



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

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DIRECTOR

Deputy Directors
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IN REPLY REFER TO:

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

ISSUANCE OF A HANGAR FACILITIES LEASE FOR AIR CHARTER
AND AIR MEDICAL AND RELATED SERVICES
WING SPIRIT INC
DANIEL K. INOUE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-72: 23

O'AHU

REQUEST:

Issuance of a directly negotiated Hangar Facilities Lease for the use and operation of a general aviation hangar to store and maintain HondaJets for the purpose of an air charter and air medical and related business at the Daniel K. Inouye International Airport (Airport).

APPLICANT/LESSEE:

Wing Spirit Inc (WING SPIRIT), a Hawai'i corporation, whose mailing address is 55 Merchant Street, Suite 1600, Honolulu, Hawai'i 96813.

LEGAL REFERENCE:

Section 171-59 (b), and other applicable sections of Chapter 171, Hawai'i Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Located on the South Ramp of the Airport, Island of O'ahu, State of Hawai'i, identified by Tax Map Key: 1st Division, 1-1-72: portion of 23.

AREA:

Building/Room No. 212-100, consisting of an area of approximately 6,636 square feet; and Area Space No. 009-116, consisting of an area of approximately 19,241 square feet, of Improved, paved, land, as shown and delineated on the attached map labeled Exhibit A.

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ZONING:

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

LAND TITLE STATUS:

Section 5(b) lands (ceded) of the Hawai'i Admission Act.
DHHL 30% entitlement lands pursuant to the Hawai'i Admission Act YES NO

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, setting aside a portion of the Airport under the control and management of the Department of Transportation, Airports Division (DOTA), State of Hawai'i, for Airport Purposes.

CHARACTER OF USE:

Hangar Facility

TERM OF LEASE:

Five (5) years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL RENT:

\$9,996.48 (as determined from the DOTA schedule of rates and charges established by appraisal of Airports property statewide).

PERFORMANCE BOND:

The sum equal to three (3) times the monthly annual rental in effect.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

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CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with Chapter 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 requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, HRS, dated December 18, 2018.

The proposed action falls within the following Exemption:

Chapter 11-200.1-15 (c) (1) Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving minor expansion or minor change of use beyond that previously existing.

This request would qualify under the above exemption because the Applicant/Lessee would be using an existing hangar facility to store aircraft for the purpose of an air charter and air medical and related business, which does not require any changes beyond what is currently existing.

The DOTA consulted with the U.S. Federal Aviation Administration (FAA) as to the appropriateness of the citation from Chapter 11-200.1 entitled "Environmental Impact Statement Rules", dated December 18, 2018. The FAA concurred on the appropriateness.

REMARKS:

In accordance with Section 171-59 (b), and other applicable sections of Chapter 171, HRS, as amended, relating generally to the Management and Disposition of Public Lands, and relating specifically to the Disposition by Negotiation, the Department of Transportation proposes to issue a directly negotiated Hangar Facilities Lease to WING SPIRIT for the use and operation of an existing general aviation hangar to store and maintain HondaJets for the purpose of an air charter and air medical and related business at the Airport.

The DOTA is currently developing a South Ramp Redevelopment Study (Study). The main objectives of the Study are to; (1) increase safety, (2) provide for the highest and best use of Airport property, and (3) apply a holistic approach to ensure that the South Ramp operates in an efficient manner. The next step of this Study is to see how DOTA can fit the forecasted land area needs by user groups (air cargo, fixed-wing general aviation, helicopter general aviation, and airport/airline support) into the existing land areas. Due to this Study, the DOTA is unable to offer any long-term leases (beyond five years) for premises located on the South Ramp at the Airport.

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DOTA previously offered to lease this hangar facility by Notice of Public Auction on March 29, 2018. The Public Auction was canceled due to “no” interest, and the hangar facility continues to remain vacant.

In addition, there is at least one business operating an air medical and related business and several other business operating charters services on the South Ramp at the Airport.

Therefore, the issuance of a directly negotiated Hangar Facilities Lease to WING SPIRIT will encourage competition in aviation at the Airport. DOTA has no objections to this request.

171-59 (a) HRS states in part, “A lease of public land may be disposed of through negotiation upon a finding by the board of land and natural resources that the public interest demands it.”

171-59 (b), HRS states in part, “Disposition of public lands for airline, aircraft, airport-related...operations may be negotiated without regard to the limitations set forth in subsection (a) and section 171-16 (c); provided that: (1) The disposition encourages competition within the aeronautical, airport-related, ... operations;”

171-59, HRS also provides the following definition, “Airport-related” means a purpose or activity that requires air transportation to achieve that purpose or activity; or an activity that generates revenue for the airport system as provided section 261-7.

261-7, HRS, states in part, “(a) In operating an airport or air navigation facility owned or controlled by the department of transportation, or in which it has a right or interest, the department may enter into contracts, leases, licenses, and other arrangements with persons:

- (1) Granting the privilege of using or improving the airport or air navigation facility or any portion or facility thereof or space therein for commercial purposes;
- (2) Conferring the privilege of supplying foods, commodities, things, services, or facilities at the airport or air navigation facility;
- (3) Making available services, facilities, goods, commodities, or other things to be furnished by the department or its agents at the airport or air navigation facility; ...

The term “airport purpose” or “airport purposes” contained in any governor’s executive order transferring jurisdiction and control of real property to the

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department of transportation shall be considered to include entering into contracts,
leases, licenses, and other arrangements pursuant to this section.

Upon approval, the DOTA also requests the Board's approval to issue a month-to-month
revocable permit to WING SPIRIT until the Hangar Facilities Lease is executed.

RECOMMENDATION:

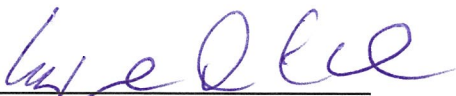
That the Board authorize the Department of Transportation to issue a directly negotiated
Hangar Facilities Lease to WING SPIRIT, subject to: (1) terms and conditions herein
outlined, which are by reference incorporated herein; and (2) such additional terms and
conditions as may be prescribed by the Director 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 content.

Respectfully submitted,

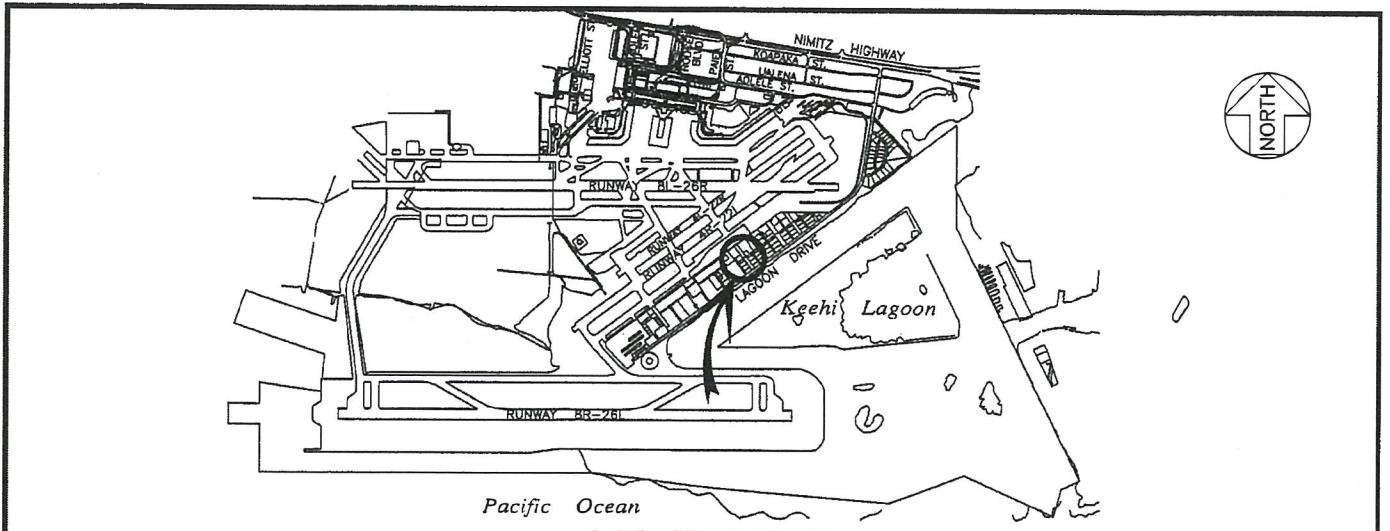


JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:

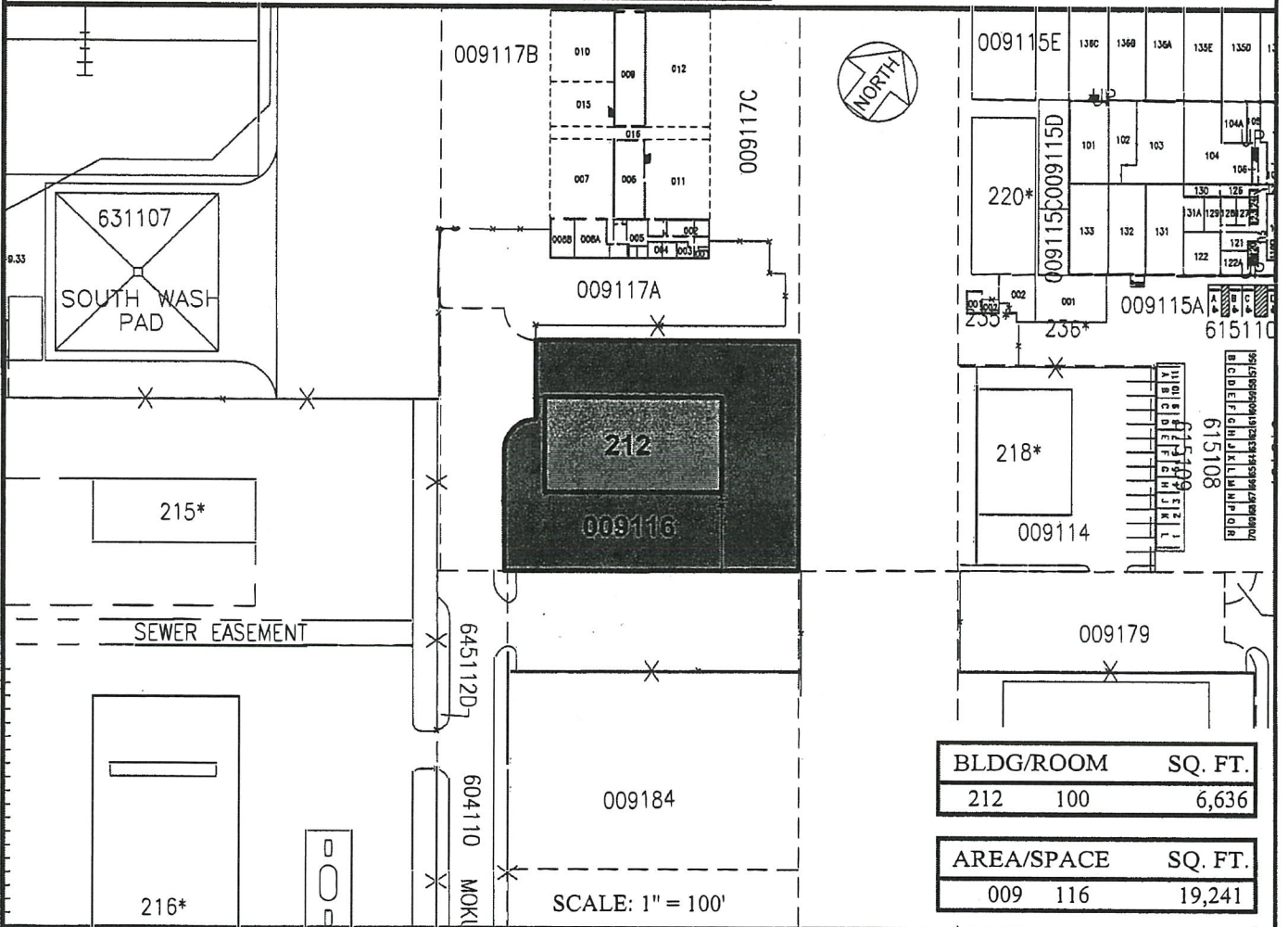


SUZANNE D. CASE
Chairperson and Member



LOCATION PLAN

5000:1



BLDG/ROOM	SQ. FT.
212 100	6,636

AREA/SPACE	SQ. FT.
009 116	19,241

DATE : FEBRUARY 2020

EXHIBIT: A

<p>Airports Division</p>	<p>HANGAR FACILITIES LEASE</p>	<p>LOT SOUTH RAMP</p>	212100
			009116
			PLAT 36

DANIEL K. INOUE INTERNATIONAL AIRPORT

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