

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

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

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-01-0004 TO ENCUMBER
ADDITIONAL AIRPORT LAND FOR ITS AIR CARGO FACILITY LEASE
UNITED PARCEL SERVICE CO.
LĪHU'E AIRPORT
TAX MAP KEY: (4) 3-5-01: PORTION OF 8

KAUA'I

The Department of Transportation, Airports Division ("DOTA") and United Parcel Service Co. entered into State Lease No. DOT-A-01-0004 ("Lease") dated August 14, 2001, to develop, construct, operate and maintain an air cargo facility at Līhu'e Airport ("LIH"), Island of Kaua'i.

REQUEST:

United Parcel Service Co. ("UPS") desires to amend the Lease to include areas adjacent to and in place of the areas previously approved by the Land Board on February 9, 2001, Item K-7.

APPLICANT:

UPS, a Delaware corporation, authorized to do business in the State of Hawai'i.

LEGAL REFERENCE:

Subsection 171-59(b), Hawai'i Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Portion of Līhu'e Airport, Līhu'e, Island of Kaua'i, identified by Tax Map Key:
4th Division, 3-5-01: Portion of 8.

AREA:

Original: Area/Space No. 002-103, containing a land area of approximately 31,872 square feet of improved/unpaved general aviation land, as shown and delineated on the attached Exhibit A dated October 2000.

As Amended: Area/Space No. 002-103, containing a land area of approximately 36,640 square feet of improved/unpaved general aviation land, as shown and delineated on the attached Exhibit A dated February 2019.

ZONING:

State Land Use: Urban
County: Industrial (IG-STP)

LAND TITLE STATUS:

Section 5(a), Hawai'i Admissions Act
DHHL, 30% entitlement lands Yes____ No X

CURRENT USE STATUS:

Airport purpose

CHARACTER OF USE:

Air cargo facility

TERM OF LEASE:

Thirty (30) years

LEASE COMMENCEMENT DATE

August 1, 2001

ANNUAL LAND RENTALS:

<u>Original:</u>		<u>As Amended:</u>	
Lease years 1-15	\$ 26,454.00	Lease years 1-15	\$ 26,454.00
Lease years: 16-20	\$ 55,457.28	Lease years 16-20	\$ 63,753.60
Lease years: 21-25	* FMR	Lease years: 21-25	FMR
Lease years: 26-30	FMR	Lease years: 26-30	FMR

- **FMR - Reopening at 100% of Fair Market Rental determined by independent appraisal.**

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect.

ANNUAL LAND RENTAL COMMENCEMENT:

Upon execution of the amendment.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by the Environmental Assessment for Līhu'e Airport Ahukini Road Realignment and General Aviation Subdivision dated March 6, 1997. This Environmental Assessment evaluated the environmental effects of the recommended Airport Plan to realign Ahukini Road and the development of a General Aviation Subdivision. The assessment was prepared by the State of Hawai'i, DOTA.

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>

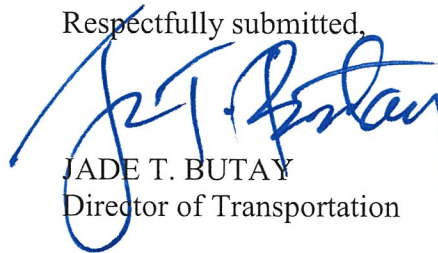
REMARKS:

The DOTA and UPS entered into the Lease dated August 14, 2001, to develop, construct, operate and maintain an air cargo facility at LIH. The original issuance of the direct Lease by negotiation was determined to encourage competition within the aeronautical, airport-related industries, and therefore, met the requirement set forth in Subsection 171-59(b), HRS, as amended. UPS now requests areas adjacent to and in place of the areas previously approved by the Land Board under the Lease to operate its air cargo facility at LIH. The DOTA, in the public interest, has no objection to UPS's request.

RECOMMENDATION:

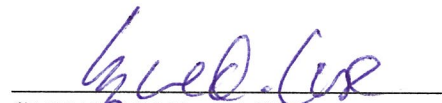
That the Board approve Amendment No. 1 to the Lease subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and, (3) review and approval of the Department of the Attorney General as to the amendment's form and content.

Respectfully submitted,

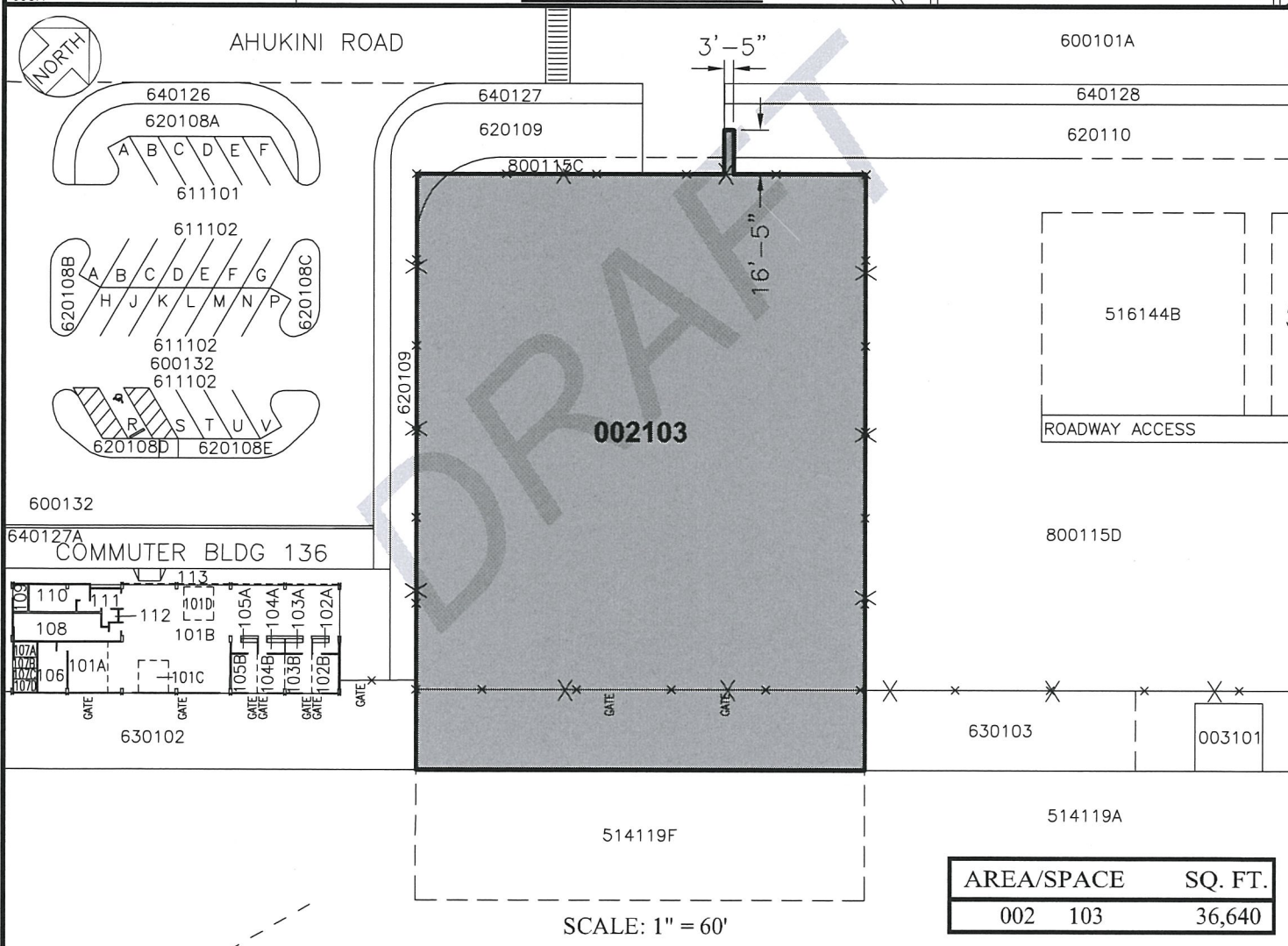
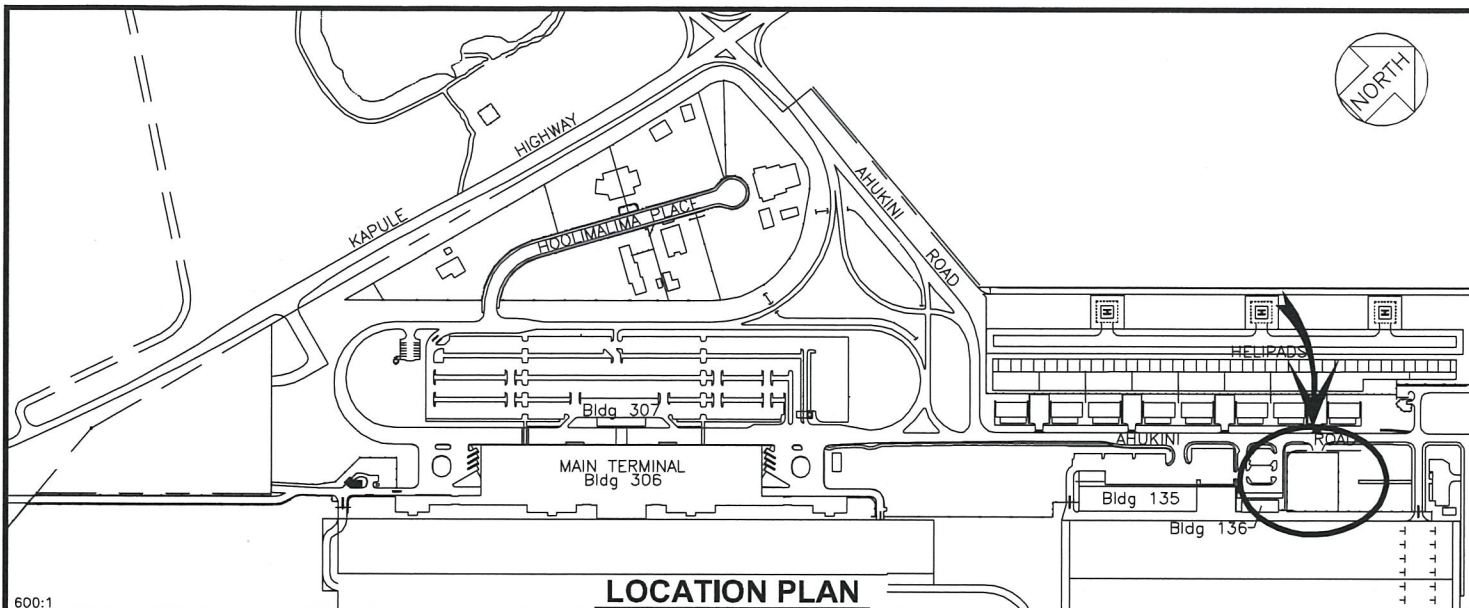


JADE T. BUTAY
Director of Transportation

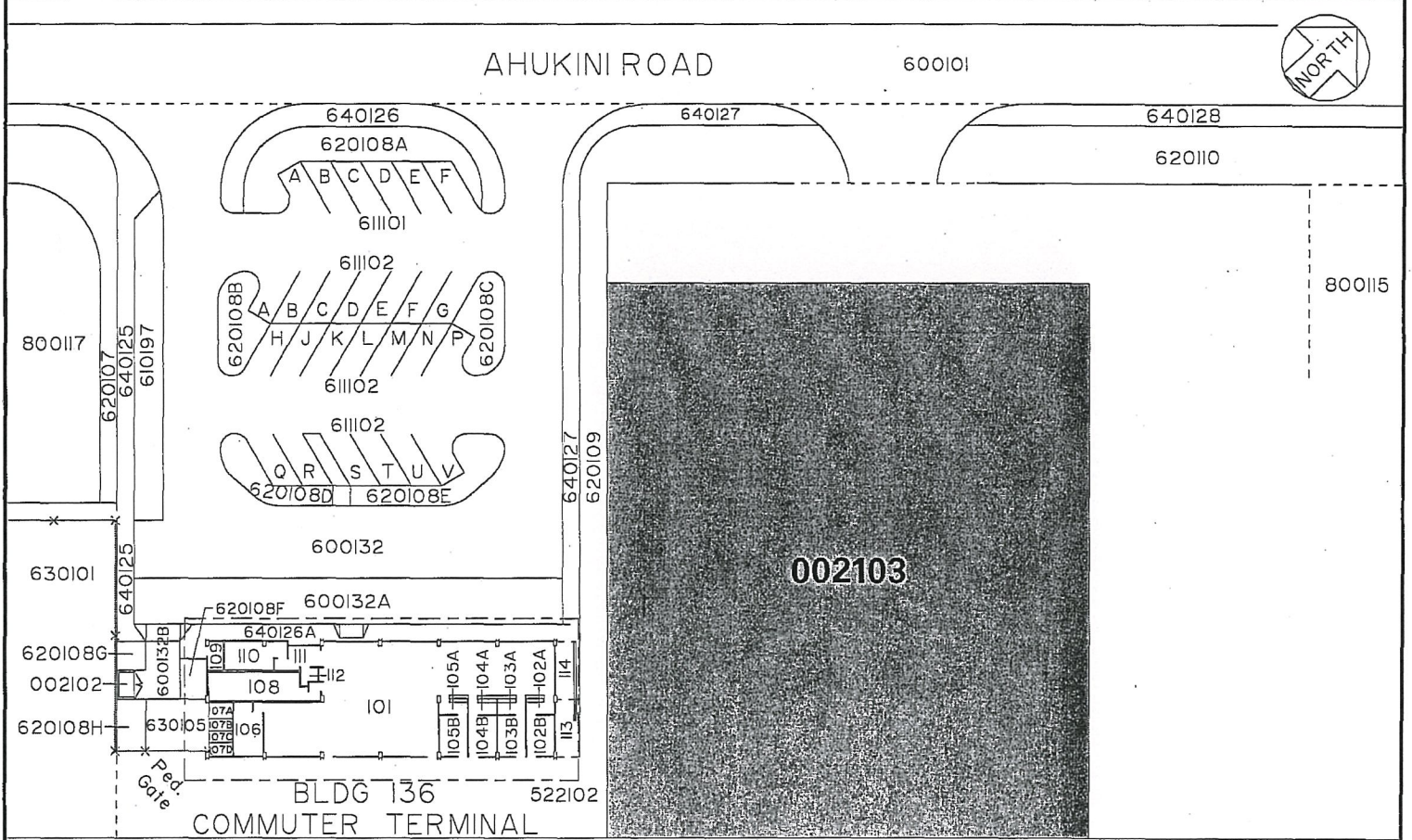
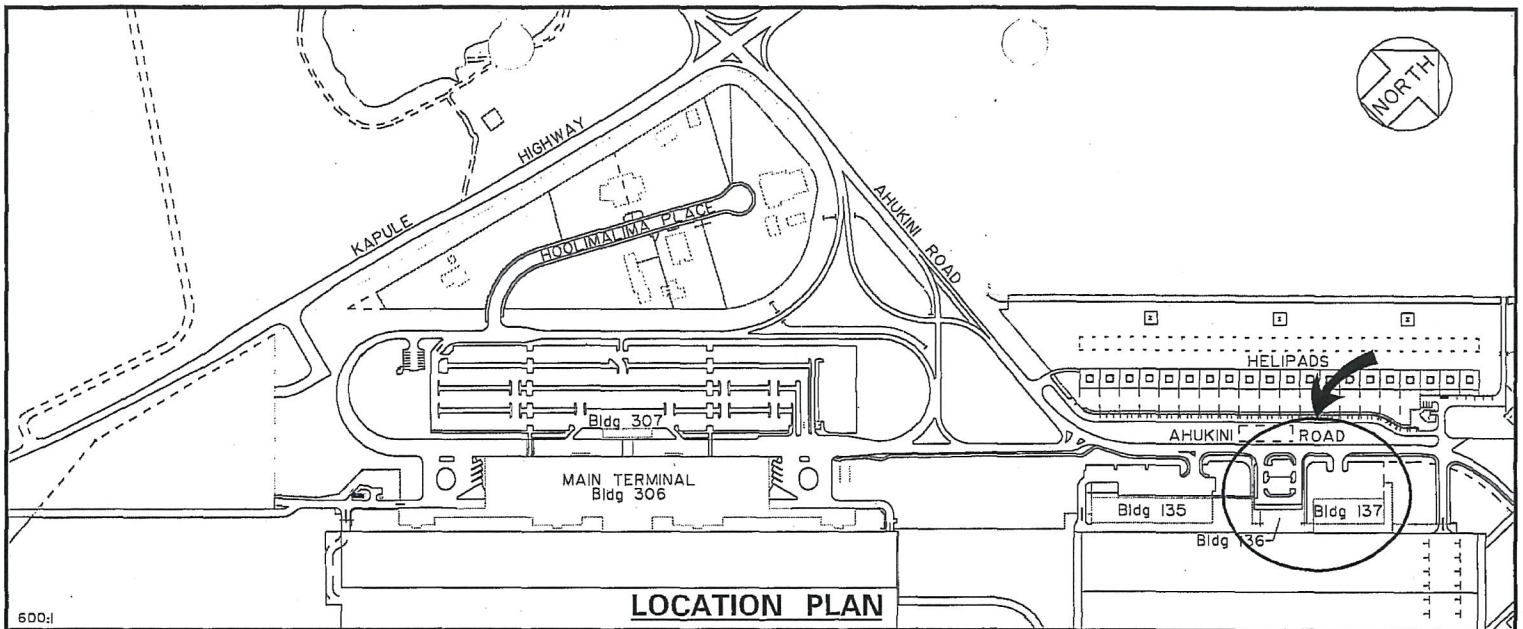
APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member




DRAFT		DATE : FEBRUARY 2019		EXHIBIT: A	
 Airports Division	UNITED PARCEL SERVICES, INC - SWFC		LOT		002103
					PLATS A1, B1. 35



SPACE NO.	AREA SQ. FT.
002 103	31,872

DATE: OCTOBER 2000

EXHIBIT: **A**

 <p>Airports Division</p>	<p>UNITED PARCEL SERVICE</p>	<p>LOT</p>	<p>002103</p> <p>PLAT 35</p>
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LIHUE AIRPORT