



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

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IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF A FUEL FACILITIES LEASE BY NOTICE OF PUBLIC AUCTION  
KALAELOA AIRPORT  
TAX MAP KEY: (1) 9-1-13: PORTION OF 32

O'AHU

REQUEST:

Issuance of a Fuel Facilities Lease for the operation, management, and maintenance of the State of Hawai'i, Department of Transportation's (DOT) existing self-service aircraft fueling facility by notice of public auction at Kalaeloa Airport (JRF).

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 Kalaeloa Airport, Ewa, Island of O'ahu, State of Hawai'i, identified by Tax Map Key: 1<sup>st</sup> Division, 9-1-13: Portion of 32.

PREMISES:

Area/Space No. 001-101, consisting of approximately 10,000 square feet of improved, paved land, containing the following improvements:

1. 10,000 gallon above-ground tank for the storage of AVGAS aviation fuel;
2. 20,000 gallon above-ground tank for the storage of JET-A Petroleum aviation fuel;
3. Stationary dispensing equipment, dispensing skid system, tank equipment, credit card readers, and other appurtenances.

ZONING:

State Land Use District: Urban  
City and County of Honolulu: P-2 (to be rezoned in the future)

**ITEM M-4**

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LAND TITLE STATUS:

Non-ceded land acquired from the U.S. Government by the State of Hawai‘i after Statehood DHHL 30% entitlement lands pursuant to the Hawai‘i State Constitution: NO X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3861, setting aside JRF under the control and management of the Department of Transportation, Airports Division, State of Hawai‘i, for Airport Purposes.

CHARACTER OF USE:

Self-Service Fueling Facility

TERM OF LEASE:

Ten (10) years.

LEASE COMMENCEMENT DATE:

January 1, 2018

MINIMUM UPSET

Annual Rental for the First Five (5)-Year Period (Years 1-5): \$25,900.00 per annum, based upon the ground rental rate of \$2.59 per square foot, per annum, established in the Airports Division Procedures No. 4.5 (Schedule of Rates and Charges) for JRF.

Annual Rental for the Second Five (5)-Year Period (Years 6-10): based upon the product of 115% and the annual rental for the fifth (5<sup>th</sup>) year of the Lease term.

Flue Flowage Fee: Fuel flowage fee for all types of aviation fuel received from a commercial distributor. The fee shall be \$.04 per gallon for the first 100,000 gallons of fuel received from a commercial distributor and \$.06 per gallon for any fuel over 100,000 gallons received annually. This fuel flowage fee shall be effective throughout the term of the Lease.

EFFECTIVE RENTAL:

The amount of the successful bid at the public auction.

PERFORMANCE BOND:

The sum equal to the total annual rental then in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawai‘i, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawai‘i Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawai‘i, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

In accordance with Section 171-14, -16, -17, -41 and other applicable sections of Chapter 171, HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by notice of public auction, the DOT proposes to issue a fuel facilities lease through notice of public auction for the purpose of operating, managing, and maintaining DOT’s existing fuel facility at JRF. The DOT has determined that the issuance of this lease through public auction encourages competition and is essential to the aeronautical industry at JRF.

RECOMMENDATION:


That the Board authorize the Department of Transportation issue a fuel facilities lease through 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 the lease form and content.

Respectfully submitted,

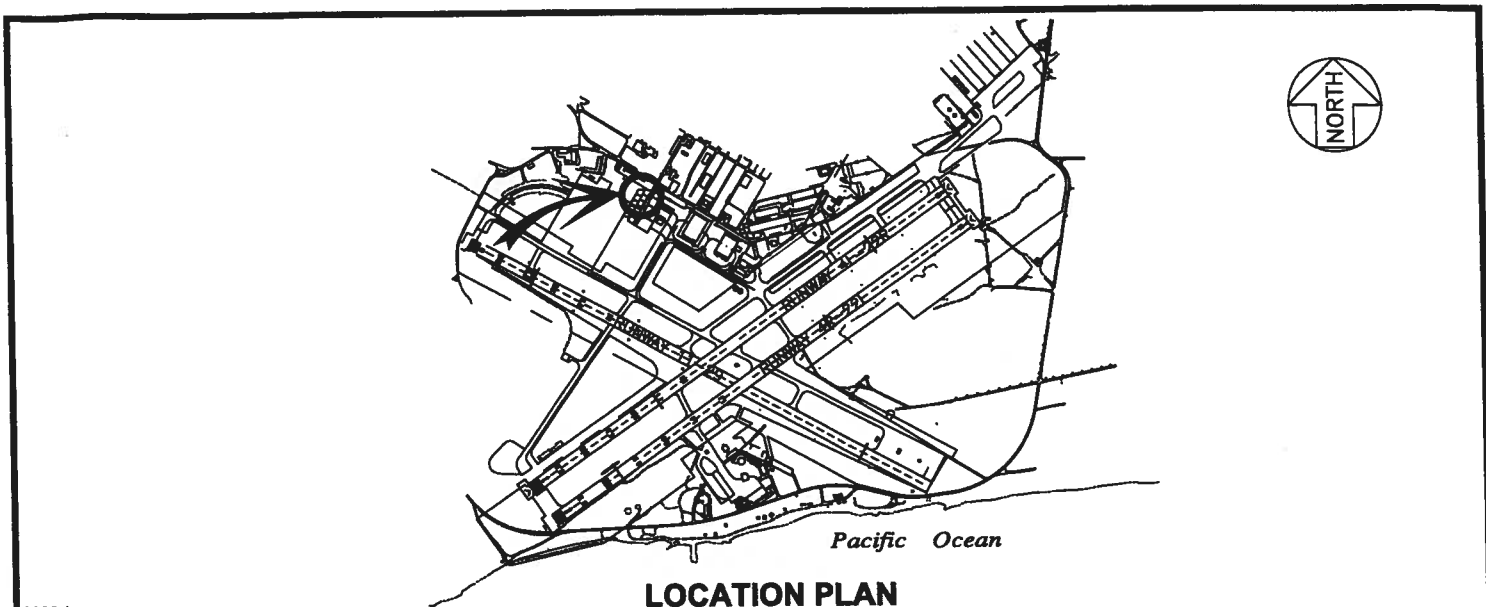


FORD N. FUCHIGAMI  
Director of Transportation

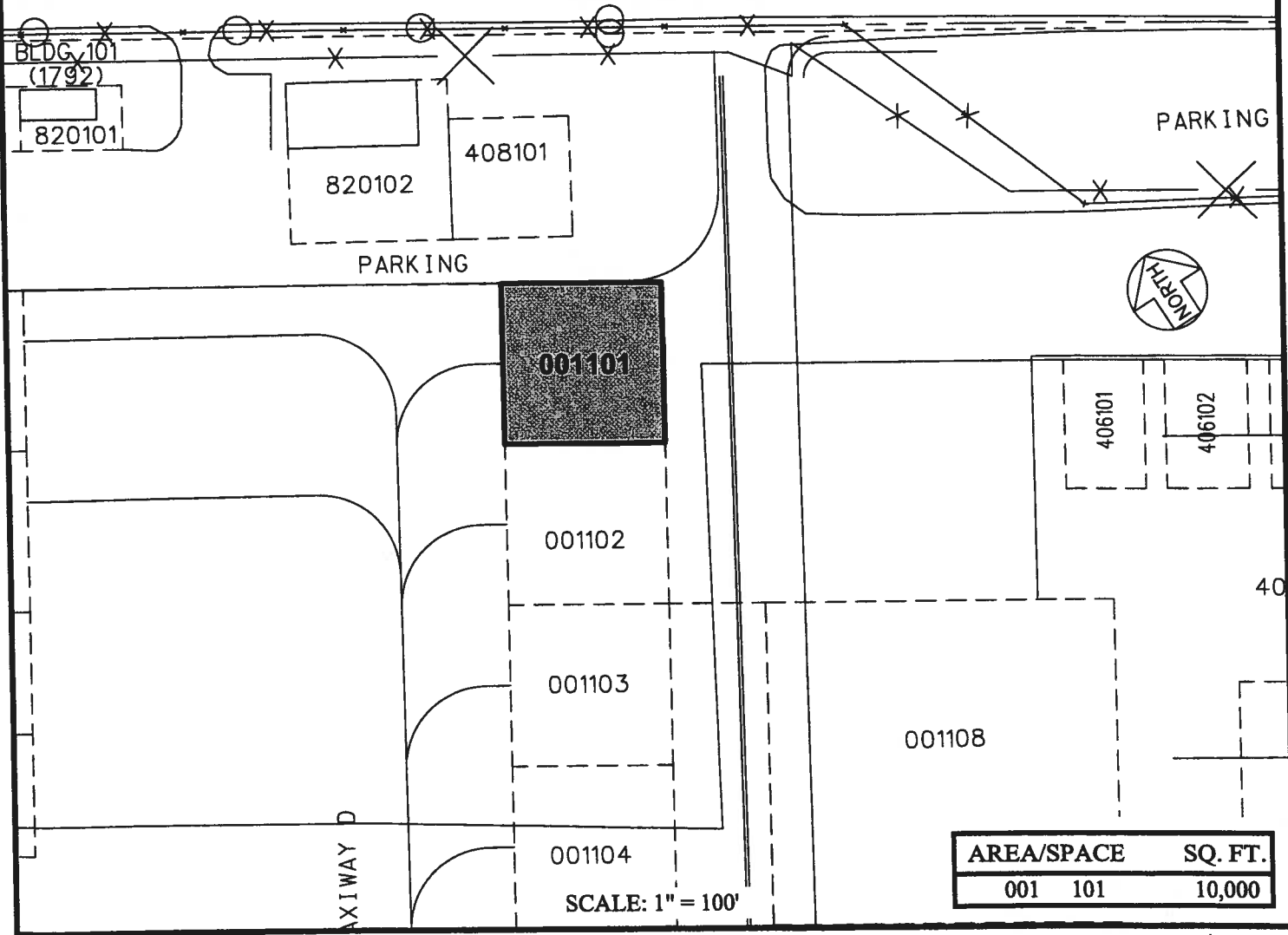
APPROVED FOR SUBMITTAL:



SUZANNE D. CASE  
Chairperson and Member



3000:1



AREA/SPACE	SQ. FT.
001 101	10,000

SCALE: 1" = 100'

DATE : MARCH 2017

EXHIBIT: A



Airports Division

LEASE LOTS

001101

**KALAELOA AIRPORT**

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