an air cargo 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

