

JOSH GREEN, M.D.  
GOVERNOR



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

EDWIN H. SNIFFEN  
DIRECTOR

Deputy Directors  
DREANALEE K. KALILI  
TAMMY L. LEE  
ROBIN K. SHISHIDO  
JAMES KUNANE TOKIOKA

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF A DIRECT LEASE TO DEVELOP, CONSTRUCT, OPERATE,  
AND MAINTAIN AIRLINE RAMP OFFICES, TRAINING ROOMS, EMPLOYEE  
BREAK ROOMS, AND SUPPORT SPACE  
INTER-ISLAND TERMINAL, MAUKA EXTENSION  
HAWAIIAN AIRLINES, INC.  
DANIEL K. INOUE INTERNATIONAL AIRPORT  
TAX MAP KEY: (1) 1-1-003: 01 (PORTION)

OAHU

APPLICANT/LESSEE:

Hawaiian Airlines, Inc. (Hawaiian Airlines), whose business address is  
3375 Koapaka Street, G350, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

Section 171-59 (b), Hawaii Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Portions of the Mauka Extension of the Inter-Island Terminal, Daniel K. Inouye  
International Airport (Airport), Island of Oahu, State of Hawaii, identified by  
Tax Map Key: 1<sup>st</sup> Division, 1-1-003: 01 (Portion).

AREA:

Building/Room No. 305-171, consisting of an area of approximately 3,395 square feet;  
and Building/Room No. 305-172, consisting of an area of approximately 2,876 square  
feet, as shown and delineated on the attached map labeled Exhibit "A".

ZONING:

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

**ITEM M-24**

BLNR – ISSUANCE OF A DIRECT LEASE TO DEVELOP, CONSTRUCT, OPERATE, AND MAINTAIN AIRLINE RAMP OFFICES, TRAINING ROOMS, EMPLOYEE BREAK ROOMS, AND SUPPORT SPACE, INTER-ISLAND TERMINAL, MAUKA EXTENSION  
HAWAIIAN AIRLINES, INC.

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LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act: Non-ceded  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as the Airport under the control and management of the State of Hawaii, Department of Transportation, Airports, for Airport Purposes.

CHARACTER OF USE:

Develop, construct, operate, and maintain ramp offices and support space, to include but not limited to manager offices, break rooms, restrooms, locker rooms, briefing and training rooms, conference rooms, and storage, for Hawaiian Airlines Signatory Airline Carrier Operations at the Airport.

TERM OF LEASE:

Ten (10) years.

COMMENCEMENT DATE:

To be determined by the Director of Transportation at a later date.

ANNUAL LEASE RENTAL:

Annual Lease Rental for Fiscal Year 2023: Beginning upon the commencement date of the Lease, the annual rental shall be SIX HUNDRED FOURTEEN THOUSAND NINE HUNDRED NINETY-SIX AND 97/100 DOLLARS (\$614,996.97), based upon the applicable prevailing per square footage signatory airline terminal building rate of \$98.07, for fiscal year 2023, as published in the Airports Signatory Carriers Rates and Charges, Hawaii Airports System

Annual Rental for the Remaining Lease Term: For each fiscal year of the remaining Lease term, the annual rental shall be the product of the square footage of the Area, and the prevailing signatory airline terminal rate for the Airport, as published in the Airports Signatory Carriers Rates and Charges, Hawaii Airports System.

BLNR – ISSUANCE OF A DIRECT LEASE TO DEVELOP, CONSTRUCT, OPERATE, AND MAINTAIN AIRLINE RAMP OFFICES, TRAINING ROOMS, EMPLOYEE BREAK ROOMS, AND SUPPORT SPACE, INTER-ISLAND TERMINAL, MAUKA EXTENSION HAWAIIAN AIRLINES, INC.

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PERFORMANCE BOND:

The sum equal to one quarter of the annual rental in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

SEVEN MILLION, TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$7,250,000.00).

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>

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The environmental impacts of the proposed action to the subject land area are covered by the Final Environmental Assessment date January 2013, Proposed Airport Modernization Program, Honolulu International Airport. The Environmental Assessment (EA), State Project No. AO1030-13, is a joint State and Federal document, published in the October 23, 2012 and November 11, 2012 issues of the OEQC Bulletin. Accordingly, relevant mitigation from the EA and Department of Transportation, Airports environmental best management practice will address minimal impacts from this action.

REMARKS:

In accordance with Section 171-59 (b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by Negotiation, Airports proposes to issue a direct lease to Hawaiian Airlines for the development, construction, operation and maintenance of ramp offices and support space, to include but not limited to manager offices, break rooms, locker rooms, briefing and training rooms, conference rooms, and storage space at the Airport. The proposed improvements will allow Hawaiian Airlines to establish facilities to support their commercial airline operations from the Mauka Extension of the Inter-Island Terminal at the Airport.

Airports recognizes Hawaiian Airlines investment, and commitment to the State of Hawaii, and believes that the issuance of a direct lease to Hawaiian Airlines is in the best interest of the State. Airports considers the proposed lease is in accordance with the underlying intent of Section 171-59(b), HRS, since this will allow Hawaiian Airlines to compete with other Signatory Airline Carriers, at the Airport.

BLNR – ISSUANCE OF A DIRECT LEASE TO DEVELOP, CONSTRUCT, OPERATE, AND MAINTAIN AIRLINE RAMP OFFICES, TRAINING ROOMS, EMPLOYEE BREAK ROOMS, AND SUPPORT SPACE, INTER-ISLAND TERMINAL, MAUKA EXTENSION HAWAIIAN AIRLINES, INC.

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RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Hawaiian Airlines, 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,

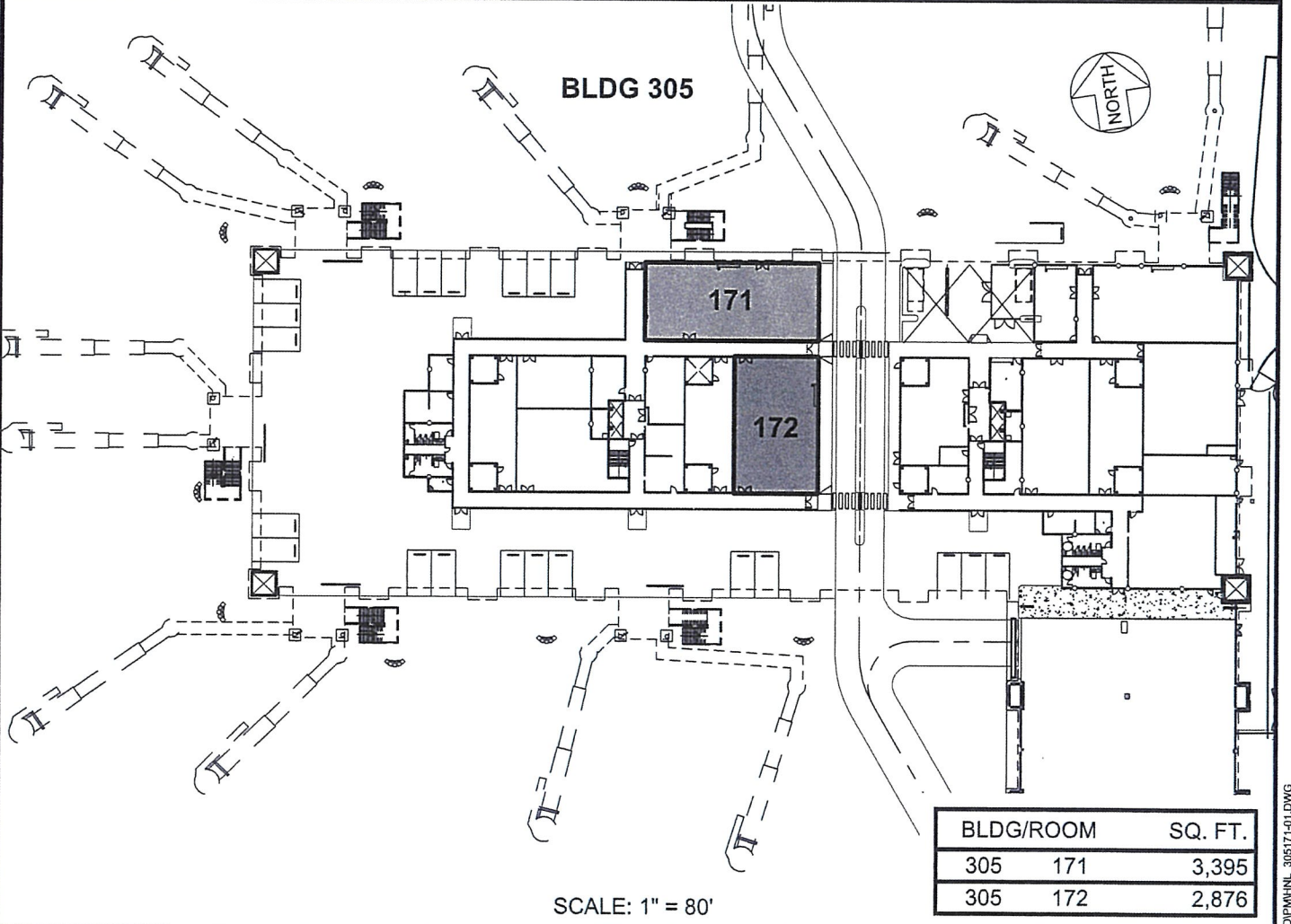
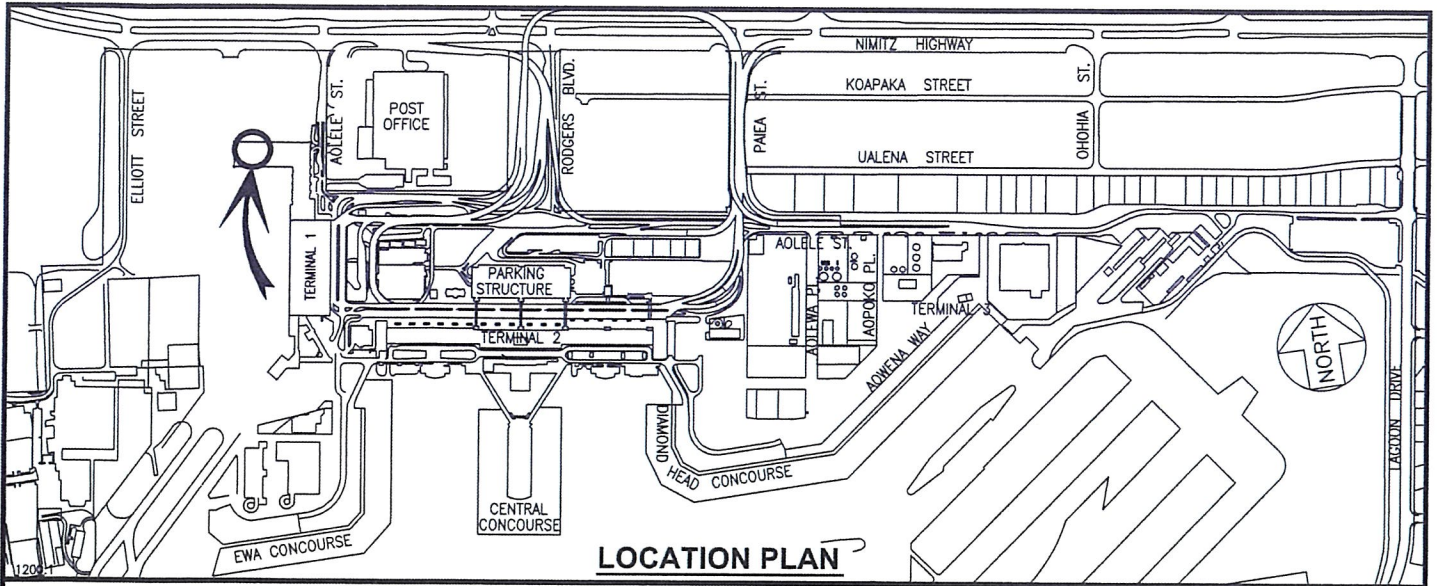


EDWIN H. SNIFFEN  
Director of Transportation

APPROVED FOR SUBMITTAL:



DAWN N. S. CHANG  
Chairperson  
Board of Land and Natural Resources



DATE : FEBRUARY 2023

EXHIBIT: A



HAWAIIAN AIRLINES, INC.

BUILDING 305  
IIT MAUKA EXTENSION  
GROUND LEVEL

305171  
305172  
PLAT A1

DANIEL K. INOUE INTERNATIONAL AIRPORT