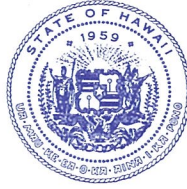


DAVID Y. IGE  
GOVERNOR



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

ISSUANCE OF A DIRECT LEASE FOR AN AIRLINE LOUNGE  
KOREAN AIR LINES CO., LTD.  
CENTRAL CONCOURSE  
DANIEL K. INOUE INTERNATIONAL AIRPORT  
TAX MAP KEY: (1) 1-1-003: 050 (PORTION)

O'AHU

APPLICANT/LESSEE:

Korean Air Lines Co., Ltd. (KAL), whose mailing address is 300 Rodgers Boulevard, #69,  
Honolulu, Hawai'i 96819.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Portion of Building No. 350, Central Concourse, Ground Level, at the  
Daniel K. Inouye International Airport, Island of O'ahu, State of Hawai'i,  
identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-003: 050 (Portion).

AREA:

Building/Room No. 350-147B, containing an area of approximately 600 square feet, and  
Building/Room No. 350-147C, containing an area of approximately 938 square feet, as  
shown and delineated on the attached map labeled Exhibit "A".

ZONING:

State Land Use District: Urban  
City and County of Honolulu: I-2 (Industrial)

**ITEM M-2**

LAND TITLE STATUS:

Section 5(a) lands of the Hawai‘i Admissions Act: Non-ceded  
DHHL 30% entitlement lands pursuant to the Hawai‘i State Constitution: YES \_\_\_ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order No. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as the Daniel K. Inouye International Airport (Airport) under the control and management of the State of Hawai‘i, Department of Transportation, Airports Division (Airports Division) for Airport Purposes.

CHARACTER OF USE:

KAL will use and maintain the space as an International Airline Lounge, providing food and beverage services, as part of its Signatory Airline Carrier Operations at the Airport.

TERM OF LEASE:

Five (5) years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL LEASE RENTAL:

Annual Lease Rental: Beginning upon the commencement date of the Lease, the annual rental shall be determined by multiplying the applicable prevailing per square footage signatory airline terminal building rate by the demised square footage (as published in the Airports Division Signatory Carrier Rates and Charges, Hawai‘i Airports System) for the Airport.

The Airports Division Signatory Carrier Rates and Charges, Hawai‘i Airports System for Fiscal Year 2019 is \$68.44 per square foot, per annum.

PERFORMANCE BOND:

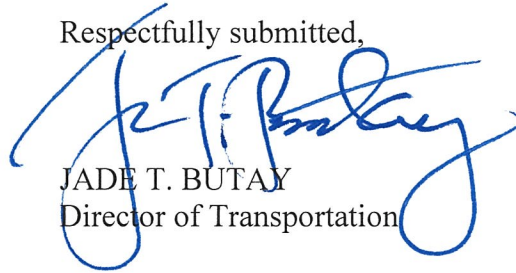
The sum equal to one quarter of the annual rental in effect.

BLNR – ISSUANCE OF A DIRECT LEASE FOR AN AIRLINE LOUNGE  
KOREAN AIR LINES CO., LTD., CENTRAL CONCOURSE  
DANIEL K. INOUE INTERNATIONAL AIRPORT  
Page 4

RECOMMENDATION:


That the Board authorize the Department of Transportation to issue a direct lease to KAL, 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 lease form and content.

Respectfully submitted,



JADE T. BUTAY  
Director of Transportation

APPROVED FOR SUBMITTAL:



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SUZANNE D. CASE  
Chairperson and Member

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO _____
Registered business name confirmed:	YES <u>X</u>	NO _____
Good standing confirmed:	YES <u>X</u>	NO _____

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawai‘i, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawai‘i Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawai‘i, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

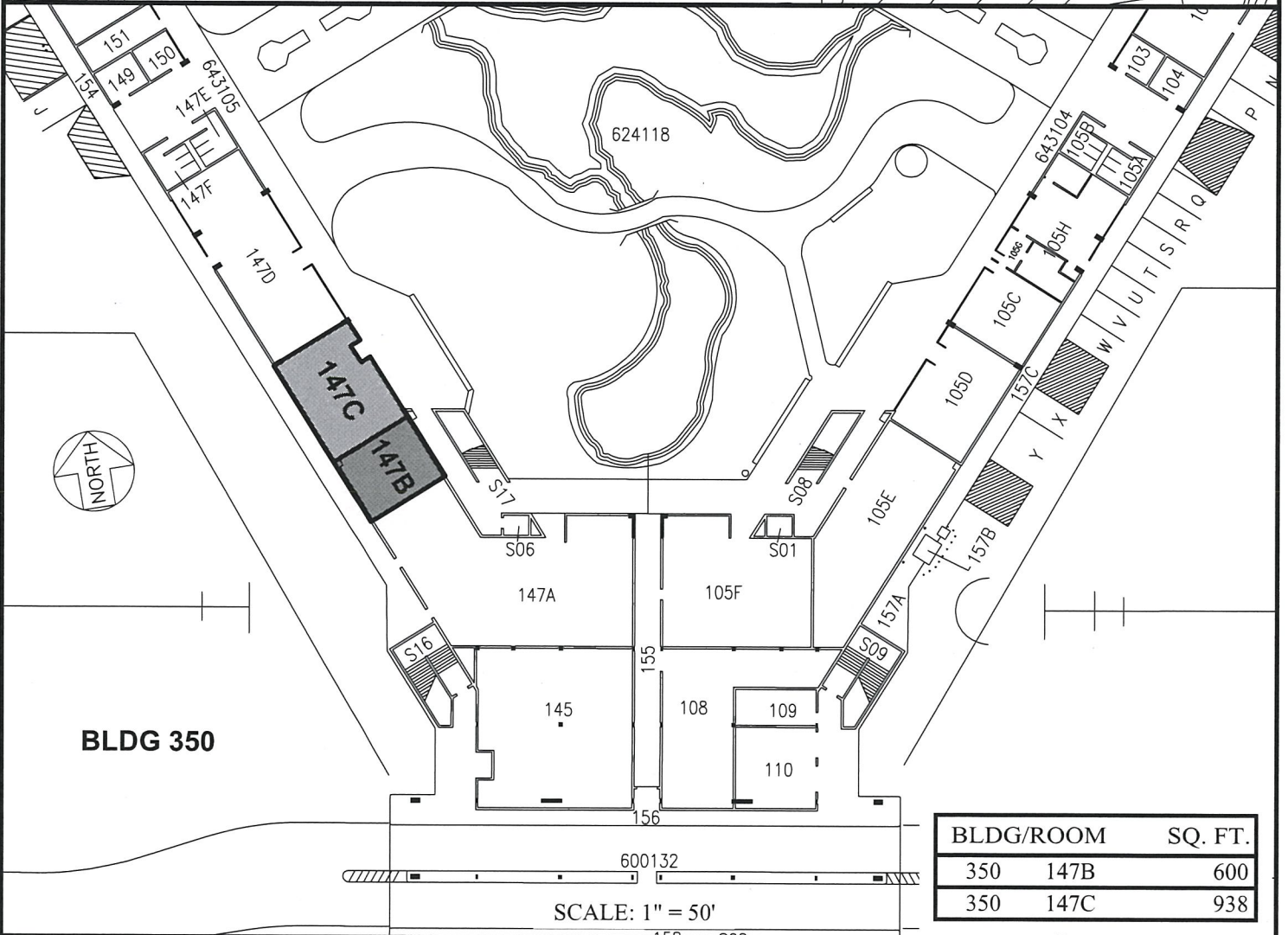
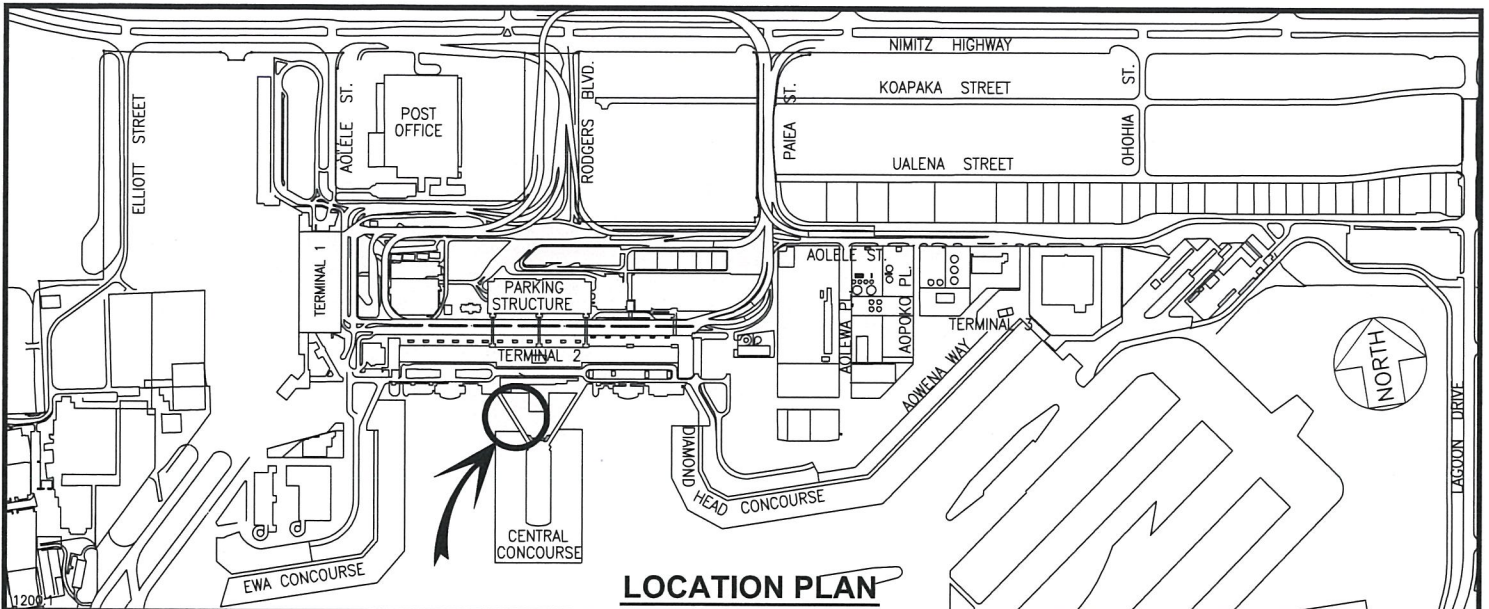
Airports Division consulted with the U.S. Federal Aviation Administration (FAA) as to the appropriateness of the citation of the Environmental Exemption Class from the Comprehensive list for the Department of Transportation dated November 15, 2000. The FAA concurred on the appropriateness.

REMARKS:

In accordance with Section 171-59 (b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by Negotiation, Airports Division proposes to issue a direct lease to KAL to use and maintain an International Airline Lounge, as part of KAL’s Signatory Airline Operation at the Airport.

By issuing a five (5)-year lease, Airports Division recognizes KAL’s commitment to the State of Hawai‘i, and believes the International Airline Lounge is in the best interest of the State. Airports Division considers the proposed lease is in accordance with the underlying intent of Section 171-59 (b), HRS, since it encourages competition by allowing KAL to compete with other major Signatory Airline Carriers at the Airport.





DATE : JANUARY 2019

EXHIBIT: **A**



Airports Division

KOREAN AIR LINES CO., LTD.

BUILDING 350  
CENTRAL CONCOURSE  
GROUND LEVEL

350147B  
350147C

PLAT A1