



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

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

ISSUANCE OF A HANGAR FACILITIES LEASE FOR PRIVATE FIXED-WING  
GENERAL AVIATION OPERATIONS BY NOTICE OF PUBLIC AUCTION  
LIHUE AIRPORT

KAUAI

TAX MAP KEY: (4) 3-5-001: PORTION OF 158

REQUEST:

Issuance of a Hangar Facilities Lease for the development, construction, use, operation and maintenance of a fixed-wing general aviation hangar facility for private general aviation operations, to include but not limited to aircraft storage, repair, and maintenance, at the Lihue Airport (Airport) by notice of public auction.

LEGAL REFERENCE:

Section 171-14, -16, -17, -41, and other applicable sections of Chapter 171, Hawaii Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Portion of Lihue Airport (LIH), Lihue, Island of Kauai, State of Hawaii, identified by Tax Map Key: 4<sup>th</sup> Division, 3-5-001: Portion of 158.

AREA:

Area/Space No. 004-142, containing an area of approximately 16,440 square feet of improved, unpaved land, as shown and delineated on the attached map labeled Exhibit A.

ZONING:

State Land Use District: Urban  
County of Kauai Industrial General/Special Treatment-Public Use (IG/ST-P)

**ITEM M-8**

BLNR – ISSUANCE OF A HANGAR FACILITIES LEASE FOR PRIVATE FIXED-WING  
GENERAL AVIATION OPERATIONS BY NOTICE OF PUBLIC AUCTION

Page 2

LAND TITLE STATUS:

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

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 4614, dated October 28, 2019, setting aside 883.583 acres designated as Lihue Airport to be under the control and management of the State of Hawaii, Department of Transportation for Airport Purposes.

CHARACTER OF USE:

Development, construction, use, operation and maintenance of a fixed-wing general aviation hangar facility for private general aviation operations to include but not limited to aircraft storage, repair, and maintenance.

TERM OF LEASE:

Thirty (30) years.

COMMENCEMENT DATE:

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

MINIMUM UPSET ANNUAL RENTAL AND RENTAL REOPENINGS:

Years 1 – 5:	\$19,892.40 per annum [based on a rate of \$2.41 for improved, unpaved land discounted to \$1.21 (50% general aviation discount), as determined from the DOTA schedule of rates and charges established by appraisal of Airport property statewide to be implemented on June 1, 2023].
Years 6 – 10:	115% the annual rent for year 5 of the Lease.
Years 11 – 15:	115% the annual rent for year 10 of the Lease.
Years 16 – 20:	Reopening at fair market rent determined by an independent appraiser.
Years 21 – 25:	115% the annual rent for year 20 of the Lease.
Years 26 – 30:	115% the annual rent for year 25 of the Lease.

PERFORMANCE BOND:

The sum equal to the annual rental in effect.

BLNR – ISSUANCE OF A HANGAR FACILITIES LEASE FOR PRIVATE FIXED-WING  
GENERAL AVIATION OPERATIONS BY NOTICE OF PUBLIC AUCTION

Page 3

MINIMUM IMPROVEMENTS REQUIREMENT:

\$1,000,000.00 (One Million and No/100 Dollars).

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The State of Hawaii, Department of Transportation, Airports, has determined that the environmental impacts of the proposed disposition for the subject land use is covered by the Lihue Airport Ahukini Road Realignment and General Aviation Subdivision Final Environmental Assessment (FEA), published by the Office of Environmental Quality Control (OEQC) in the April 23, 1997, issue of The Environmental Notice. Accordingly, all relevant mitigation from the FEA and best management practices will be implemented to address the minimum impacts of this action.

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 Hangar Facilities Lease for the development, construction, use, operation, and maintenance of a fixed-wing general aviation hangar facility for private general aviation operations to include but not limited to aircraft storage, repair, and maintenance.

RECOMMENDATION:

That the Board authorize the DOT to issue a Hangar Facilities Lease 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 the lease form and content.

Respectfully submitted,

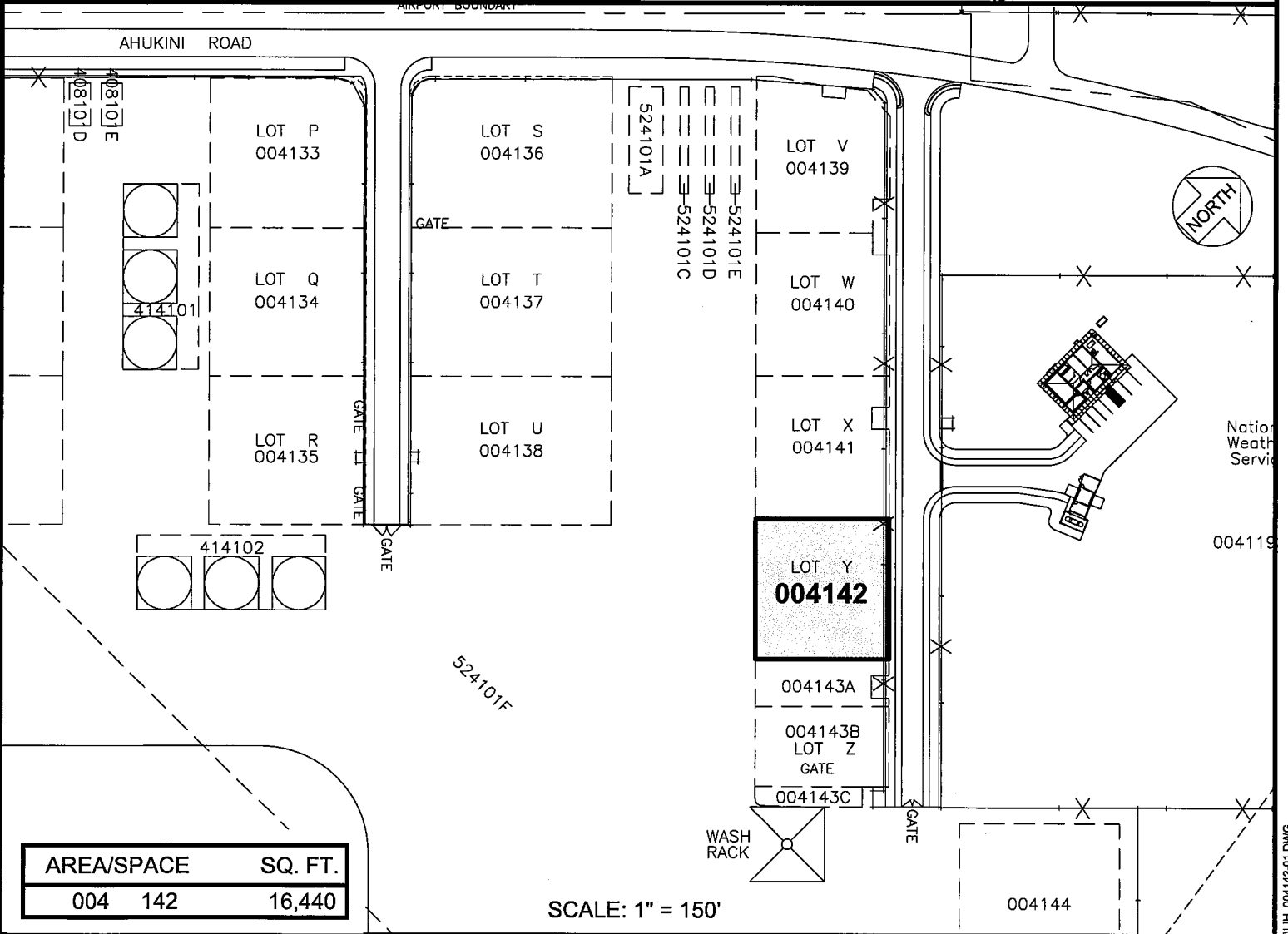
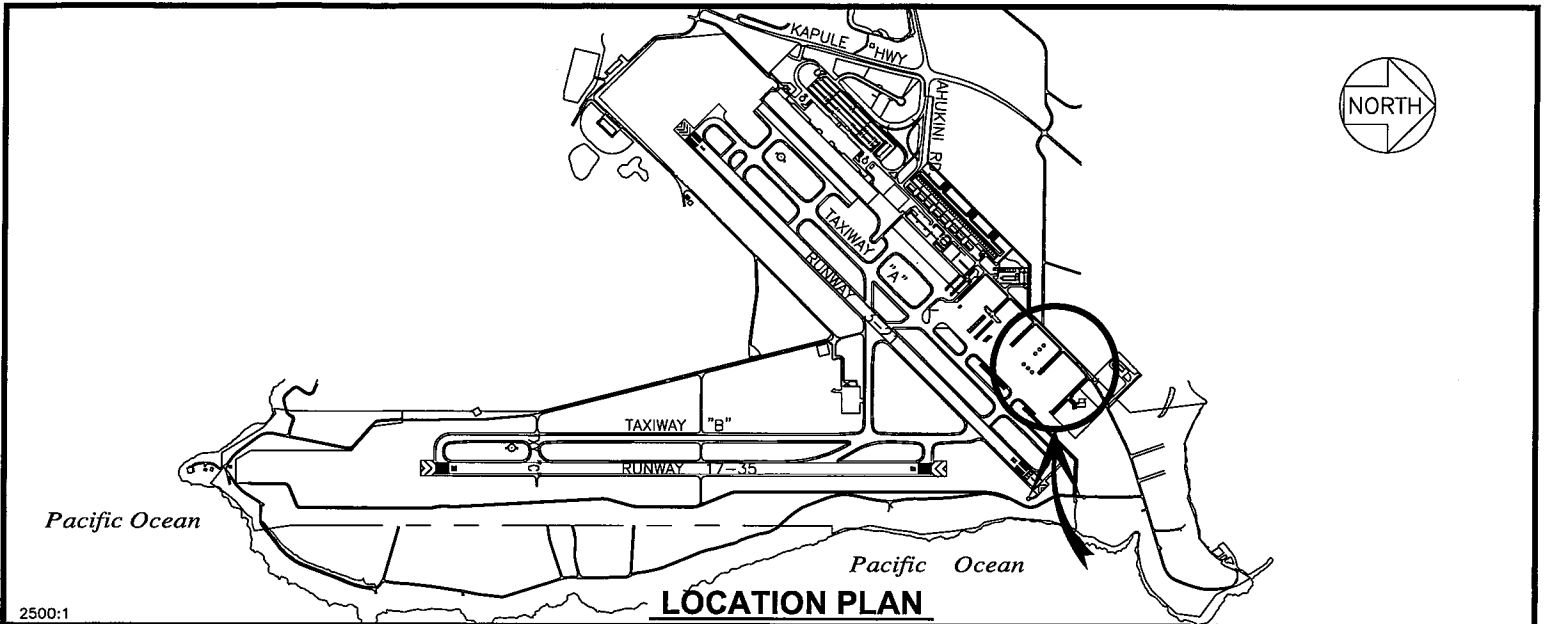


EDWIN H. SNIFFEN  
Director of Transportation

APPROVED FOR SUBMITTAL:



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



DATE : MAY 2023

EXHIBIT: **A**



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LOT

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