Board of Land and Natural Resources
State of Hawaiʻi
Honolulu, Hawaiʻi

ISSUANCE OF A HELICOPTER FACILITY LEASE BY NOTICE OF PUBLIC AUCTION GENERAL AVIATION SUBDIVISION LOTS (SPACE NOS. 004-127 AND 004-128) LĪHUʻE AIRPORT TAX MAP KEY: (4) 3-5-001: PORTION OF 8 KAUʻAI

REQUEST:

To issue a Helicopter Facility Lease for aeronautical and business purposes in the General Aviation Subdivision Lots at Līhuʻe Airport (LIH) by notice of public auction.

LEGAL REFERENCE:

Section 171-14, -16, -17, -41, and other applicable sections of Chapter 171, Hawaiʻi Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Portion of Līhuʻe Airport (LIH), Līhuʻe, Island of Kauaʻi, identified by Tax Map Key: (4) 3-5-001:008.

AREA:

Area/Space Nos. 004-127 and 004-128, each containing an area of approximately 18,287 square feet for an approximate total area of 36,574 square feet of improved, unpaved general aviation lands as shown on the attached Exhibit “B”.

ZONING:

State Land Use District: Urban
County of Kauaʻi: Industrial (IG-STP)
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: No

CURRENT USE STATUS:

Vacant - aeronautical purposes.

CHARACTER OF USE:

Commercial helicopter tours, charters and fueling operations.

LEASE TERM:

Thirty (30) years.

COMMENCEMENT DATE:

Upon complete execution of the lease.

MINIMUM UPSET ANNUAL RENT:

*Should there be 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 $84,851.68 (as determined from the DOTA schedule of rates & charges established by an appraisal of Airports property statewide)

Years 6 thru 10 115% x the annual rental for year 5
Years 11 thru 15 115% x the annual rental for year 10
Years 16 thru 20 Reopening at fair market rent determined by independent appraisal
Years 21 thru 25 115% x the annual rental of year 20
Years 26 thru 30 Reopening at fair market rent determined by independent appraisal

PERFORMANCE BOND:

An amount equal to the annual rent then in effect.
CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land areas are covered by the Environmental Assessment for Lihue 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, Department of Transportation, Airports Division.

REMARKS:

In accordance with Section 171-14, -16, -17, -41, and other applicable sections of Chapter 171, HRS, as amended, relating generally to Management 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 way of a sale of a helicopter facility lease by notice of public auction at Līhu‘e Airport.

RECOMMENDATION:

That the Board authorizes the Department of Transportation to sell a helicopter facility 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,

[Signature]
JAIDE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:

[Signature]
SUZANNE D. CASE
Chairperson and Member