

DAVID Y. IGE
GOVERNOR



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

FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
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 A DIRECT FIXED-BASE FACILITY LEASE
TO TRINITY INVESTMENTS LLC, KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-01: 19 (PORTION)

MAUI

REQUEST:

Issuance of a fixed-base facility lease to Trinity Investments LLC, at Kahului Airport (OGG) for the development, construction, operation, maintenance and repair of a fixed-base facility ("FBO")

APPLICANT:

Trinity Investments LLC ("TIL"), a Hawai'i limited liability company, its mailing address being 55 Merchant Street, Suite 1500, Honolulu, Hawai'i, 96813

LEGAL REFERENCE:

Section 171-59, Hawai'i Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Kahului Airport, Tax Map Key 2nd Division - 3-8-01: 19 (Portion)

AREA/SPACE:

Area/Space, 004-120, consisting of unimproved, unpaved land of approximately 336,920 square feet as delineated on the attached Exhibit B.

ZONING:

State Land Use: Urban
County of Maui: Airport

ITEM M-11

BLNR – ISSUANCE OF A FIXED-BASE FACILITY LEASE TO
TRINITY INVESTMENTS LLC, KAHULUI AIRPORT
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TRUST LAND STATUS:

Section 5(a), Hawai'i Admission Act: Non-ceded
DHHL 30% entitlement lands: No

CURRENT USE STATUS:

Airport and aeronautical

CHARACTER OF USE:

Development, construction, operation, maintenance and repair of a FBO.

LEASE TERM:

Thirty-five (35) years

ANNUAL RENTALS AND 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	\$626,671.20* (as determined from the DOTA schedule of rates and charges established by appraisal of Airports property statewide).
Years 6 thru 10	\$720,671.88
Years 11 thru 15	\$828,772.68
Years 16 thru 20	Reopening at fair market rental determined by independent appraisal
Years 21 thru 25	115% x the annual rental of year 20
Years 26 thru 30	Reopening at fair market rental determined by independent appraisal
Years 31 thru 35	115% x the annual rental of year 30

PERFORMANCE BOND:

An amount equal to the annual rental then in effect.

CHAPTER 343, HRS-ENVIRONMENTAL ASSESSMENT:

The proposed use of airport land was included in the September 1997 Final Federal and State Environmental Impact Statement (EIS) which was prepared in support of (1) the Federal actions consisting of approval of the Airport Layout Plan and (2) the State of Hawai'i actions consisting of state environmental approval and construction of proposed Kahului Airport Improvements. The EIS complied with the requirements of Chapter 343 of the Hawai'i Revised Statutes (HEPA), and Title 11, Chapter 200 of the State of Hawai'i, Department of Health Administrative Rules.

DCCA VERIFICATION:

Place of business registration confirmed: YES X
Registered business name confirmed: YES X
Applicant in good standing confirmed: YES X

REMARKS:

In accordance with Section 171-59(b), HRS, as amended, relating to Management and Disposition of Public Lands and relating specifically to Disposition by Negotiation, the Department of Transportation (DOT) proposes to issue a direct FBO lease to TIL.

The DOT has determined that the issuance of this direct FBO lease encourages competition within the aeronautical-related operations of OGG. Presently, two FBOs competitively serve OGG. TIL's successful development and operation of its FBO encourages more competition at OGG.

Also, the DOT performed research on this request which resulted in its decision to submit this direct lease request because it risks its compliance with United States Federal Aviation Administration (US FAA) Grant Assurances. Grant Assurance No. 22 c. states each FBO operator** at the airport shall be subject to the same rental rates applicable to all other FBO operators making the same or similar uses of such airport to serve any air carrier at such airport. The DOT affirms that a public notice by auction for this disposition would likely cause disparate rental rates in this regard.

** The USFAA defines a FBO as a private company which provides on-airport facilities and services for various aviation-related activities. These activities typically include and are not limited to facilities and services needed for aircraft storage, maintenance and repair, aircraft charters, flight training, aircraft refueling, etc.

RECOMMENDATION:

That the Board approve the issuance of a direct lease to TIL subject to: (1) the terms and conditions hereinabove outlined; (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) the review and approval of the Department of the Attorney General.

Respectfully submitted,

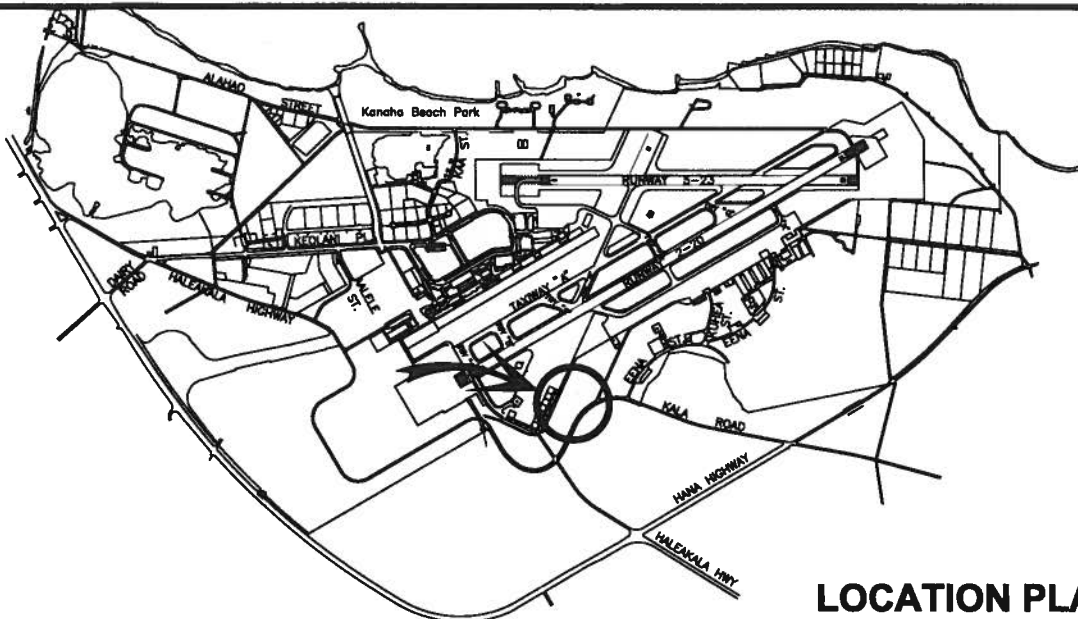


FORD N. FUCHIGAMI
Director of Transportation

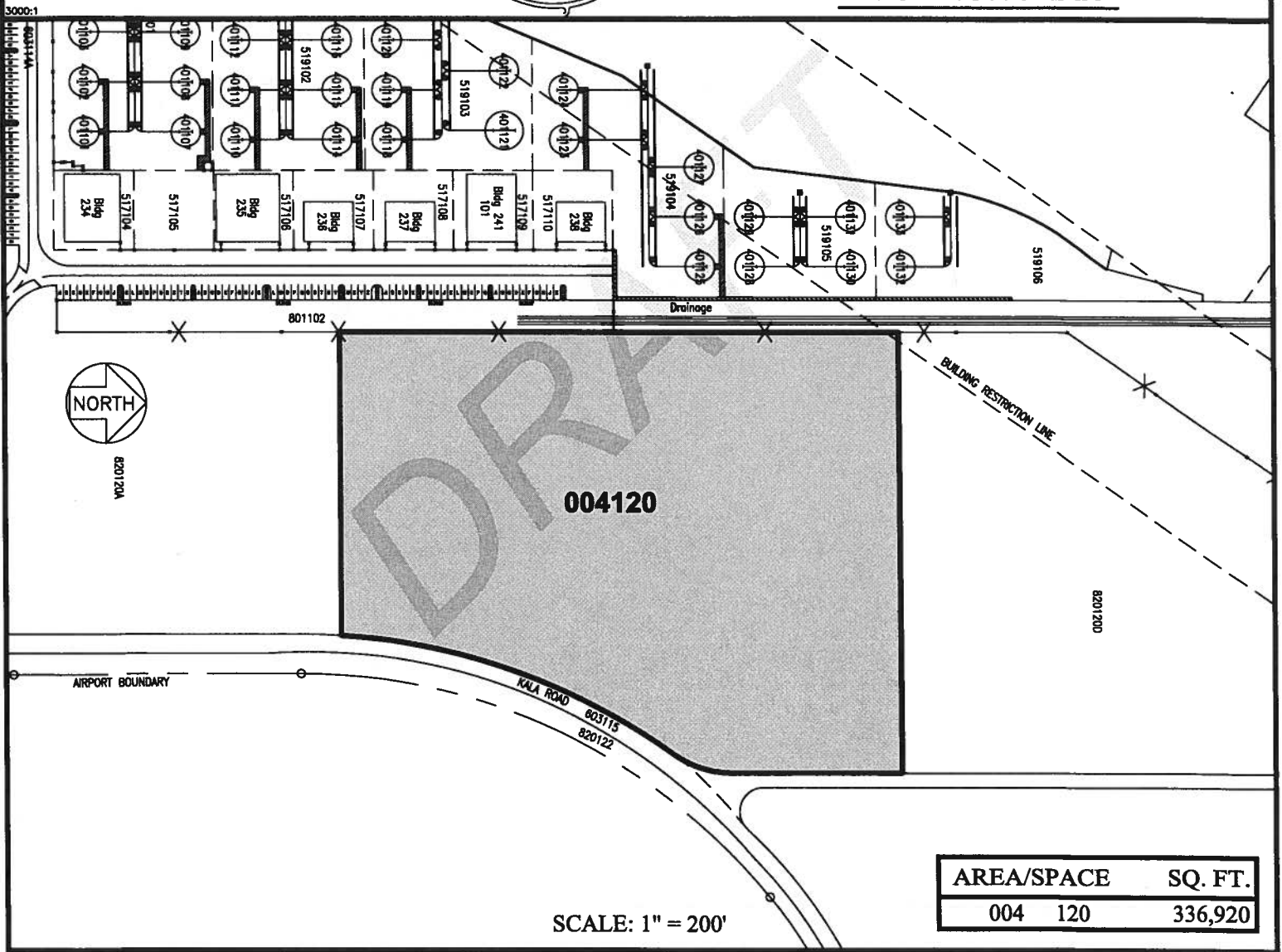
APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member



LOCATION PLAN



AREA/SPACE	SQ. FT.
004 120	336,920

SCALE: 1" = 200'

DRAFT

DATE : OCTOBER 2016

EXHIBIT: **B**



Airports Division

TRINITY INVESTMENTS LLC

GENERAL AVIATION
EAST RAMP AREA

004120

PLAT 46

KAHULUI AIRPORT

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