



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

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 NOS. 006-113 AND 006-114)
ELLISON ONIZUKA KONA INTERNATIONAL AIRPORT AT KEĀHOLE
TAX MAP KEY: (3) 7-3-43: PORTION OF 40

HAWAII

REQUEST:

Issuance of an Industrial Land Lease for aeronautical, airport related and commercial purposes at Ellison Onizuka Kona International Airport at Keāhole (KOA) by notice of public auction.

LEGAL REFERENCE:

Sections 171-14, -16, -17, -14, and other applicable sections of Chapter 171, Hawai'i Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Portion of Ellison Onizuka Kona International Airport at Keāhole, Kailua-Kona, Island of Hawai'i, identified by Tax Map Key: 3rd Division, 7-3-43: Portion of 40.

AREA:

Area/Space Nos. 006-113 and 006-114, containing areas of approximately 2,075 square feet each of improved, unpaved land, shown on the attached Exhibit "B".

ZONING:

State Land Use District: Urban & Conservation
County of Hawai'i: Industrial (MG-1a) and Open

LAND TITLE STATUS:

Section 5(a) lands of the Hawai'i Admission Act: Ceded
DHHL 30% entitlement lands pursuant to Hawai'i Admission Act YES ___ NO X

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Commercial and business purposes.

PROPERTY CHARACTERISTICS:

Utilities: Utilities are available at the premises.
Improvements: Site is graded and 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* | \$5,976.00 |
| 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 FMR thru independent appraisal |

PERFORMANCE BOND:

The sum equal to the total annual rental then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

The Applicant shall invest the sum of not less than \$125,000.00 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 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 subject land area is covered by the Final Environmental Assessment for Proposed Kona International Airport Improvements at Keāhole, North Kona, Hawai‘i, August 2008. The assessment was prepared by the State of Hawai‘i, DOTA.

If the proposed lease action and potential environmental impacts do not meet the exemption classifications, then the applicant may be required to prepare an environmental assessment of environmental impact statement, pursuant to Federal National Environmental Policy Act and Hawai‘i Revised Statutes, Chapter 343.

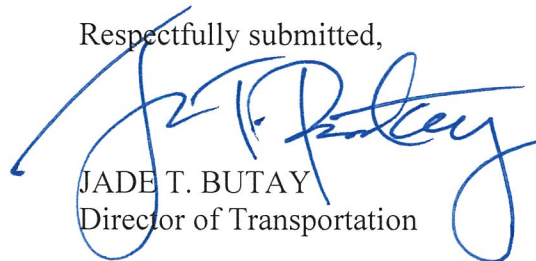
REMARKS:

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 KOA.

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; and (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,

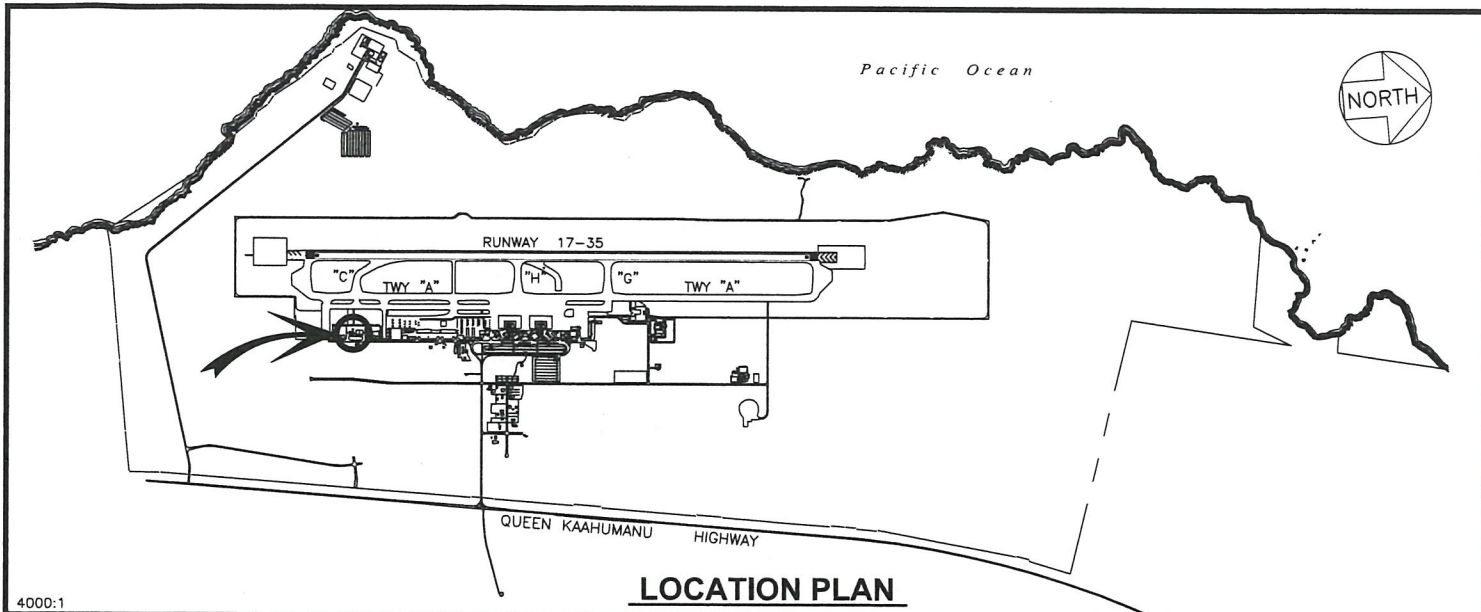


JADE T. BUTAY
Director of Transportation

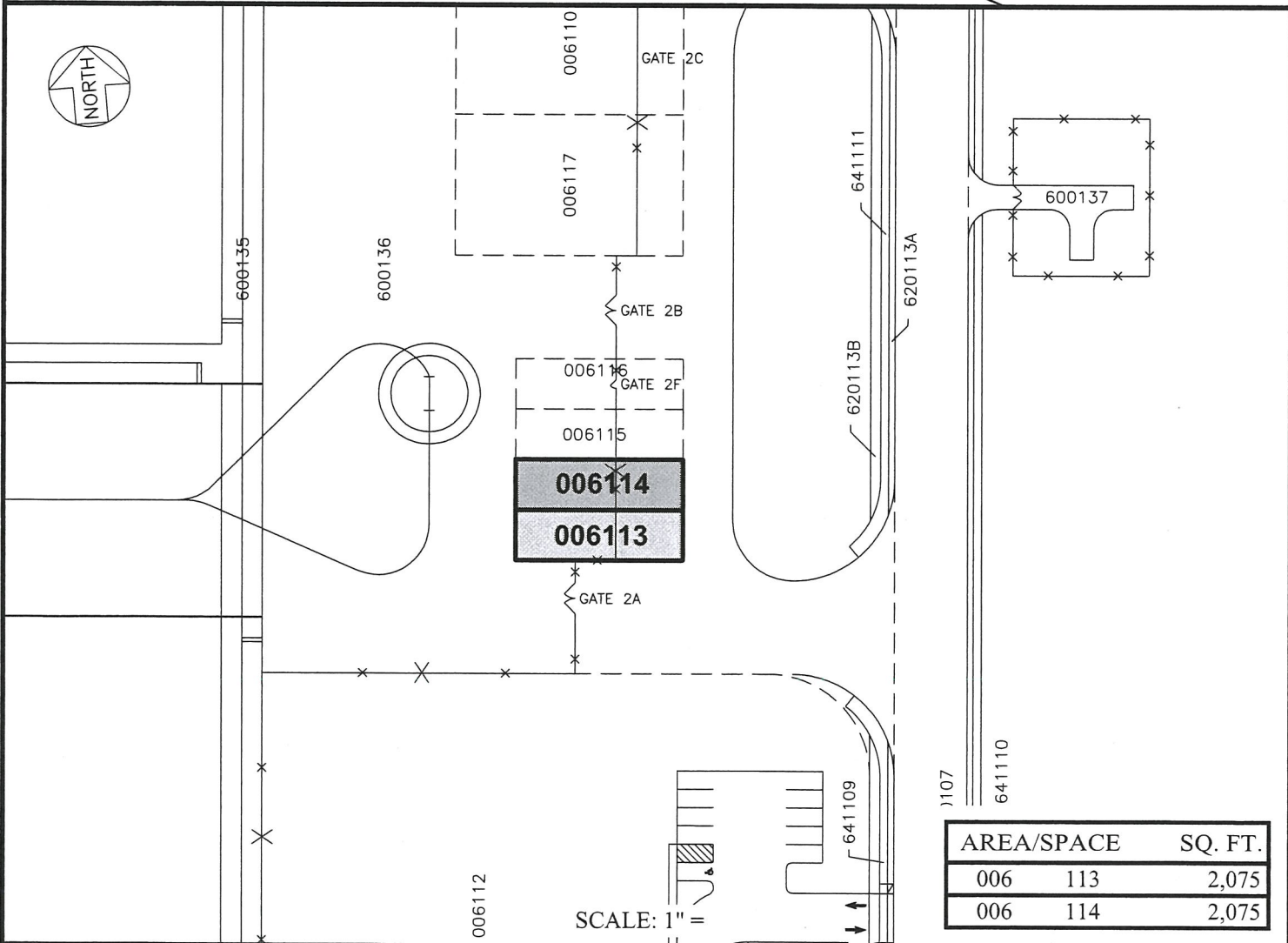
APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member



4000:1



DATE : DECEMBER 2018

EXHIBIT: **B**

DEPARTMENT OF TRANSPORTATION
STATE OF HAWAII
Airports Division

LOTS

006113
006114
PLAT 40

ELLISON ONIZUKA KONA INTERNATIONAL AIRPORT AT KEAHOLE