



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

IN REPLY REFER TO:

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

ISSUANCE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION
AREA/SPACE NOS. 003-126 AND 003-127
KAHULUI AIRPORT MAUI
TAX MAP KEYS: (2) 3-8-079: PORTION OF 021,
(2) 3-8-001: PORTION OF 019, AND PORTION OF FORMER HALEAKALA
HIGHWAY AS SHOWN ON TAX MAP, COUNTY OF MAUI, ZONE 3, SECTION 8,
PLAT 79

REQUEST:

Issuance of an Industrial Land Lease for aeronautical, airport related and commercial purposes at Kahului Airport (OGG) by notice of public auction.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Portion of OGG, Kahului, Island of Maui, State of Hawai'i, identified by Tax Map Keys: 2nd Division, 3-8-079: Portion of 021, 2nd Division, 3-8-001: Portion of 019, and portion of former Haleakala Highway as shown on Tax Map, County of Maui, Zone 3, Section 8, Plat 79.

AREAS:

Area/Space No. 003-126, containing an area of approximately 57,121 square feet of improved, unpaved industrial land, and;
Area/Space No. 003-127, containing an area of approximately 43,737 square feet of improved, unpaved industrial land, as shown on the attached Exhibit B.

ZONING:

State Land Use District: Urban
County of Maui: Airport

ITEM M-4

BLNR – SALE OF AN INDUSTRIAL LAND LEASE BY NOTICE OF PUBLIC AUCTION
KAHULUI AIRPORT
PAGE 2

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 YES ___ NO X

CURRENT USE STATUS:

Aeronautical, airport related purposes.

CHARACTER OF USE:

Commercial and business purposes.

PROPERTY CHARACTERISTICS:

Utilities: Access to utilities are available at or near the premises

Improvements: a) Area /Space No. 003-126 is encumbered by United Parcel Service Co. (UPS) under Revocable Permit No. RP-8023 (RP-8023). It contains an air cargo sorting facility with utilities and is graded, paved and fenced.

b) Area/Space No. 003-127 is vacant.

TERM OF LEASE:

Thirty-five (35) years.

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENING:

Years 1 thru 5	\$379,226.08
Years 6 thru 10	115% x the rental for year 5
Years 11 thru 15	115% x the 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
Years 31 thru 35	115% x the annual rental of year 30

PERFORMANCE BOND:

Sum equal to the annual rental then in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The State of Hawai‘i, Department of Transportation, Airports Division (HDOTA), has determined that the environmental impacts of the proposed tenant lease for the subject land use is covered by the Kahului Airport Improvements Final Environmental Impact Statement (EIS), published by the Office of Environmental Quality Control (OEQC) in the October 23, 1997, issue of The Environmental Notice. The EIS was accepted by the Governor on February 18, 1998. Accordingly, all relevant mitigation from the EIS and best management practices will be implemented to address the minimum impacts of this action.

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 Department of Transportation (DOT) proposes to issue an industrial land lease by notice of public auction at OGG.

The DOTA is in possession of Performance Bond No. 9307874 in the amount of \$200,000.00 in favor of UPS for the removal of its improvements on Space No. 003-126 under RP-8023.

RECOMMENDATION:

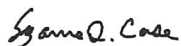
That the Board authorize the DOT to issue an industrial land lease by notice of public auction, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

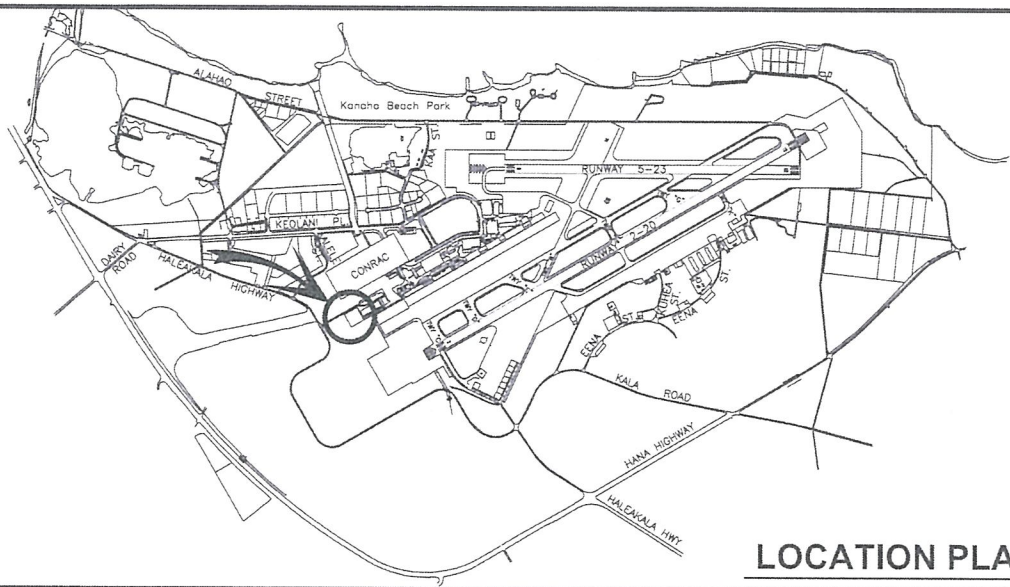


JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:

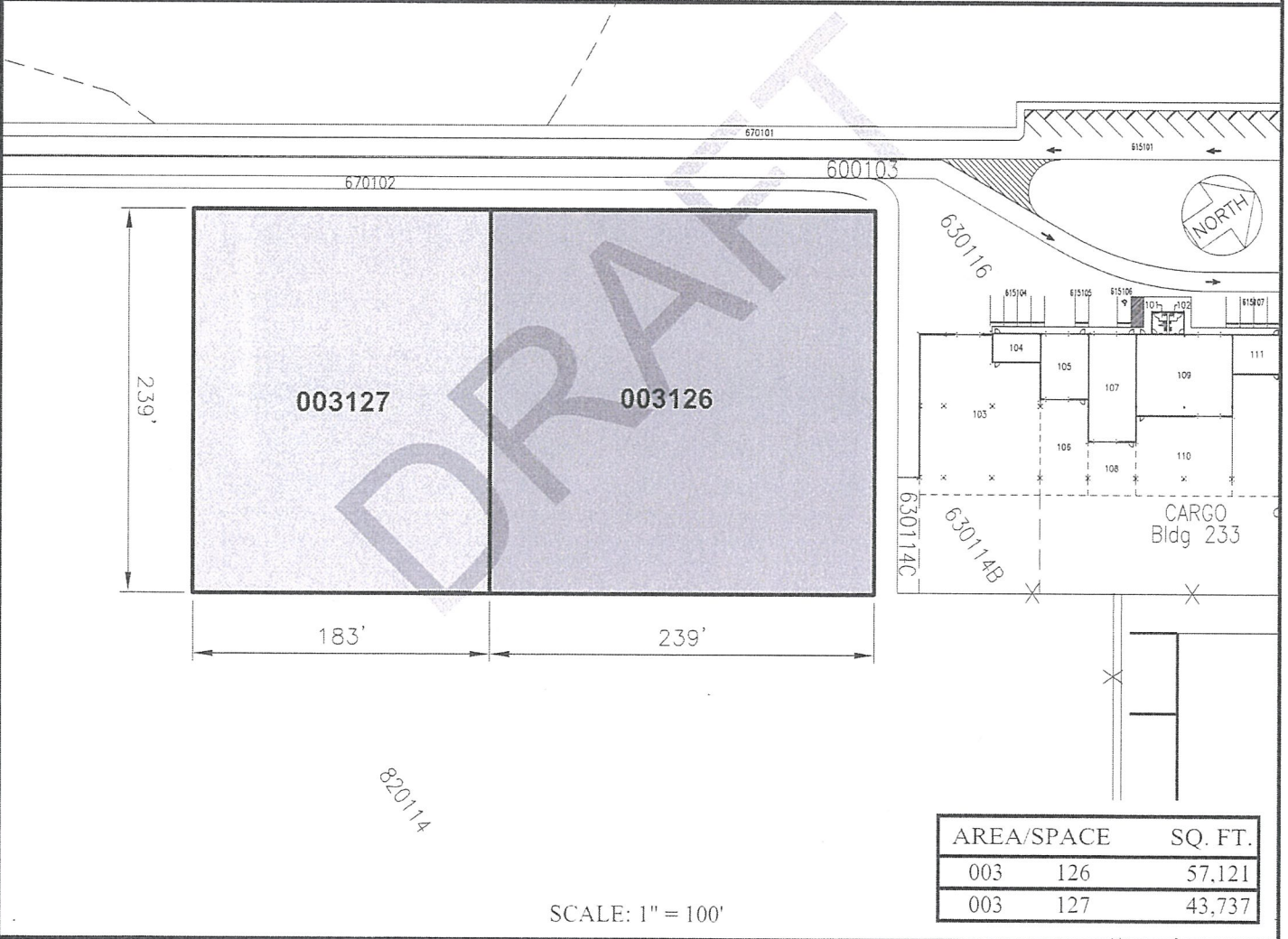


SUZANNE D. CASE
Chairperson and Member



LOCATION PLAN

3000:1



AREA/SPACE	SQ. FT.
003 126	57,121
003 127	43,737

SCALE: 1" = 100'

DRAFT		DATE : AUGUST 2020		EXHIBIT: B	
Airports Division	LOT			003126 003127	
				PLAT 45	

KAHULUI AIRPORT

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