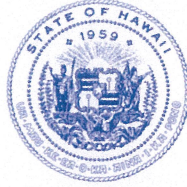


DAVID Y. IGE
GOVERNOR



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 LAND LEASE FOR FIXED-BASE OPERATIONS
BY NOTICE OF PUBLIC AUCTION
KALAELOA AIRPORT
TAX MAP KEYS: (1) 9-1-13: PORTION OF 32

O'AHU

REQUEST:

Issuance of a land lease for the development, construction, use, and maintenance of a hangar facility for fixed-base operations at the Kalaeloa 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:

Portions of the Airport, Kapolei, Island of O'ahu, State of Hawai'i, identified by Tax Map Key: 1st Division, 9-1-13: portion of 32.

AREA:

Area/Space No. 420-101, containing an area of approximately 90,300 square feet, and Area/Space No. 501-101, containing an area of approximately 75,851 square feet, as shown and delineated on the attached map labeled Exhibit "A".

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: P-2 (To be rezoned in the future)

ITEM M-1

BLNR- ISSUANCE OF A LAND FOR FIXED-BASE OPERATIONS BY NOTICE OF
PUBLIC AUCTION, KALAELOA AIRPORT

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LAND TITLE STATUS:

Non-ceded land acquired from the U.S. Government by the State of Hawai'i after Statehood
DHHL 30% entitlement lands pursuant to Hawai'i Admission Act YES ____ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3861, setting aside 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 for fixed-base operations.

TERM OF LEASE:

Thirty-Five (35) years.

COMMENCEMENT DATE:

Upon execution of the lease

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENINGS:

Years 1 – 5	\$211,011.77 per annum [based on a rate of \$2.54 for unimproved, paved land discounted to \$1.27 (8% size discount and 50% general aviation discount) as determined from the DOTA schedule of rates and charges established by appraisal of Airport property statewide]
Years 6 – 10	115% x the annual rent for year 5 of the Lease term;
Years 11 – 15	115% x the annual rent for year 10 of the Lease term;
Years 16 – 20	Reopening at fair market rent determined by an independent appraiser;
Years 21 – 25	115% x the annual rent for year 20 of the Lease term;
Years 26 – 30	115% x the annual rent for year 25 of the Lease term; and
Years 30 – 35	Reopening at fair market rent determined by an independent appraiser.

MINIMUM INVESTMENT OF IMPROVEMENTS:

The Applicant shall invest the sum of not less than Four Million Dollars (\$4,000,000.00), for the development and construction of a hangar facility and other accessory leasehold improvements for the use, operation, and maintenance of a fixed-base operation at the Airport.

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PERFORMANCE BOND:

The sum equal to the total annual rental then in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by the Final Environmental Assessment for the Kalaeloa Airfield Development Plan Improvements, State Project No. AO5011-02 dated June 2010. This Environmental Assessment was prepared by Wilson Okamoto Corp. for the DOTA, in part to evaluate the environmental effects of the recommended Kalaeloa Airfield Master Plan to meet existing and forecast general aviation demands.

REMARKS:

In accordance with Sections 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 a land lease for fixed-base operations that provide aeronautical services such as fueling, aircraft rental, aircraft maintenance, flight instruction, parking and hangar space, to the general aviation community, by Notice of Public Auction at the Airport.

RECOMMENDATION:

That the Board authorize the DOT to issue a land lease for fixed-base 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 lease form and content.

Respectfully submitted,

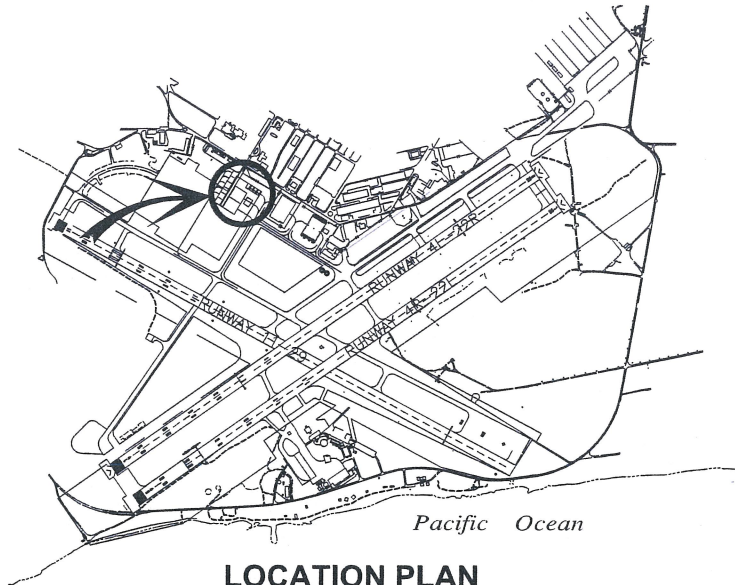


JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:

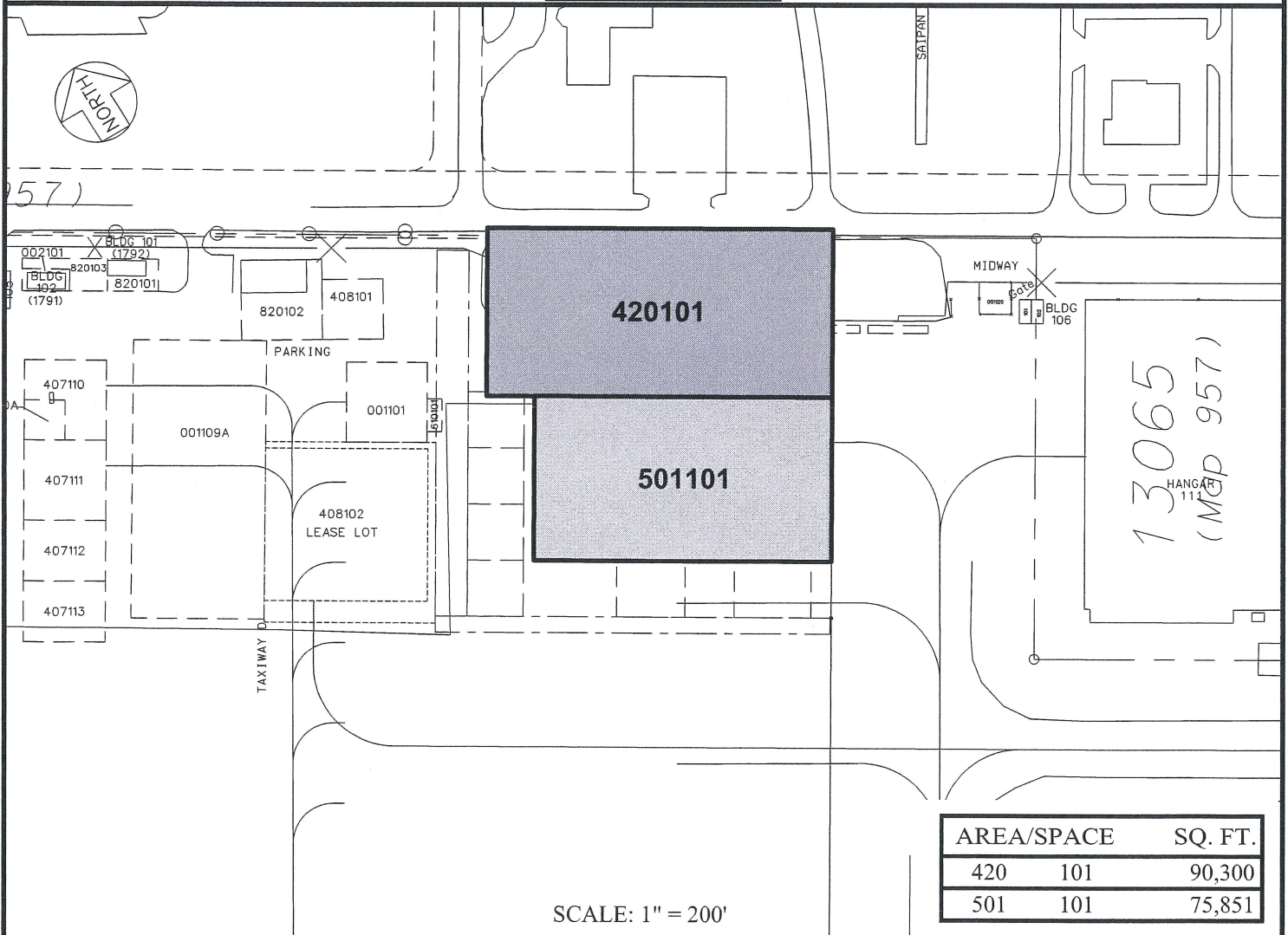


SUZANNE D. CASE
Chairperson and Member



3000:1

LOCATION PLAN



AREA/SPACE		SQ. FT.
420	101	90,300
501	101	75,851

SCALE: 1" = 200'

DATE : JUNE 2020

EXHIBIT: **A**



FBO AUCTION LEASE

**TIE-DOWNS AND LANDING
LOT AREA**

**420101
501101**

KALAELOA AIRPORT

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