

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

AMENDMENT NO. 1 TO STATE LEASE NO. DOT-A-12-0006
FOR THE PURPOSE OF EXTENDING THE TERM OF THE LEASE
ROYAL HAWAIIAN MOVERS, INC.
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEYS: (1) 1-1-14:10, (1) 1-1-14:05 and (1) 1-1-14:02

O'AHU

REQUEST:

Royal Hawaiian Movers, Inc. requests to extend the term of their Facilities Lease, State Lease No. DOT-A-12-0006 (Lease) for an additional five (5) years to amortize the cost of improvements to its facilities on Ualena Street, Honolulu International Airport.

LEGAL REFERENCE:

Section 171-36 (b) (3), Hawai'i Revised Statutes, as amended.

APPLICANT/LESSEE:

Royal Hawaiian Movers, Inc. (RHM), a Hawai'i corporation, authorized to do business in the State of Hawai'i, whose business address is 3017 Ualena Street, Honolulu, Hawai'i 96819.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of O'ahu, State of Hawai'i, identified by Tax Map Keys: 1st Division, 1-1-14:10, 1-1-14:05 and 1-1-14:02.

PREMISES:

Areas are shown and delineated on the attached maps labeled Exhibit B-1, B-2 and B-3.

ITEM M-8

BLNR – AMENDMENT NO. 1 TO STATE LEASE NO. DOT-A-12-0006
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EXHIBIT B-1 (3077 Ualena Street):

Bldg/Space No. 712-101, consisting of an area of approximately 2,661 square feet,
Bldg/Space No. 712-102, consisting of an area of approximately 1,063 square feet,
Bldg/Space No. 712-103A, consisting of an area of approximately 6,208 square feet,
Bldg/Space No. 712-103B, consisting of an area of approximately 9,235 square feet,
Bldg/Space No. 712-103C, consisting of an area of approximately 3,552 square feet,
Area/Space No. 005-106A, consisting of an area of approximately 6,240 square feet,
Area/Space No. 005-106B, consisting of an area of approximately 13,463 square feet, and
Area/Space No. 005-106C, consisting of an area of approximately 6,781 square feet.

EXHIBIT B-2 (3039 Ualena Street):

Area/Space No. 005-110, consisting of an area of approximately 26,102 square feet.

EXHIBIT B-3 (3005 Ualena Street):

Bldg/Space No. 723-101, consisting of an area of approximately 5,220 square feet,
Bldg/Space No. 723-102, consisting of an area of approximately 837 square feet,
Bldg/Space No. 724-000, consisting of an area of approximately 5,675 square feet, and
Area/Space No. 005-112, consisting of an area of approximately 17,556 square feet.

ZONING:

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

LAND TITLE STATUS:

Non-ceded – Direct purchase from private land owner.

DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: YES ___ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3894, 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.

The Department of Transportation, Airports Division acquired the subject property together with most of the remaining properties (except one) along the ocean (makai) side of Ualena Street, between Lagoon Drive and Paiea Street, in the mid 1990's from Loyalty Enterprises, Ltd.

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CHARACTER OF USE:

Operation and maintenance facilities for a Hawaiian moving company, involving air cargo transportation to and from Honolulu International Airport.

TERM:

Original Lease Term – Five (5) years. Original Lease commenced on October 1, 2012, and terminates on September 30, 2017.

Amended Lease Term - Five (5) additional years, commencing on October 1, 2017, and terminates on September 30, 2022.

LEASE RENT:

Original – \$498,496.72 per annum, payable in monthly installments of \$41,541.39.

Amended Rental – \$699,268.00 per annum, payable in monthly installments of \$58,272.33 (as determined from the DOTA schedule of rates and charges established by appraisal of Airports property statewide).

PERFORMANCE BOND:

Sum equal to the annual building and land rentals in effect.

LEASEHOLD IMPROVEMENTS:

Original Lease Term – During the initial five (5)-year period, RHM has invested about \$194,000 on roof, asphalt and plumbing repairs and/or upkeep of the premises.

Amended Lease Term – During the additional five (5) years, RHM plans on investing an additional \$191,000 - \$229,000 on asphalt, electrical and roof repairs and/or upkeep of the premises.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

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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 14, 1990, 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.

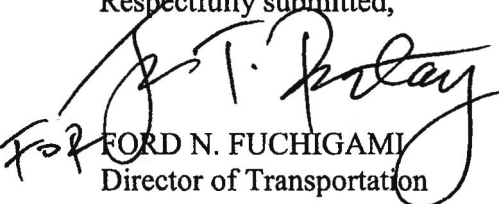
REMARKS:

The Department of Transportation (DOT) and RHM entered into State Lease No. DOT-A-12-0006, dated July 17, 2012, for the purpose of operating and maintaining a Hawaiian moving company involving air cargo transportation to and from Honolulu International Airport. RHM is now requesting the term of the Lease be extended for an additional five (5) years to amortize the cost of improvements. The DOT, in the public interest, has no objection to RHM's request.

RECOMMENDATION:

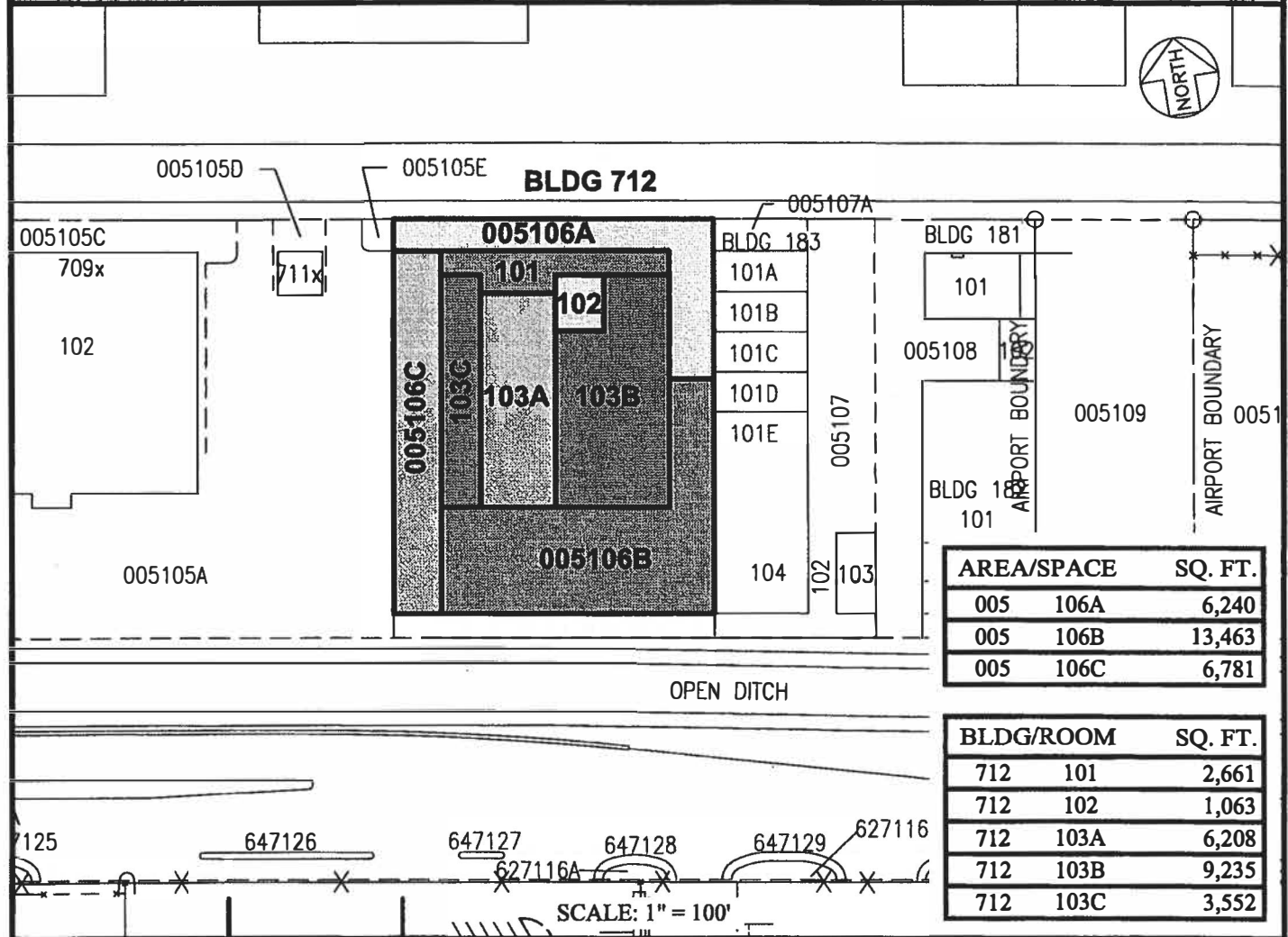
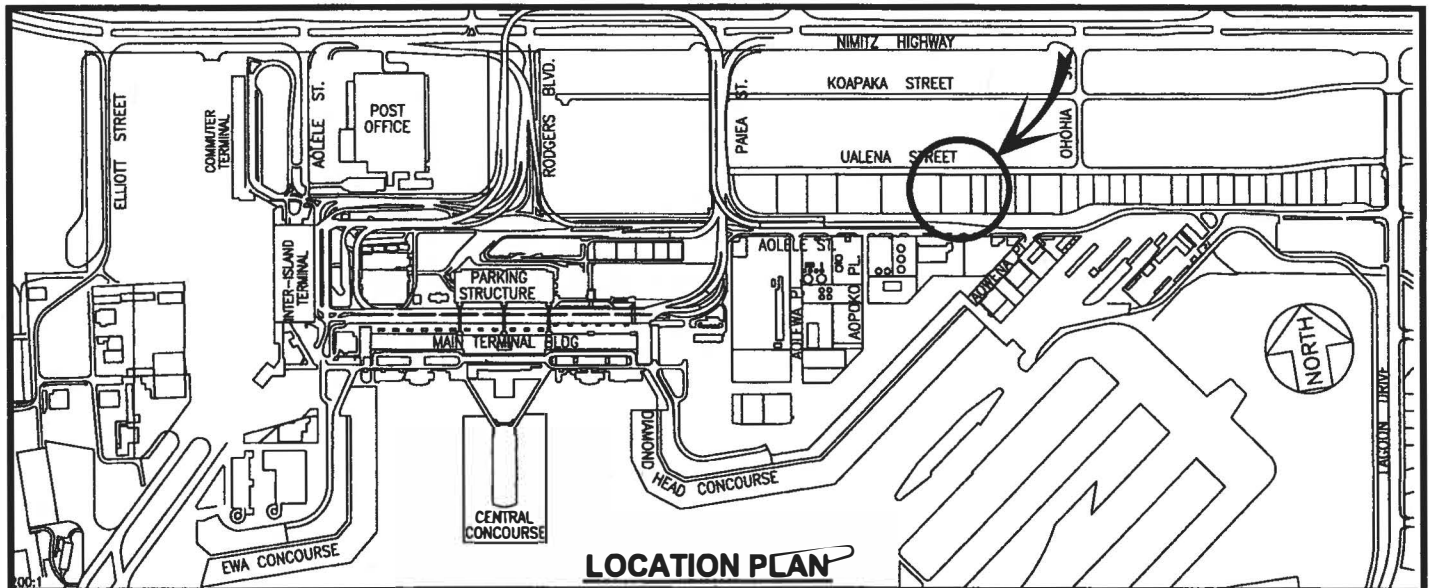
That the Board authorize the DOT to amend the Lease subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and 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



DATE : JANUARY 2012

EXHIBIT: **B-1**



Airports Division

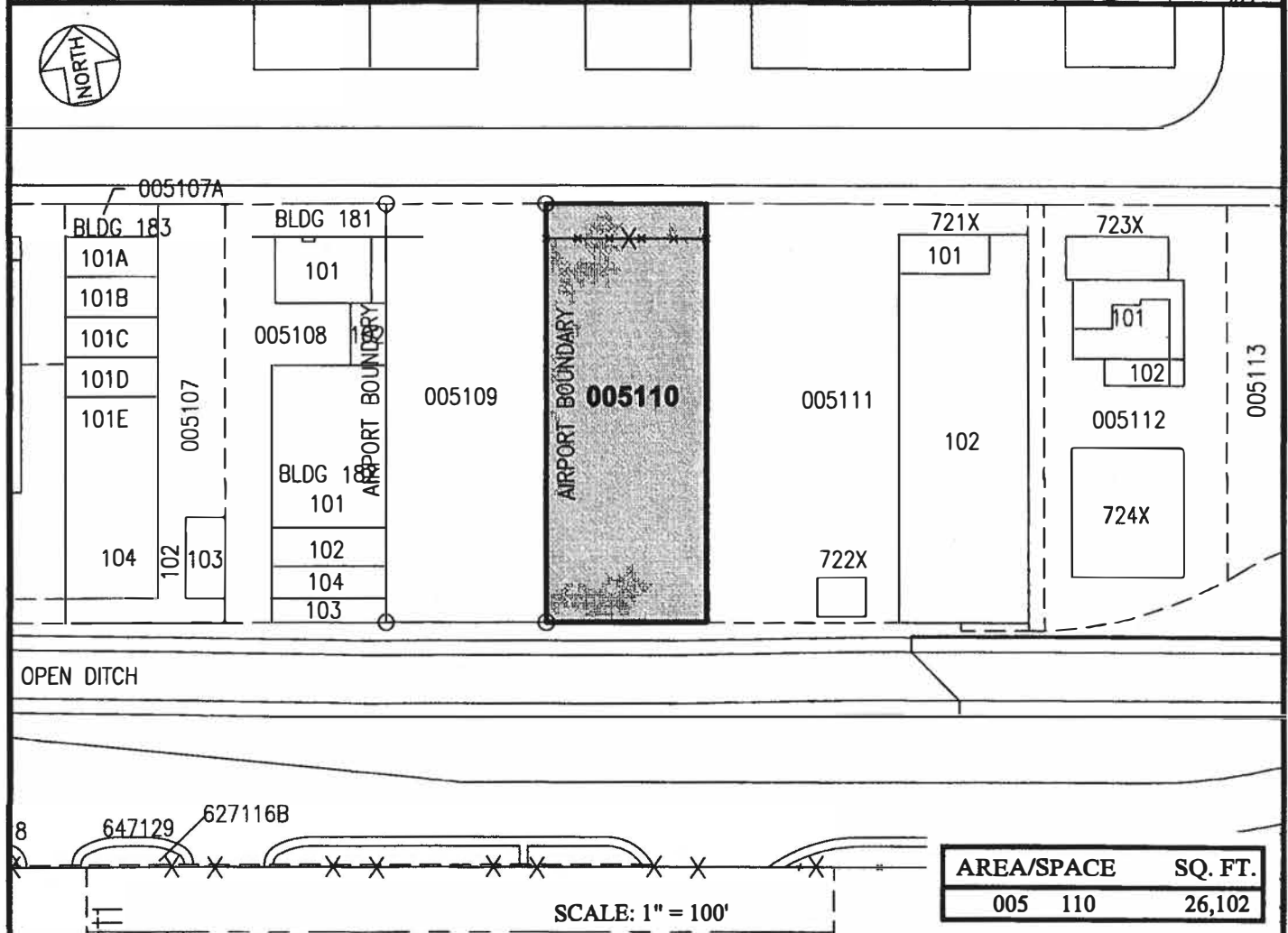
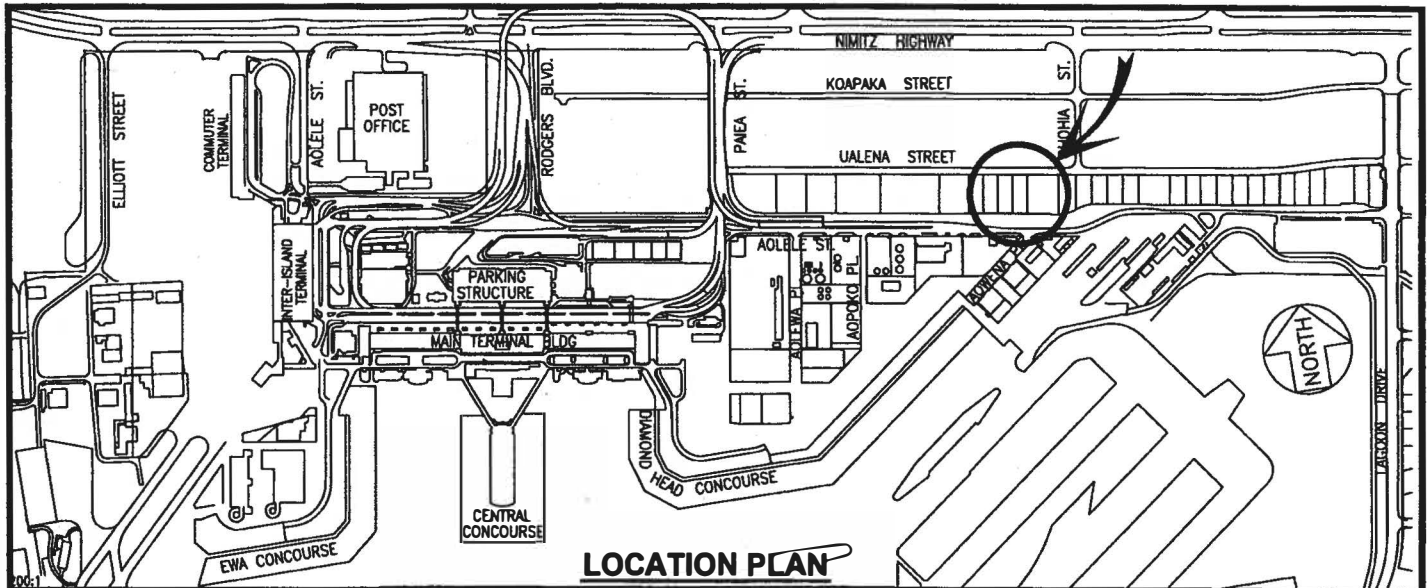
ROYAL HAWAIIAN
MOVERS

LOTS
UALENA STREET

005106A-C
722101,102
722103A-C
PLAT 15

HONOLULU INTERNATIONAL AIRPORT

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DATE : JANUARY 2012

EXHIBIT: **B-2**



Airports Division

ROYAL HAWAIIAN
MOVERS

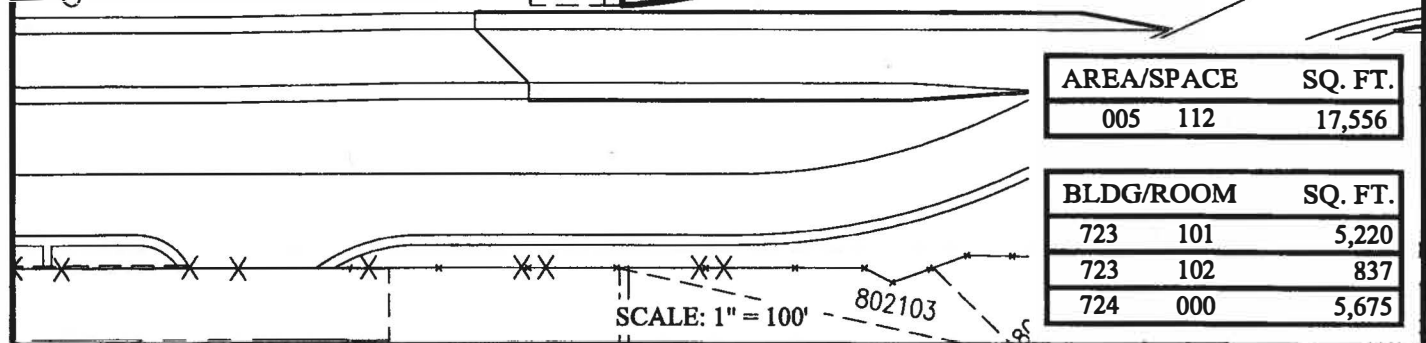
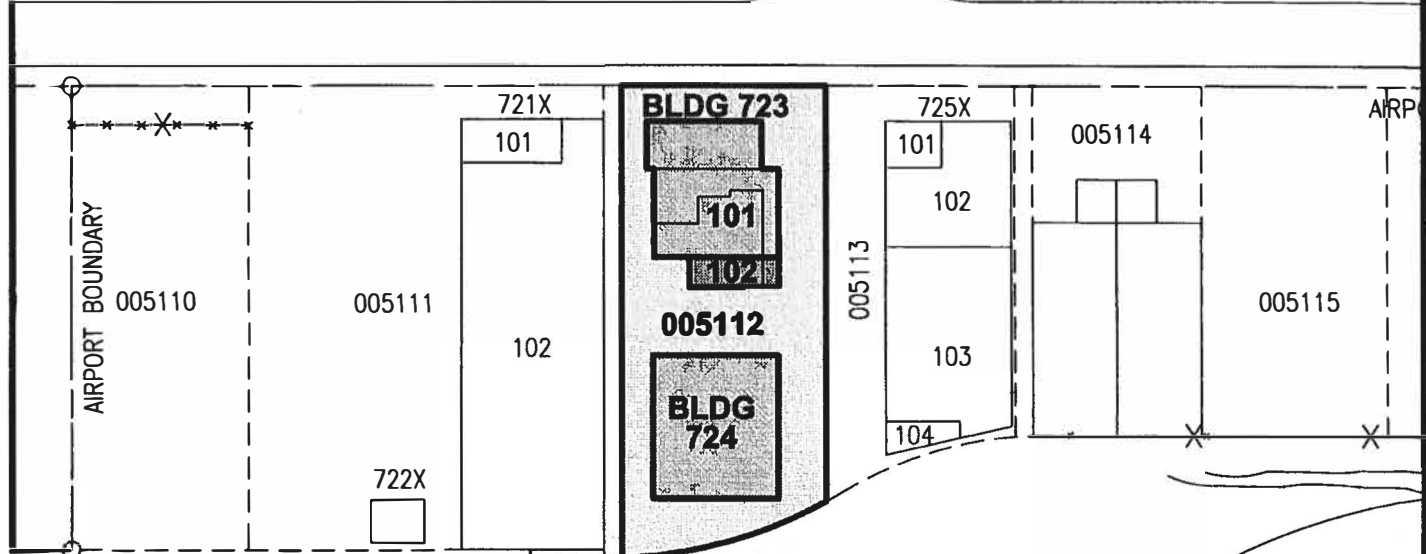
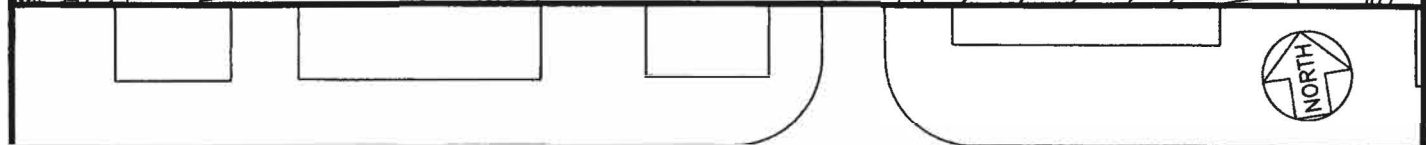
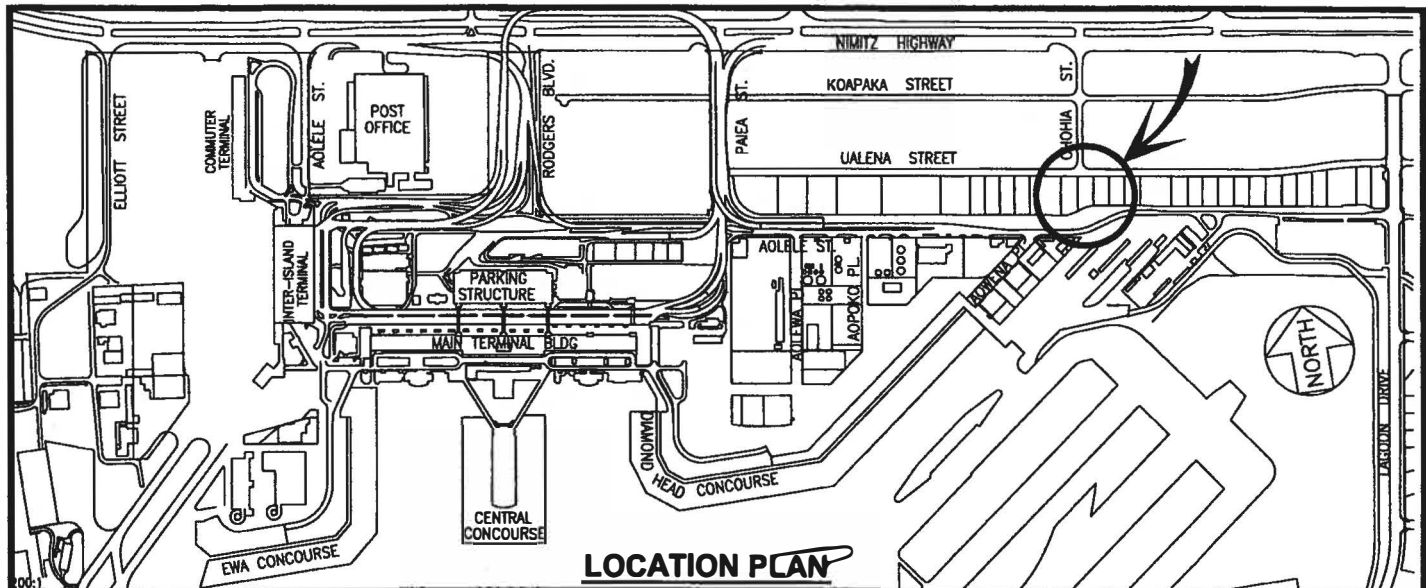
LOTS
UALENA STREET

005110

PLAT 15

HONOLULU INTERNATIONAL AIRPORT

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DATE : JANUARY 2012

EXHIBIT: **B-3**



Airports Division

ROYAL HAWAIIAN
MOVERS

LOTS
UALENA STREET

005112
723101,102
724000
PLAT 15

HONOLULU INTERNATIONAL AIRPORT

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DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

FORD N. FUCHIGAMI
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JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

AIR-PM
17.0283

May 3, 2017

TO: (1) FORD N. FUCHIGAMI, DIRECTOR
(2) SUZANNE D. CASE, DIRECTOR - DLNR
C/O DARLENE FERREIRA
(3) ROSS SMITH, AIR-PM

FROM: ROSS M. HIGASHI 
DEPUTY DIRECTOR - AIRPORTS

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Attached is the subject submittal for your approval. Please place submittal on the next Land Board agenda.

If there are any questions, please call Dawn Tsue at 838-8680.

Attachment