

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 Hawai'i
Honolulu, Hawai'i

ISSUANCE OF AN INDUSTRIAL LAND LEASE
BY NOTICE OF PUBLIC AUCTION (SPACE NO. 001-117)
LĀNA'I AIRPORT
TAX MAP KEY: (2) 4-9-02: PORTION OF 55

MAUI

REQUEST:

Issuance of an Industrial Land Lease for aeronautical, airport related and commercial purposes at Lāna'i Airport (LNY) by notice of public auction.

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 LNY, Lāna'i, Island of Lāna'i, County of Maui, identified by
Tax Map Key: 2nd Division, 2-4-09: Portion of 55.

AREA:

Area/Space No. 001-117, containing an area of approximately 23,832 square feet,
as shown on the attached Exhibit "B".

ZONING:

State Land Use District:	Urban
County of Maui:	Airport

LAND TITLE STATUS:

Section 5(a) lands of the Hawai'i Admission Act: Non-ceded
DHHL 30% entitlement lands pursuant to Hawai'i Admission Act YES___ NO X

ITEM M-7

BLNR – SALE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION
LĀNA‘I AIRPORT
PAGE 2

CURRENT USE STATUS:

Aeronautical & airport related purposes.

CHARACTER OF USE:

Commercial and business purposes.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the premises
Improvements: The real property is vacant

TERM OF LEASE:

Thirty (30) years

COMMENCEMENT DATE:

Upon execution of the Lease

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENING:

*If there are substantial leasehold improvements constructed on the premises, the annual lease rental for the first year shall be waived at the beginning of the lease pursuant to Section 171-6 Powers, HRS.

Years 1 thru 5*	\$41,944.32
Years 6 thru 10	115% x the rental for year 5
Years 11 thru 15	115% x the rental for year 10
Years 16 thru 20	Reopening at fair market rent (FMR) thru independent appraisal
Years 21 thru 25	115% x rental of year 20
Years 26 thru 30	Reopening at fair market rent (FMR) thru independent appraisal

PERFORMANCE BOND:

An amount equal to the annual rent then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

The Applicant shall invest the sum of not less than \$1,500,000.00 for upgrading and improving the leased premises and constructing improvements and other accessory leasehold improvements on the leased premises within one year from the commencement date of the lease. The upgraded and improved leased premises and other accessory

BLNR – SALE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION
LĀNA‘I AIRPORT
PAGE 3

improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the DOTA, in writing, prior to the commencement of any construction work.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The area was included in the August 2000 Final Environmental Assessment (“FEA”). The FEA was prepared in support of: (1) Federal actions consisting of approval of the Airport Layout Plan in 1999, and (2) the State of Hawai‘i actions consisting of environmental approval and construction of proposed Lāna‘i 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.

REMARKS:

In accordance with Section 171-14, -16, -17, -41, and other applicable sections of Chapter 171, HRS, as amended, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by notice of public auction, the Department of Transportation (DOT) proposes to issue an industrial land lease by notice of public auction at LNY.

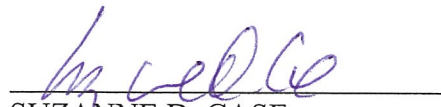
RECOMMENDATION:

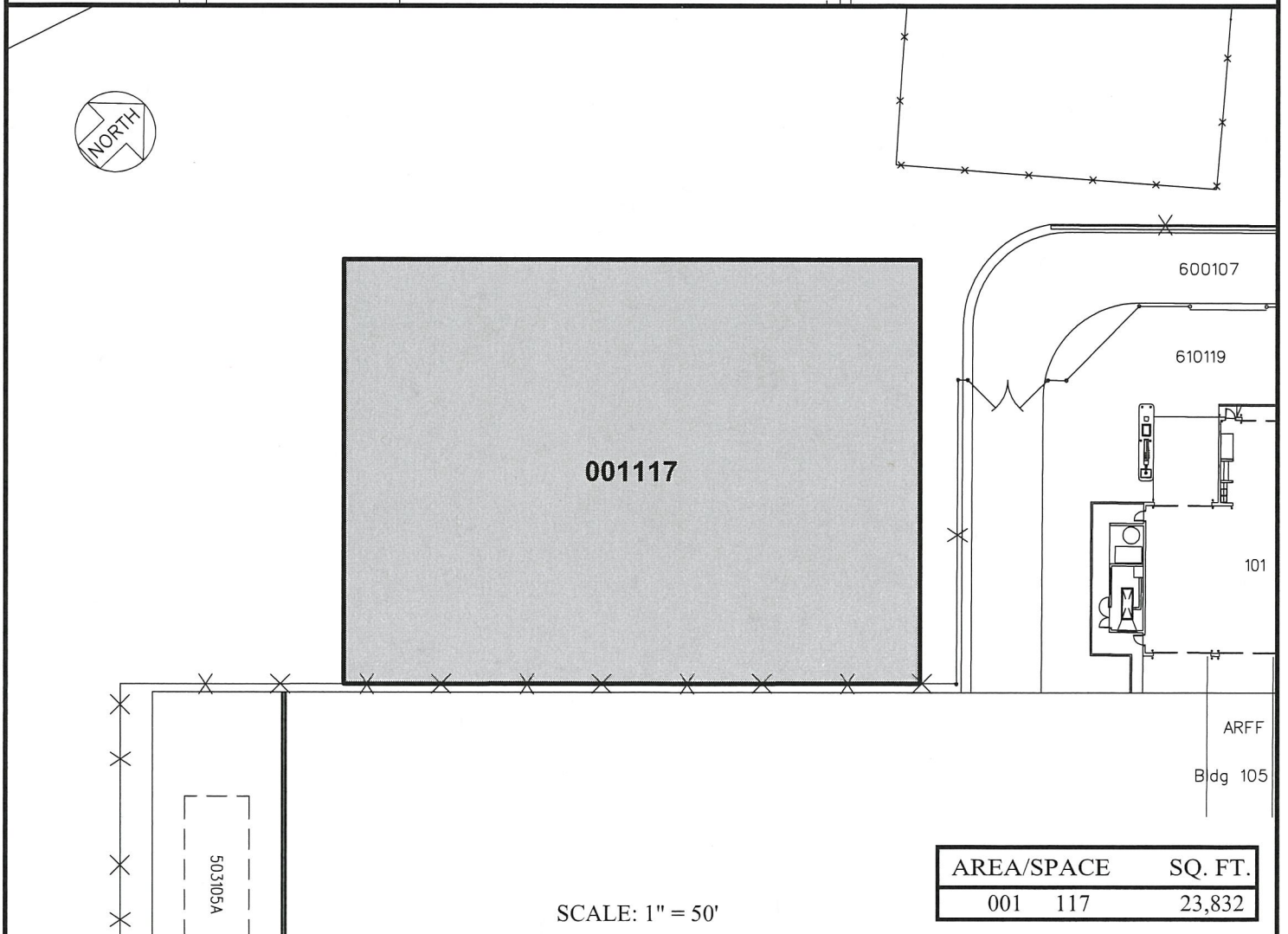
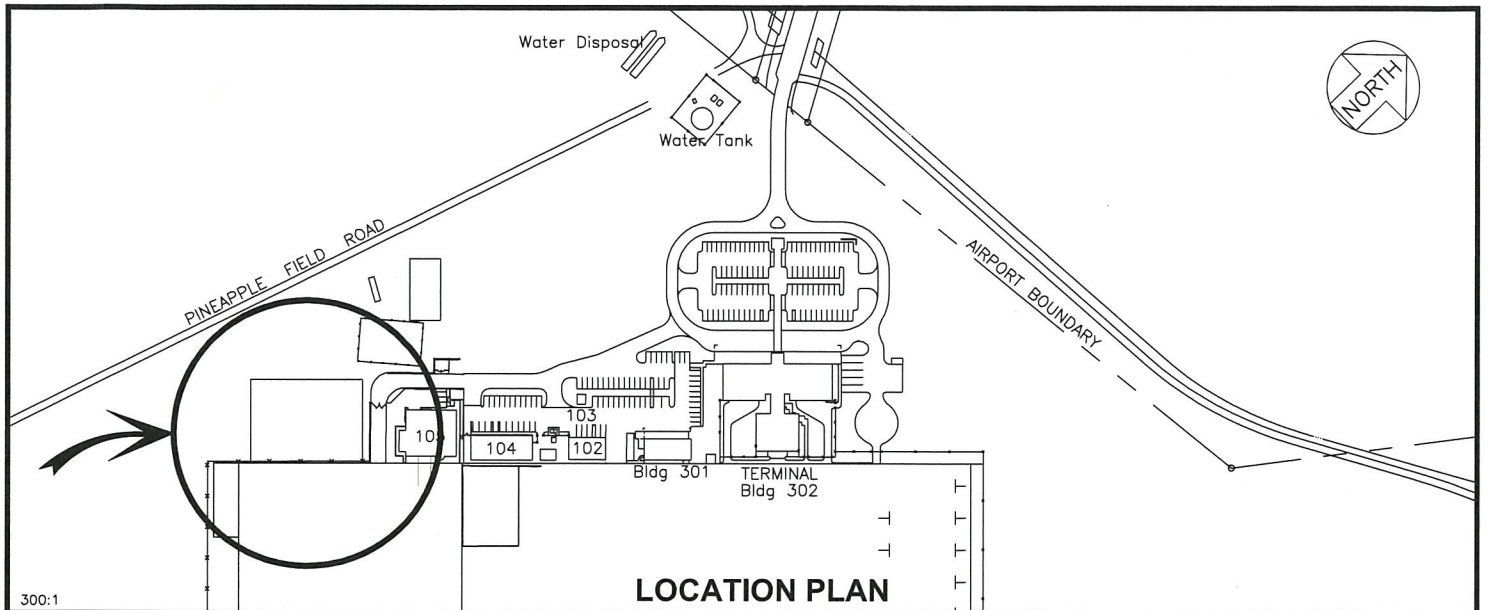
That the Board authorize the DOT to issue an industrial land lease by notice of public auction, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to lease form and content.

Respectfully submitted,


JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:


SUZANNE D. CASE
Chairperson and Member



DATE : APRIL 2018

EXHIBIT: **B**



Airports Division

LOT

001117

PLATS 45, A1

LANAI AIRPORT

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