

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

Board of Land and
Natural Resources
State of Hawai'i
Honolulu, Hawai'i

ISSUANCE OF A LAND LEASE FOR SEAPLANE OPERATIONS
BY NOTICE OF PUBLIC AUCTION
DANIEL K. INOUE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-3: 001 (PORTION), (1) 1-1-3: 005 (PORTION)

O'AHU

REQUEST:

Issuance of a Land Lease for the development, construction, use, and maintenance of Seaplane Operations. The winning bidder of this Land Lease will be required to demolish an existing facility, develop and construct a new Seaplane Dock and Facility, and provide an area for customer parking (Project) at the Daniel K. Inouye International Airport (Airport) by Notice of Public Auction.

LEGAL REFERENCE:

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

LOCATION:

Portion of the Airport located on Lagoon Drive, City and County of Honolulu, Island of O'ahu, State of Hawai'i, identified by Tax Map Key: 1st Division, 1-1-3: 001 (portion), and 1-1-3: 005 (portion).

AREA:

Area/Space No. 013-101, containing an area of approximately 19,950 square feet of improved, unpaved land;

Area/Space No. 425-101, containing an area of approximately 8,220 square feet of Submerged land; and

Area/Space No. 425-102, containing an area of approximately 6,000 square feet of Submerged land, as shown on the attached Exhibit "A".

ITEM M-1

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ZONING:

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

LAND TITLE STATUS:

Section 5(e) – Public Law 88-223 – “ceded” lands of the Hawai‘i Admission Act
DHHL 30% entitlement lands pursuant to Hawai‘i Admission Act YES ___ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor’s Executive Order Nos. 3201, 3202, and 3203, setting aside a portion of the Airport under the control and management of the State of Hawai‘i, Department of Transportation, Airports Division (DOTA) for Airport Purposes.

CHARACTER OF USE:

Seaplane Operations.

TERM OF LEASE:

Fifteen (15) years.

COMMENCEMENT DATE:

Upon execution of the lease document.

MINIMUM UPSET ANNUAL RENTAL:

Years 1 – 5	\$72,554.40 per annum, based on the fair market rates (published in the Airports Division Procedures No. 4.5, Schedule of Rates and Charges) for the Airport;
Years 6 – 10	115% x the annual rental for year 5 of the Lease; and
Years 11 – 15	Fair Market Rent determined by an independent Appraiser.

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 \$500,000.00 for the demolition of an existing facility, and the development and construction of a new Seaplane Dock and Facility, within one year from the commencement date of the lease. All leasehold improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the DOTA, in writing.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15 (General types of actions eligible for exemption) of the Environmental Impact Statement Rules of the Department of Health, State of Hawai'i, this disposition is exempt from the requirements regarding the preparation of an environmental assessment as required by Chapter 343, HRS, dated December 18, 2018.

The proposed action falls within the following Exemptions:

Section 11-200.1-15 (c) (2) Replacement or reconstruction of existing structures and facilities where the new structure will be located generally on the same site and will have substantially the same purpose, capacity, density, height, and dimensions as the structure replaced; and

Section 11-200.1-15 (c) (6) Demolition of structures, except those structures that are listed on the national register or Hawai'i Register of Historic Places.

The project would qualify under the above exemptions because it would: (1) First, involve the demolition of structures not listed on the national register or Hawaii Register of Historic Places; and (2) then, would involve the replacement or reconstruction of existing structures and facilities where the new structure will be located generally on the same site, and will have substantially the same purpose, capacity, density, height, and dimensions as the structure replaced.

The existing seaplane facility is old and in need of replacement. There is still a need for seaplane operations. Specifically, the existing seaplane facility was built in 1997 and consists of 2 structures: (1) a wedding chapel; and (2) a building for office and passenger lobby for seaplane operations plus a dock for loading and unloading passengers. The structures are old and certain parts of the structures and dock are beginning to sink. The building for the office and passenger lobby for seaplane operations as well as portions of the dock will need to be demolished and reconstructed.

The Department of Transportation (DOT) consulted with the U.S. Federal Aviation Administration (FAA) as to the appropriateness of the citation of the Environmental Exemption from the Comprehensive list for the DOT. The FAA concurred on the appropriateness.

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 DOT proposes to issue a Land Lease for the development, construction and maintenance of a Seaplane Operation by Notice of Public Auction at HNL.

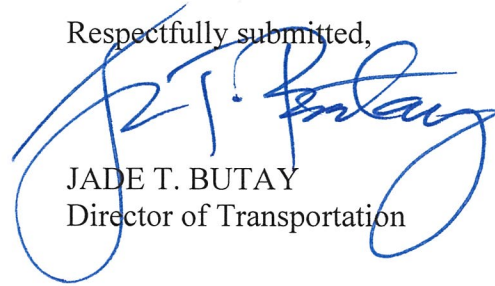
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RECOMMENDATION:

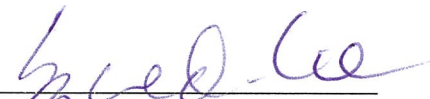
That the Board authorize the DOT to issue a Land Lease for Seaplane Operations by Notice of Public Auction, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; and (2) such additional terms and conditions as may be prescribed by the Director of Transportation 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 consent.

Respectfully submitted,

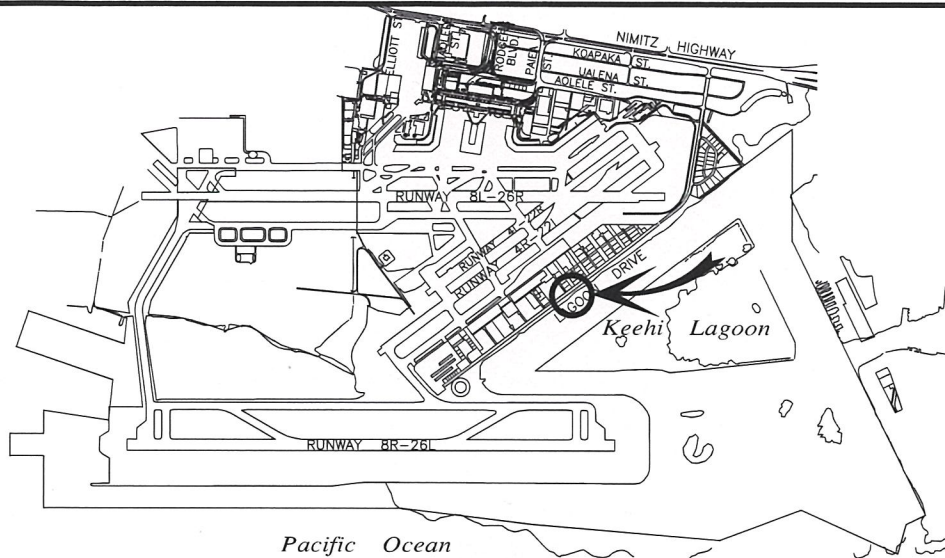


JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



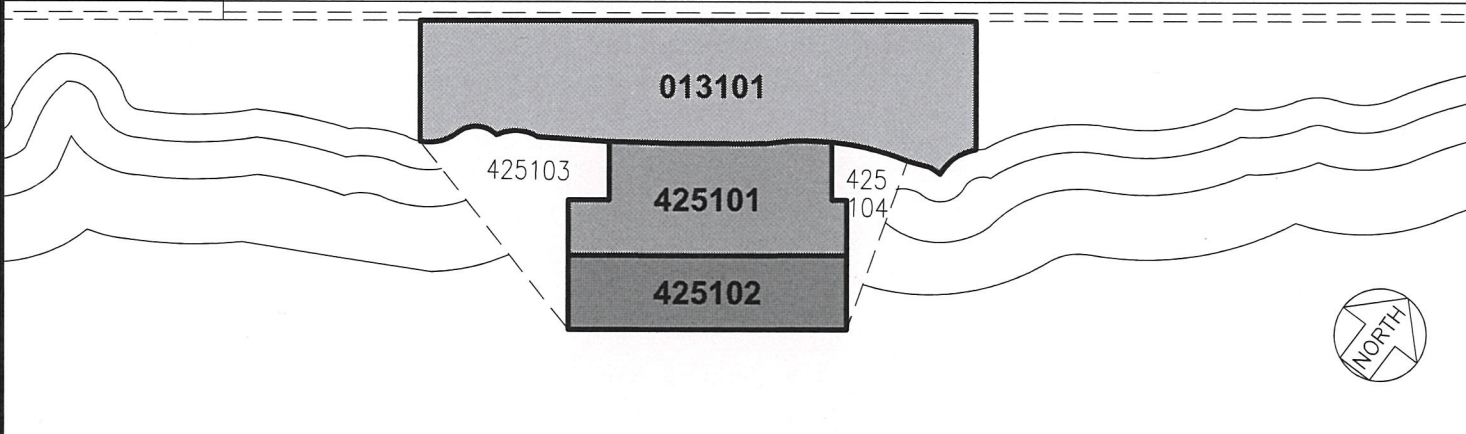
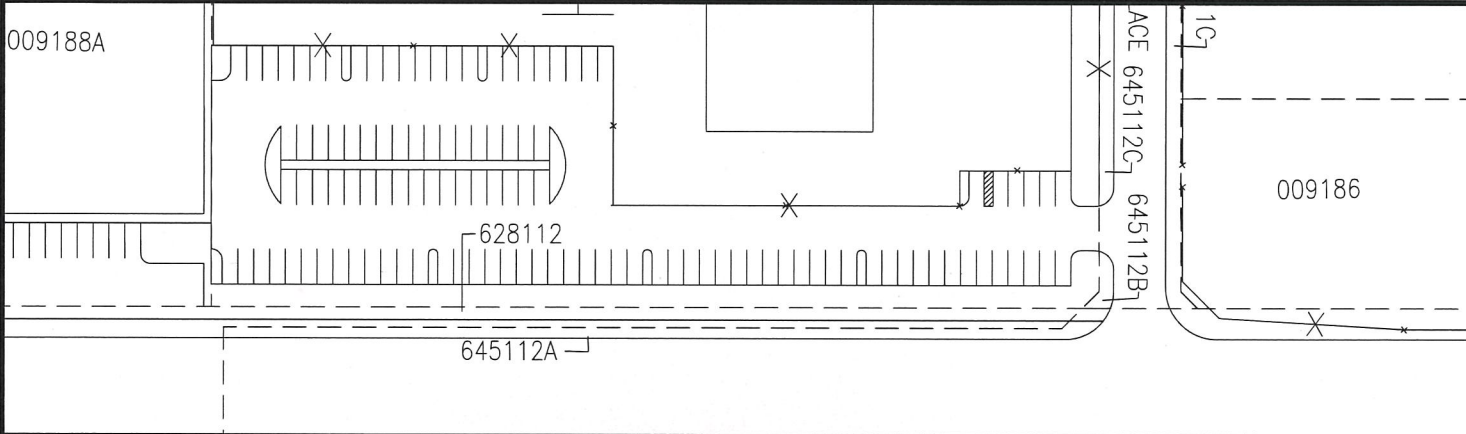
SUZANNE D. CASE
Chairperson and Member



Pacific Ocean

LOCATION PLAN

5000:1



AREA/SPACE	SQ. FT.
013 101	19,950
425 101	8,220
425 102	6,000

SCALE: 1" = 100'

DATE : DECEMBER 2019 EXHIBIT: **A**



LAGOON DRIVE

013101
425101
425102
PLAT 46

DANIEL K. INOUE INTERNATIONAL AIRPORT

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