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

ISSUANCE OF A DIRECTLY NEGOTIATED LEASE
FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE
HONOLULU PLANT INSPECTION STATION
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-3-PARTION OF 218

O‘AHU

REQUEST:

The United States Department of Agriculture (USDA) is in the process of awarding a contract to a Third Party Developer to develop, construct, and manage the USDA Honolulu Plant Inspection Station at Honolulu International Airport.

The State of Hawaii, Department of Transportation (DOT) requests to issue a directly negotiated lease to the Third Party Developer awarded the contract.

LEGAL REFERENCE:

Sections 171-59 (a) and (b), Hawai‘i Revised Statutes (HRS), as amended, and Section 261-7, HRS, as amended.

LOCATION:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified as Tax Map Key: 1st Division, 1-1-3-Portion of 218

AREA:

Area/Space No. 001-125, consisting of approximately 63,829 square feet; as shown and delineated on the attached map labeled Exhibit "A".

ZONING:

State Land Use District: Urban
City and County of Honolulu: Industrial (I-2)

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LAND TITLE STATUS:

Non-ceded - Section 5(a) lands of the Hawai‘i Admission Act
DHHL 30% entitlement lands pursuant to Hawai‘i Admission Act YES ___ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawai‘i, for Airport Purposes.

CHARACTER OF USE:

USDA Honolulu Plant Inspection Station

TERM OF LEASE:

Twenty (20) years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL LEASE RENTAL AND RENTAL REOPENING:

Annual Ground Rental for the First Five (5) Year Period (Years 1-5): $319,145.00 per annum, based upon a ground rental rate of $5.00 per square foot, per annum, established in the Airports Division Procedure No. 4.5 (Schedule of Rates and Charges) for Honolulu International Airport.

Annual Ground Rental for the Second Five (5) Year Period (Years 6-10): $367,016.75 per annum, based upon the product of the annual rental for the fifth (5th) year of the Lease term ($319,145.00) and 115%.

Annual Ground Rental for the Third Five (5) Year Period (Years 11-15): $422,069.26 per annum, based upon the product of the annual rental for the tenth (10th) year of the Lease term (367,016.75) and 115%.

Annual Ground Rental for the Fourth Five (5) Year Period (Years 16-20): Ground Rent Reopening shall be based on the fair market value (FMV) through independent appraisal.
PERFORMANCE BOND:

The sum equal to the annual ground rental in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to 343-5(b), HRS and 11-200-5, HAR, 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 Environment Impact Statements, because the proposed action falls within Exemption List Class #3, Comprehensive Exemption List for the State of Hawai‘i, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption List Class #3, Item (c), “Stores, offices, and restaurants designed for total occupant load of twenty persons or less, if not in conjunction with the building of two or more such structures.”

The Hawai‘i Revised Statutes Chapter 343 Exemption Declaration for the United States Department of Agriculture Animal and Plant Health Inspection Service, Construction of a Plant Inspection Station by the Hawai‘i Department of Transportation, Airports Division dated November 17, 2016, is attached.

REMARKS:

In accordance with Section 171-59 (b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by Negotiation, the DOT proposes to issue a direct lease to a Third Party Developer awarded the Contract by the USDA Animal and Plant Health Inspection Service to develop, construct, and manage the USDA Plant Inspection Station at Honolulu International Airport.

The proposed USDA Plant Inspection Station will allow PPQ Plant Health Safeguarding Specialists a facility to inspect imported plants and seeds to insure that they are free from plant pests and diseases that are not known to occur in the U.S. and which could be damaging to either U.S. agriculture or natural resources.

Airports Division has no objections to the issuance of a direct lease to a Third Party Developer to construct and manage the USDA Plant Inspection Station at Honolulu International Airport.
RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a directly negotiated lease to a Third Party Developer for the USDA Plant Inspection Station, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; and (2) such additional terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member
LEGEND

- **HH** HANDHOLE
- **SB** ABANDONED SEWER LINE

DISCLAIMER

The existence and location of underground utilities and structures shown on the drawings are approximate and are based on the latest data available to the engineer. The information shown is not guaranteed as to its accuracy or to insulate the contractor from encountering other obstacles during his course of work. The contractor shall make independent checks and consult with utility firms to verify the exact locations of the utilities and structures. The contractor shall not be relieved from any liability due to damages resulting from his operations.

EXHIBIT A

<table>
<thead>
<tr>
<th>AREA/SPACE</th>
<th>SQ. FT.</th>
</tr>
</thead>
<tbody>
<tr>
<td>001 125</td>
<td>63,829</td>
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</table>

153x
HAWAII REVISED STATUTES CHAPTER 343
EXEMPTION DECLARATION

FOR THE
United State Department of Agriculture
Animal and Plant Health Inspection Service
Construction of a Plant Inspection Station

by

HAWAII DEPARTMENT OF TRANSPORTATION
Airports Division
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880
November 17, 2016

DECLARATION OF EXEMPTION

ACTION
This is an "agency action" as defined by Section 343-5(b), HRS, and Section 11-200-5, HAR.

EXEMPTION CLASS:
The Exemption Declaration for the action described below is based on the Exemption List for the Department of Transportation (DOT), reviewed and concurred to by the Environmental Council on November 15, 2000.

- Exemption List Class 3.
- Item Number C.
- Applicable language from the DOT Exemption List: Stores, offices and restaurants designed for total occupant load of twenty persons or less, if not in conjunction with the building of two or more such structures.

Although the proposed action is exempted under the DOT Exemption List, additional due diligence was exercised through the 'consultation' process to allow comments and input from stakeholders.

ACTION SPECIFIC INFORMATION

<table>
<thead>
<tr>
<th>Proposing Agency:</th>
<th>Hawaii Department of Transportation, Airports Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name &amp; Address / Location:</td>
<td>Construction of a United States Department of Agriculture Plant Inspection Station at Honolulu International Airport on Aolele Street</td>
</tr>
<tr>
<td>Anticipated Start Date:</td>
<td>September 2017</td>
</tr>
<tr>
<td>Anticipated End Date:</td>
<td>December 2019</td>
</tr>
<tr>
<td>Island and District:</td>
<td>Oahu Honolulu</td>
</tr>
<tr>
<td>Tax Map Key(s) &amp; Latitude / Longitude Coordinates:</td>
<td>(1) 1-1-003:218</td>
</tr>
<tr>
<td>All Necessary Permits and Approvals:</td>
<td>Building Permit, Grading Permit, Traffic Assessment, HRS Chapter 6E Clearance, FAA Form 7460-1, Lease Agreement, Section 106 Review</td>
</tr>
</tbody>
</table>
NARRATIVE
Description of action and exemption justification:

The Hawaii Department of Transportation, Airports Division (HDOTA), plans to redevelop a previously developed site and construct a 14,000 square foot Plant Inspection Station (PIS) on Honolulu International Airport (HNL) property at Aolele Street, Tax Map Key: (1) 1-1-003:218. The use of State funds and land triggers the Hawaii Environmental Policy Act (HEPA), Chapter 343, Hawaii Revised Statutes (HRS). Therefore, HDOTA is required to evaluate the environmental impacts of the proposed PIS and make a determination pursuant to HRS Section 343-5(b).

The rectangular-shaped project site is bordered by Aolele Street on the mauka side (north), the HDOTA base-yard on the Diamond Head side (east), the Airport Operation Area on the makai side (south), and the United Airlines Cargo on the Ewa side (west). The land use district designation is “urban” and the City and County of Honolulu General Plan allows a mix of industrial and commercial uses. The zoning designation is I-2; there are no lot restrictions. The site is not in a Special Management Area.

- A 2012 Archaeological Assessment for Runway Safety Areas shows the site was shoreline and marshland, according to a map by the US Army Military Surveys, 1909-1913.
- The site was formerly used for General Aviation parking and a hangar.
- The site was graded and prepared for construction of the United Airlines Cargo Facility in 1997. United Airlines subsequently decided they didn’t need the lot and relinquished the lot back to HDOTA.
- Plans for the United Airline Cargo Facility Site Preparation in 1997 shows a section of a building that required demolition on the project site, which was identified and labeled in the United Air Cargo plan as Lot B.
- The cargo facility location was evaluated as Cargo City in a Final Environmental Impact Statement (FEIS), Honolulu International Airport in 1991; former Governor John Waihee accepted the FEIS on May 30, 1991.
- The 1991 HNL FEIS did not identify significant environmental concerns at the project site.
- After United Airlines relinquished their lease of the graded and prepared Lot B in 1997, HDOTA fenced in half of the rectangular site and used it as material storage for its adjacent base yard. Today, the fenced-area is used for pallets storage.
RECEIVING ENVIRONMENT
Description of the site:

The physical and natural environment at the site is relatively flat grassy land with no trees or wildlife habitat. Most of the airport land is at an elevation of +13 feet above mean sea level (msl) and is constructed primarily on fill material. There are no endangered or threatened wildlife or plant species at the site or surrounding area. Thus the construction of the PIS is not expected to result in short or long term adverse impacts to the physical or natural environment nor will the project have impacts to flora and fauna.

The mean annual rainfall at HNL is about 23 inches and the prevailing winds is generally the northeast trade winds of 5 to 20 miles per hour. The surface runoff at HNL is generally very low. There is a main drainage along Aolele Street known as the North Peripheral Ditch or Kaloaloa Canal, which drains into Keehi Lagoon; the drainage also receives water from outside the airport property. The mean annual temperature at HNL is about 75 degrees Fahrenheit (F), plus or minus 10 degrees F with seasonal fluctuations. August and September are the warmest months while January and February are the coolest months of the year. The daily maximum temperatures at HNL run from high 70's F in the winter to mid-80's F in the summer.

ENVIRONMENTAL ANALYSIS
HDOTA considered the potential effects of the proposed project and all related activities against the criteria checked below:

- ✔ Land Use and Zoning Conformance
- ✔ Traffic (Vehicles, Bicycles, Pedestrian)
- ✔ Infrastructure (Roads, Buildings, Utilities)
- ✔ Air Quality Pollutant Emissions
- ✔ Noise Emissions
- ✔ Solid, Hazardous, and Liquid Waste Management
- ✔ Social
- ✔ Economic
- ✔ Health and Safety
- ☐ Recreation
- ☐ Public Beach Access
- ✔ Cultural Resources and Practices
- ✔ Visual/Aesthetic

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☐ Environmental Justice
☒ Rare, Threatened, and/or Endangered Species
☒ Surface and Ground Water Resources
☐ Wetlands
☐ Floodplains
☒ Riparian/Coastal Resources
☐ Other

Not Applicable

Comments/summary of impact analysis:

The proposed facility is a redevelopment for a site that was formerly used for general aviation parking and hangar.

Best management practice will address minimal drainage impacts during the project construction phase. The overall project impact to groundwater, hydrology, and surface water will be minimal.

Construction of the PIS will have temporary short term impacts to air quality from emissions of construction machinery, workers’ vehicles, and fugitive dust. Thus, construction impacts to air quality will be localized, transient, temporary, and can be controlled below significant level with best management practice to include periodic watering of the construction area to reduce fugitive dust. The 1991 HNL FEIS has a more comprehensive air quality report which is still relevant; applicable practical measures from the FEIS will be incorporated into air quality control for the project.

Potable water will be supplied by Board of Water Supply sources without an adverse effect to residential, commercial or industrial users. Wastewater management will be designed, constructed and operated in compliance with Federal, State, and City and County of Honolulu (CC&H) rules and regulations.

Solid waste will be managed with best management practices to reduce, reuse and recycle waste material. The PIS facility will dispose of waste in compliance with Federal, State, and CC&H rules and regulations.

Ambient noise levels at the airport are primarily generated by aircraft noise. Construction activity noise will be temporary and insignificant in comparison to the ambient airport area noise levels. The 1991 HNL FEIS has a complete study of noise contours at HNL. The project will comply with Hawaii Department of Health guidelines to mitigate noise levels at the PIS.

The project site is situated outside the storm inundation zone in the Flood Insurance Rate Map and is listed as Zone D. The average storm surge height at Kaehe Lagoon is estimated to be 5.1 feet above msl and is well below the site elevation of 13 feet msl. Earthquake hazards cannot be avoided, but the project site is subject to the same earthquake hazards as other areas on Oahu. The design, construction, and operation of the new facility according to applicable building design standards and codes will mitigate potential impacts caused by natural hazards.
There are no archaeological, historical or cultural resources on site. A 2012 Archaeological Assessment for the airport’s Runway Safety Areas evaluated the area and documented the coastline, marshlands and Kaloaloa Fishpond which was located southward and away from the project site. As discussed earlier, the site has been developed over the years and the construction of the HNL PIS will not create any adverse environmental impacts.

Communities surrounding HNL consist mostly of a mixture of civilian and military residents, commercial use, and light industrial activity. The residential areas consist of dense single and multi-family developments. Hickam Air Force Base, Pearl Harbor Naval Base, Aliamanu, Salt Lake, and Kalihi-Palama-Kapalama communities surround HNL to the west, northwest, north, northeast, and east sides. Keehi Lagoon and Mamala Bay surround HNL on the southeast and south sides. The socio-economic impact of the new PIS is positive as the new facility will improve the processing of animal and plant material for personal and commercial import and export.

The 1991 HNL FEIS provides options to address future traffic impacts on Aolele Street. Vehicular traffic may increase with the PIS operations and a Traffic Assessment will be prepared to include the evaluation of turning movements, queuing, and sight distance for access onto Aolele Street. There is a probability that the project construction activities may coincide with the Honolulu Authority for Rapid Transit (HART) rail development on Aolele Street. Appropriate traffic control measures will be implemented to address construction impacts to area traffic. The Traffic Assessment will evaluate the proper course of action to mitigate potential impacts by vehicular traffic.

The visual character of the site will be altered but because the structure is only one story and the location has been approved for Cargo City, the visual impact will be minimal and consistent with HDOTA approved development plans. The building will have antennas, satellite dishes, and related transmission devices. It will be designed in compliance with HNL architectural design guidelines and must meet all federal, State, local and national building code requirements.

The building will be constructed to LEED Silver standards and will have solar photovoltaic system to alleviate electrical consumption from the grid. The photovoltaic panels will be built to meet FAA standards, applicable building codes, and withstand Category 3 winds (130 miles per hour). The appurtenant structures will not have significant adverse impacts and is consistent with HDOTA’s approved plans.

In consideration of the above information and evaluation, the Department of Transportation did not find any environmental concerns and has determined that the construction and operation of the HNL PIS will result in minimal primary, secondary, and cumulative environmental impacts.

**MITIGATION**

These measures and best management practices will be implemented to address potential adverse impacts during the project activities and after project completion:

All permit conditions and requirements will be implemented. Best Management Practices will be followed to mitigate fugitive dust and air quality, stormwater runoff, erosion control, noise
1980 HNL Aerial Photo

Approximate Project Site
1991 Aerial picture of Honolulu International Airport North

Approximate Project Site