



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

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROSS M. HIGASHI  
EDUARDO P. MANGLALLAN  
EDWIN H. SNIFFIN

IN REPLY REFER TO:

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

ISSUANCE OF A DIRECTLY NEGOTIATED HANGAR FACILITIES LEASE  
KAMAKA AIR LLC  
DANIEL K. INOUE INTERNATIONAL AIRPORT  
TAX MAP KEY: (1) 1-1-72: 22

O'AHU

REQUEST:

Issuance of a directly negotiated Hangar Facilities Lease for the renovation, use, operation, and maintenance of a hangar to Kamaka Air LLC, to provide a FAA certified aircraft repair station and essential services to the general aviation and aeronautical community, at the Daniel K. Inouye International Airport (Airport).

APPLICANT/LESSEE:

Kamaka Air LLC (Kamaka Air), a Delaware corporation, authorized to do business in State of Hawai'i, whose mailing address is 144 Palekona Street, Honolulu, Hawai'i, 96819.

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:

99 Mokuia Place, Honolulu, Hawai'i, Island of O'ahu, State of Hawai'i, identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-72: portion of 22.

AREA:

Building/Room No. 213-101, containing a footprint of approximately 14,351 square feet; Building/Room No. 213-102, containing a footprint of approximately 2,476 square feet; Area Space No. 009-117A, containing an area of approximately 10,477 square feet; Area/Space No. 009-117B, containing an area of approximately 10,350 square feet; and Area/Space No. 009-117C, containing an area of approximately 11,095 square feet of improved, paved land, as shown and delineated on the attached map labeled Exhibit A.

**ITEM M-2**

BLNR – ISSUANCE OF A DIRECTLY NEGOTIATED HANGAR FACILITIES LEASE TO  
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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 X

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 for a FAA approved aircraft repair station.

TERM OF LEASE:

Ten (10) years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL RENTAL AND RENTAL REOPENINGS:

Years 1 – 5 \$262,501.20 per annum (as determined from the DOTA schedule of rates and charges established by appraisal of Airports property statewide).  
Years 6 – 10 115% x the annual rent for year five (5) of the Lease term.

PERFORMANCE BOND:

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

MINIMUM IMPROVEMENTS REQUIREMENT:

Two Hundred Fifty Thousand Dollars (\$250,000)

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The environmental impacts of the proposed action to the subject land area are covered by the Honolulu International Airport Master Plan Update and Noise Compatibility

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Program Environmental Assessment (EA), State Project No. AO1011-03. The EA is a joint State and Federal document dated September 1989, and published in the October 23, 1989 issue of the OEQC Bulletin. Accordingly, relevant mitigation from the EA and DOTA environmental best management practice will address minimal impacts from this action.

REMARKS:

In accordance with Section 171-59 (b), and other applicable sections of Chapter 171, HRS, as amended, relating generally to 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 Kamaka Air for the renovation, use, operation, and maintenance of a hangar that will provide a FAA certified aircraft repair station and essential services, including but not limited to aviation electronics, turbine engine services and repair to the general aviation and aeronautical community.

Kamaka Air's acquisition of East West Avionics will bolster the aviation service options in the State of Hawai'i. The lack of facility options at the Airport not only stifles expansion but limits competition. The move from a T-Hangar to a larger facility will allow aircraft to be serviced in a proper facility, which encourages healthy growth and competition within the general aviation and aeronautical community.

DOT has determined the issuance of this direct lease encourages competition and is essential to the aeronautical and airport-related industries.

RECOMMENDATION:

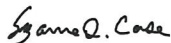
That the Board authorize the DOT to issue a direct Hangar Facilities Lease to Kamaka Air, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; and (2) such additional terms and conditions as may be prescribed by the Director of Transportation to best serve 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,



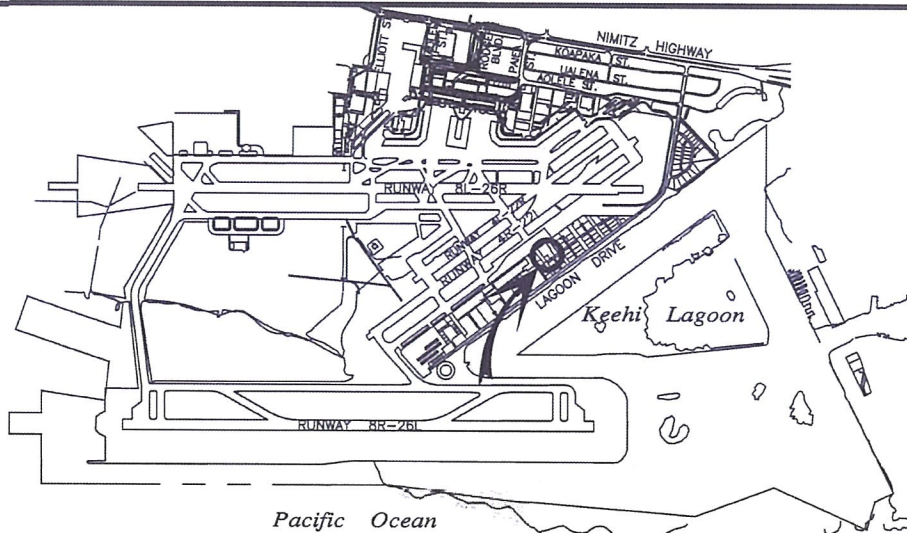
JADE T. BUTAY  
Director of Transportation

APPROVED FOR SUBMITTAL:

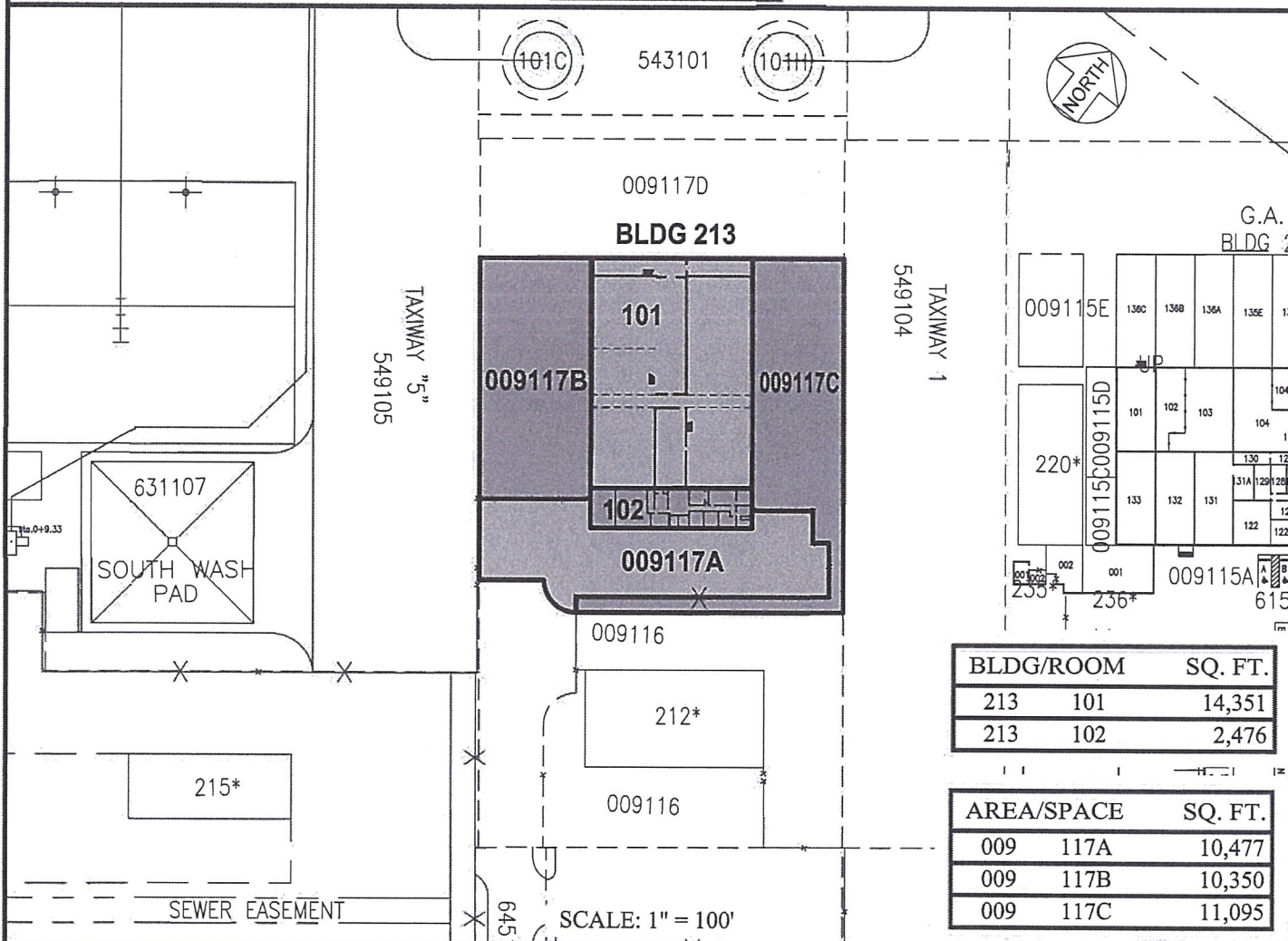


SUZANNE D. CASE  
Chairperson and Member





5000:1



DATE : July 2022

EXHIBIT: **A**



Airports Division

**BUILDING 213  
SOUTH RAMP  
GROUND LEVEL**

**BLDG 213  
009117A-C  
PLAT 36**

**DANIEL K. INOUE INTERNATIONAL AIRPORT**

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