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

ISSUANCE OF A DIRECT LEASE FOR THE CONSTRUCTION OF AN AIRLINE LOUNGE TO ALL NIPPON AIRWAYS EWA CONCOURSE DANIEL K. INOUYE INTERNATIONAL AIRPORT TAX MAP KEY: (1) 1-1-003: 066 (PORTION) OʻAHU

APPLICANT/LESSEE:

ALL NIPPON AIRWAYS (ANA), whose mailing address is 300 Rodgers Boulevard, Unit 47, Honolulu, Hawaiʻi 96819.

LEGAL REFERENCE:

Section 171-59 (b), Hawaiʻi Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Portion of Building No. 360, Ewa Concourse, Third Level, at the Daniel K. Inouye International Airport, Island of Oʻahu, State of Hawaiʻi, identified by Tax Map Key: 1st Division, 1-1-76: 3.

AREA:

Building/Room No. 360-345, containing a floor area of approximately 17,249 square feet, as shown and delineated on the attached map labeled Exhibit “A”.

ZONING:

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

Section 5(a) lands of the Hawaii Admissions Act: Non-ceded
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. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as the Daniel K. Inouye International Airport (Airport) under the control and management of the Department of Transportation, Airports Division, State of Hawai‘i (Airports Division), for Airport Purposes.

CHARACTER OF USE:

To develop, construct, operate, and maintain a VIP Airline Lounge, as part of its Signatory Airline Carrier Operations at the Airport.

TERM OF LEASE:

Ten (10) years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL LEASE RENTAL:

Annual Lease Rental: Beginning upon the commencement date of the Lease, the rental shall be determined by multiplying the applicable prevailing per square footage signatory airline terminal building rate by the demised square footage (as published in the Airports Division Signatory Carriers Rates and Charges, Hawai‘i Airports System) for the Airport.

The Airports Division Signatory Carriers Rates and Charges, Hawai‘i Airports System for Fiscal Year 2018 is $68.80 per square, per annum.

PERFORMANCE BOND:

The sum equal to one quarter of the annual rental in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

$5.5 Million Dollars
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DCCA VERIFICATION:

Place of business registration confirmed: YES X NO ___
Registered business name confirmed: YES X NO ___
Good standing confirmed: YES X NO ___

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.

Airports Division consulted with the U.S. Federal Aviation Administration (FAA) as to the appropriateness of the citation of the Environmental Exemption Class from the Comprehensive list for the Department of Transportation dated November 15, 2000. The FAA concurred on the appropriateness.

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, Airports Division proposes to issue a direct lease to ANA to develop, construct, operate, use and maintain a VIP Airline Lounge, as part of ANA’s Signatory Airline Operations at the Airport.

In spring of 2019, ANA is planning to deploy an Airbus 380, the world’s largest passenger airliner, between Tokyo and Honolulu. To accommodate the Airbus, Airports Division has committed to a A380 Improvement and Jet Bridge Project at Gates 29 and 34 on the Ewa Concourse, at the Airport. ANA’s proposed Airline Lounge is in close proximity to Gates 29 and 34, making it an ideal location for the new lounge.

The Area for the development and construction of ANA’s Airline Lounge is the former location of the Airports Division offices, which was vacated by Airports Division in the September 1993, and to this day, remains vacant.
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To accommodate the increase in passengers to Honolulu, ANA has requested a directly negotiated lease for the construction and development of a new Airline Lounge. ANA has committed to an investment of 5.5 million dollars to this project. Airports Division recognizes ANA’s commitment, and believes that the new Airline Lounge is in the best interest of the State.

Airports Division considers the proposed lease is in accordance with the underlying intent of Section 171-59(b), HRS, since it will allow ANA to compete with other major Signatory Airline Carriers, at the Airport.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to ANA, 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,

[Signature]

JADE T. BUTAY
Interim Director of Transportation

APPROVED FOR SUBMITTAL:

[Signature]

SUZANNE D. CASE
Chairperson and Member