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. 008-119B)
KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-01: PORTION OF 19

REQUEST:

Issuance of an Industrial Land Lease for aeronautical, airport related and commercial purposes at Kahului Airport (OGG) 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 OGG, Maui, Island of Maui, County of Maui, identified by Tax Map Key: 2nd Division, 3-8-01: Portion of 19.

AREA:

Area/Space No. 008-119B, containing an area of approximately 48,240 square feet, as shown on the attached Exhibit "A-1".

ZONING:

State Land Use District: Urban
County of Maui: Airport
BLNR – SALE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION
KAHULUI AIRPORT
PAGE 2

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

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:

Fifteen (15) years.

COMMENCEMENT DATE:

Upon execution of the Lease.

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENING:

<table>
<thead>
<tr>
<th>Years</th>
<th>Annual Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 thru 5</td>
<td>$189,100.80</td>
</tr>
<tr>
<td>6 thru 10</td>
<td>115% x the rental for year 5</td>
</tr>
<tr>
<td>11 thru 15</td>
<td>115% x the rental for year 10</td>
</tr>
</tbody>
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PERFORMANCE BOND:

An amount equal to the annual rent then in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The proposed use of airport land was included in the September 1997 Final Federal and State Environmental Impact Statement (EIS) which was prepared in support of (1) the Federal actions consisting of approval of the Airport Layout Plan and (2) the State of Hawai‘i actions consisting of state environmental approval and construction of proposed Kahului Airport Improvements. The EIS complied with the requirements of Chapter 343
BLNR – SALE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION
KAHULUII AIRPORT
PAGE 3

of the Hawai‘i Revised Statutes (HEPA), and Title 11, Chapter 200 of the State of Hawai‘i, Department of Health Administrative Rules.

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 OGG.

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