

DAVID Y. IGE  
GOVERNOR



JADE T. BUTAY  
DIRECTOR

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

IN REPLY REFER TO:

**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

AMENDMENT TO PRIOR BOARD ACTION OF APRIL 8, 2022, ITEM M-12  
REQUEST AN AMENDMENT TO THE AREA, TERM OF LEASE, AND THE  
ANNUAL RENTAL AND RENTAL REOPENINGS  
ISSUANCE OF A DIRECTLY NEGOTIATED CHARTER TERMINAL LEASE  
LĀNA'I RESORTS, LLC DBA PŪLAMA LĀNA'I  
LĀNA'I AIRPORT

TAX MAP KEY: (2) 4-9-002: 041 (PORTION) AND (2) 4-9-002: 059 MAUI

On April 8, 2022, under agenda Item M-12, and pursuant to Section 171-59, and other applicable sections of Chapter 171, Hawai'i Revised Statutes, as amended, the Land Board authorized the Department of Transportation (DOT) to issue a directly negotiated Charter Terminal Lease to Lāna'i Resorts, LLC, to provide unscheduled Charter Flight Services between Honolulu, Kahului, and Kona to Lāna'i.

PURPOSE:

The DOT requests certain changes to the AREA, TERM OF LEASE, AND THE ANNUAL RENTAL AND RENTAL REOPENINGS, as written on said submittal previously approved by the Land Board (attached).

The changes should read as follows:

AREA:

Original:

Building/Room No. 301-000, containing a building footprint of 2,500 square feet, and the adjacent land area, containing an area of approximately 1,260 square feet of improved unpaved land, as shown and delineated on the attached map labeled Exhibit A.

Amended:

Building/Room No. 106-000, containing a building footprint of 3,066 square feet, and Area/Space No. 620-128, containing an area of approximately 1,354 square feet of improved unpaved land, as shown and delineated on the attached map labeled Exhibit A.

**ITEM M-3**

BLNR – AMENDMENT TO PRIOR BOARD ACTION OF APRIL 8, 2022, ITEM M-12,  
REQUEST AN AMENDMENT TO THE AREA, TERM OF LEASE, AND THE ANNUAL  
RENTAL AND RENTAL REOPENINGS, ISSUANCE OF A DIRECTLY NEGOTIATED  
CHARTER TERMINAL LEASE, LĀNA‘I RESORTS, LLC

Page 2

**TERM OF LEASE:**

**Original:**

Thirty-Five (35) years.

**Amended:**

Twenty (20) years.

**ANNUAL RENTAL AND RENTAL REOPENINGS:**

**Original:**

Years 1 – 5	\$50,711 per annum (as determined from the DOTA schedule of rates and charges established by appraisal of Airport property statewide).
Years 6 – 10	115% x the annual rental for year five (5) of the Lease term.
Years 11 – 15	115% x the annual rental for year ten (10) of the Lease term.
Years 16 – 20	Fair Market Value Appraisal.
Years 21 – 25	115% x the annual rental for year twenty (20) of the Lease term.
Years 26 – 30	115% x the annual rental for year twenty-five (25) of the Lease term.
Years 31 – 35	Fair Market Value Appraisal.

**Amended:**

Years 1 – 5	\$61,742.50 per annum (as determined from the DOTA schedule of rates and charges established by appraisal of Airport property statewide).
Years 6 – 10	115% x the annual rental for year five (5) of the Lease term.
Years 11 – 15	115% x the annual rental for year ten (10) of the Lease term.
Years 16 – 20	Fair Market Value Appraisal.

**REMARKS:**

All other terms as outlined in the submittal previously approved by the Land Board remain unchanged.

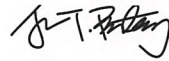
BLNR – AMENDMENT TO PRIOR BOARD ACTION OF APRIL 8, 2022, ITEM M-12,  
REQUEST AN AMENDMENT TO THE AREA, TERM OF LEASE, AND THE ANNUAL  
RENTAL AND RENTAL REOPENINGS, ISSUANCE OF A DIRECTLY NEGOTIATED  
CHARTER TERMINAL LEASE, LĀNA‘I RESORTS, LLC

Page 3

RECOMMENDATION:

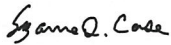
The Land Board amends its prior action of April 8, 2022, under agenda Item M-12, by approving the changes to the Area, Term of Lease, and the Annual Rental and Rental Reopenings, for the issuance of a directly negotiated Charter Terminal Lease to Lāna‘i Resorts, LLC, as herein outlines, which are by reference incorporated herein and subject to such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,



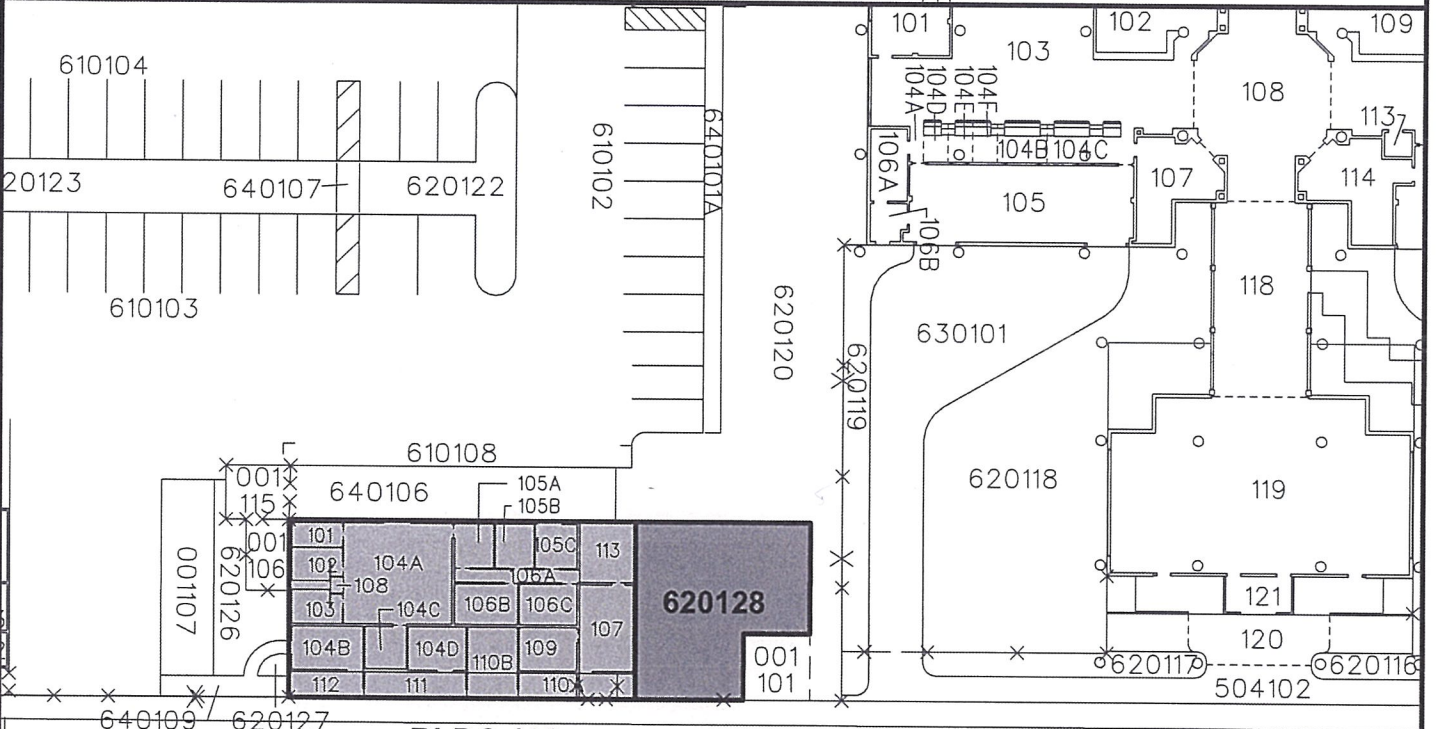
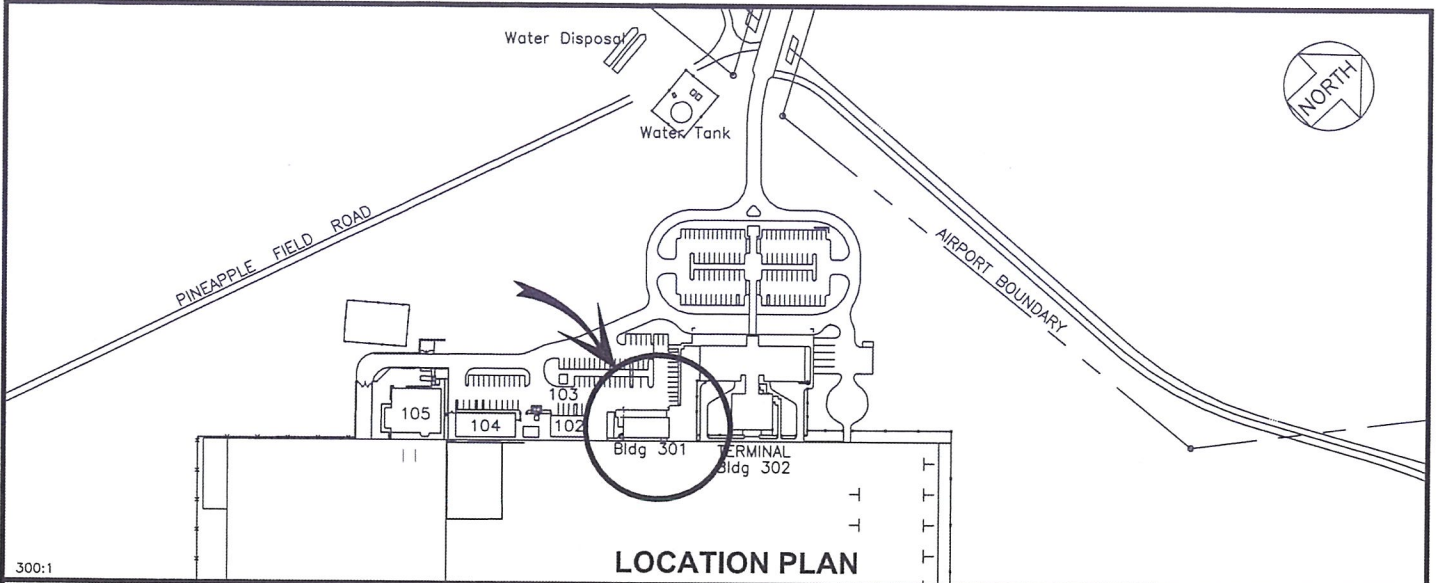
JADE T. BUTAY  
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE  
Chairperson  
Board of Land and Natural Resources





AREA/SPACE	SQ. FT.
620 128	1,354

BLDG/ROOM	SQ. FT.
106 000	3,066

SCALE: 1" = 40'

DATE : AUGUST 2022

EXHIBIT: **A**



LANAI RESORTS, LLC  
DBA PULAMA LANAI

BUILDING 106  
OLD TERMINAL BLDG  
GROUND LEVEL

106000  
620128  
PLAT A1

**LANAI AIRPORT**

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STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097  
APRIL 8, 2022

IN REPLY REFER TO:

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

ISSUANCE OF A DIRECTLY NEGOTIATED CHARTER TERMINAL LEASE  
LĀNA'I RESORTS, LLC DBA PŪLAMA LĀNA'I  
LĀNA'I AIRPORT  
TAX MAP KEY: (2) 4-9-002: 041 (PORTION) AND (2) 4-9-002: 059 MAUI

REQUEST:

Issuance of a directly negotiated Charter Terminal Lease, for the construction, renovation, use, operation, and maintenance of Charter Terminal to Lāna'i Resorts, LLC, to provide unscheduled Charter Flight service between Honolulu, Kahului, and Kona to Lāna'i.

APPLICANT:

Lāna'i Resorts, LLC, a Hawai'i limited liability company, doing business as Pūlama Lāna'i, (Lāna'i Resorts), whose mailing address is 733 Bishop Street, Suite 2000, 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:

Portion of Lāna'i Airport (LNY), Lāna'i, County of Maui, identified by Tax Map Key: 2<sup>nd</sup> Division, 4-9-002: 041 (portion) and 4-9-002: 059.

AREA:

Building/Room No. 301-000, containing a building footprint of 2,500 square feet; and the Adjacent Land Area containing approximately 1,260 square feet of improved unpaved land, as shown and delineated on the attached map labeled Exhibit A.

**ITEM M-12**  
**APRIL 8, 2022**  
**LEASE**



MINIMUM IMPROVEMENTS REQUIREMENT:

Lāna‘i Resorts will invest a minimum of \$3 million for its new charter terminal.  
In addition, Lāna‘i Resorts will invest a minimum of \$1 million to renovate the  
DOTA’s main terminal.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The DOTA has determined that the subject areas are covered by the LNY Master Plan  
Improvements Final Environmental Impact Statement (EIS), published by the Office of  
Environmental Quality Control (OEQC) in the January 23, 1991, issue of the OEQC  
Bulletin and accepted by the Governor on May 7, 1991. Accordingly, all relevant  
mitigation from the EIS and best management practices will be implemented to address  
the minimum impacts of this action

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u>    </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>    </u>
Good standing confirmed:	YES <u>X</u>	NO <u>    </u>

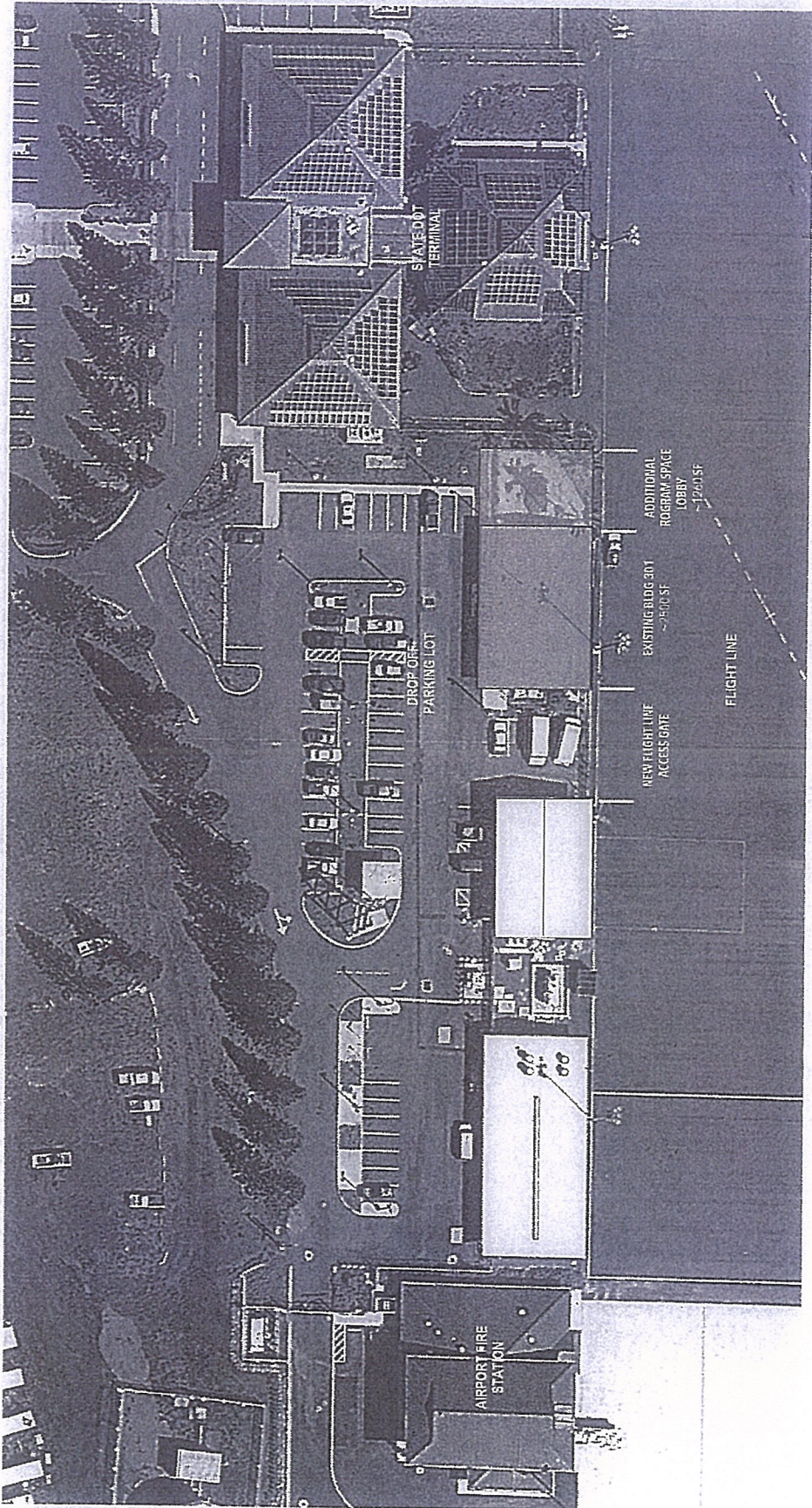
REMARKS:

In accordance with Sections 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 (DOT) proposes to issue a directly negotiated Charter Terminal Lease to  
Lāna‘i Resorts for the development, construction, use, operation and maintenance of a  
Part 135 Charter Terminal for unscheduled charter passenger operations to meet the  
increased public demand at LNY. The new Charter Terminal will include new offices,  
glazing, restrooms, guest lounge, and a pilot and first officer lounge. In addition, Lāna‘i  
Resorts has committed to investing a minimum of \$1 million to renovate the State’s  
existing main terminal. The renovations will include cleaning, painting, upgraded  
flooring, improved lighting, restroom renovations and audio visual (sound and monitors)  
improvements.

The two Four Seasons Resorts on Lāna‘i are the main drives of air service demand on the  
island. Lāna‘i Resorts is implementing a plan to keep the island competitive as a resort  
destination. Lāna‘i is one of two islands without direct service from mainland cities. To  
overcome this disadvantage, Lāna‘i Resorts started Lāna‘i Air which provides  
unscheduled charter services between Honolulu, Kāhului, and Kona to Lāna‘i.

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;”





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Adobe Acrobat Sign Transaction Number: CBJCHBCAABAUpYyGBWA2IRHL\_7x844MnyYIbCIIMqwk

EXHIBIT A

EXHIBIT A