



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

JADE T. BUTAY
INTERIM DIRECTOR

Deputy Directors
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

CONSENT TO SUBLEASE OF STATE LEASE NO. DOT-A-17-0002
SCANNELL PROPERTIES #271, LLC TO FEDERAL EXPRESS CORPORATION
HILO INTERNATIONAL AIRPORT HAWAI'I
TAX MAP KEY: (3) 2-1-12: PORTION OF 90

LEGAL REFERENCE:

Subsection 171-36 (a) (6), Hawai'i Revised Statutes.

LESSEE/SUBLESSOR:

Scannell Properties #271, LLC ("SPLL"), an Indiana limited liability company, whose business address is 8801 River Road Crossing Blvd, Suite 300, Indianapolis, Indiana, 46240.

SUBLESSEE:

Federal Express Corporation ("Fedex"), a Delaware corporation, whose mailing address is 3680 Hacks Cross Road, Bldg H, 3rd Floor, Memphis, Tennessee, 38125.

LOCATION AND TAX MAP KEY:

Portion of Hilo International Airport ("ITO"), Hilo, Island of Hawai'i, State of Hawai'i identified by Tax Map Key: 3rd Division, 2-1-12: Portion of 90.

LEASE AREA:

Area/Space No. 800-119C, containing a land area of approximately 153,173 square feet, as shown and delineated on the attached map labeled Exhibit A.

BLNR – CONSENT TO SUBLEASE OF STATE LEASE NO. DOT-A-17-0002
SCANNELL PROPERTIES #271, LLC TO FEDERAL EXPRESS CORPORATION
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SUBLEASE AREA:

Area/Space No. 800-119C, containing a land area of approximately 153,173 square feet, as shown and delineated on the attached map labeled Exhibit A.

LEASE TERM:

Thirty-five (35) years, August 1, 2017 through July 31, 2052.

SUBLEASE TERM:

Commencing from the date of execution, for a period of 15 years

SUBLEASE MONTHLY RENT:

Years 1 thru 5:	\$94,325.58
Years 6 thru 10:	\$96,683.72
Years 11 thru 15:	\$99,100.82

DCCA VERIFICATION:

LESSEE/SUBLESSOR:

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>

SUBLESSEE:

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>

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The area was included in the April, 2013 Final Environmental Assessment (FEA). The FEA was prepared in support of: (1) Federal actions consisting of approval of the Airport Layout Plan in July, 2013, and (2) the State of Hawai'i actions consisting of environmental approval and construction of proposed Hilo International Airport Improvements. The FEA was prepared pursuant to Chapter 343, Hawai'i Revised Statutes and the Administrative Rules, Title 11, Chapter 200 of the State of Hawai'i Department of Health.

ZONING:

State Land Use District: Urban
City and County of Honolulu: Industrial (ML-20)

LAND TITLE STATUS:

Section 5(a) lands of the Hawai'i Admissions Act – Ceded
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: No

CHARACTER OF USE:

Airport land for the development, construction, maintenance and operation of a mail sort and van station facility.

REMARKS:

The State of Hawai'i, Department of Transportation, Airports Division, has reviewed the Sublease between SPLL and Fedex, and has no objections to the request.

RECOMMENDATION:


That the Board approve and authorize the Consent to Sublease between SPLL, as Lessee/Sublessor, and Fedex, as Sublessee, as hereinabove outlined, subject to: (1) terms and conditions hereinabove outlined, which are by reference incorporated herein; (2) such 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 Consent to Sublease form and content.

Respectfully submitted,

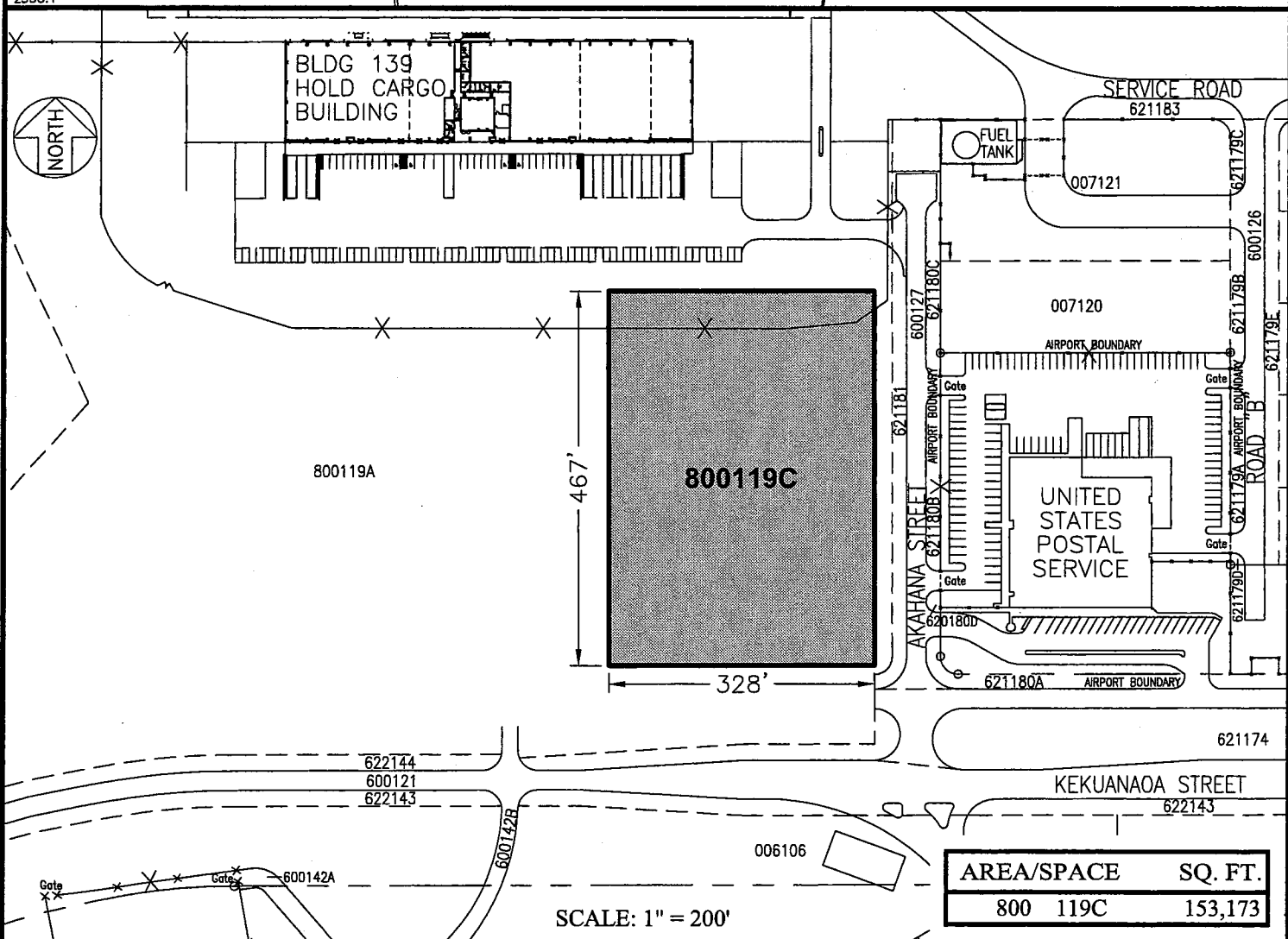
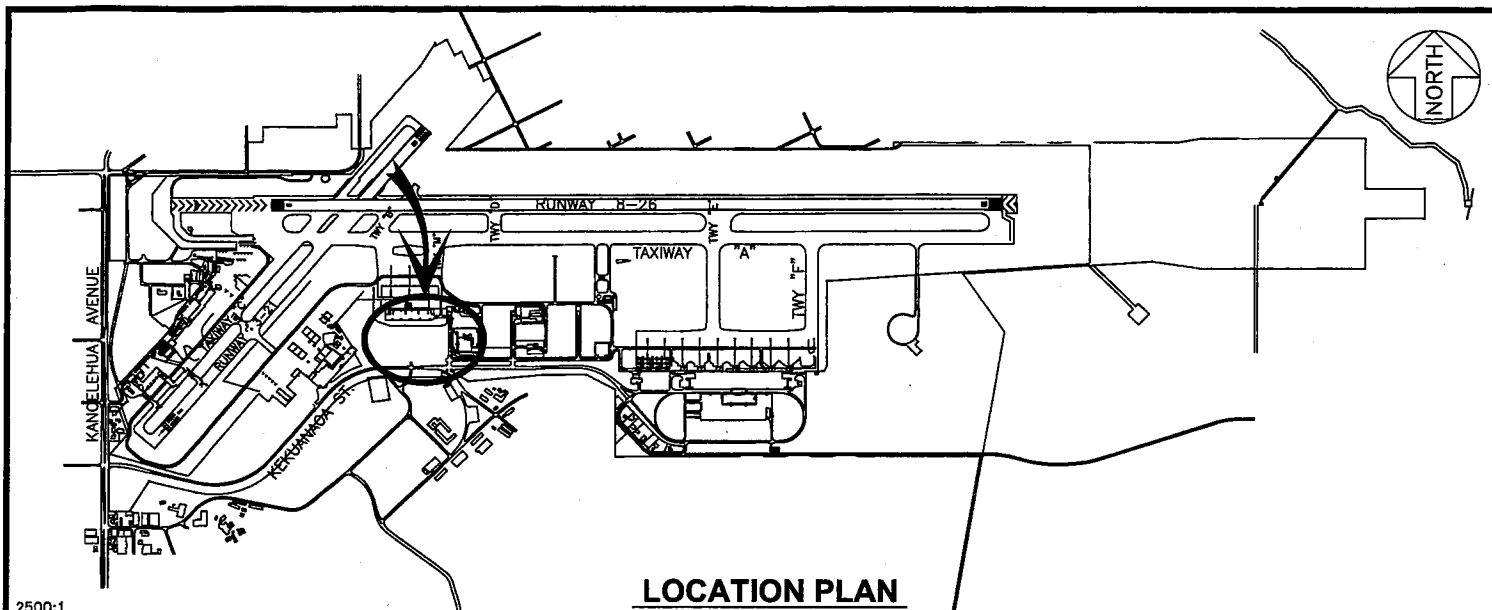


JADE T. BUTAY
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member



STATE LEASE NO. DOT-A-17-0002

DATE : AUGUST 2016

EXHIBIT: **B**



Airports Division

SCANNELL
PROPERTIES #271, LLC

IMPROVED LAND

800119C

PLATS 31, 41

HILO INTERNATIONAL AIRPORT

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