



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

April 12, 2024

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

AMENDMENT NO. 3 TO STATE LEASE NO. DOT-A-13-0023
REQUEST FOR ADDITIONAL SPACE FOR COMMERCIAL HELICOPTER OPERATIONS
BLUE HAWAIIAN HOLDINGS LLC DBA BLUE HAWAIIAN HELICOPTERS
LIHUE AIRPORT KAUAI
TAX MAP KEY: (4) 3-5-001: PORTION OF 008 AND 148

REQUEST:

Blue Hawaiian Holdings LLC dba Blue Hawaiian Helicopters (Blue) currently operates its commercial helicopter operations under Heliport Lease Nos. DOT-A-13-0023 dated October 21, 2013, and DOT-A-09-0003 dated September 15, 2009, at the Heliport at Lihue Airport.

Blue is requesting that the State of Hawaii, Department of Transportation (HDOT) consolidate the Premises under DOT-A-09-0003 with DOT-A-13-0023 (Lease), and to add space for an ingress/egress to the Premises.

LEGAL REFERENCE:

Sections 261-7 and 171-59 (b), Hawaii Revised Statutes (HRS), as amended.

APPLICANT:

Blue, whose business address is One Kahului Airport Road, #105, Kahului, Hawaii 96732.

LOCATION AND TAX MAP KEY:

Portion of Lihue Airport (LIH), Lihue, Island of Kauai, identified by Tax Map Key: 4th Division, 3-5-001: Portion of 008 and 148.

ITEM M-1

BLNR – AMENDMENT NO. 3 TO STATE LEASE NO. DOT-A-13-0023
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AREAS:

Additional Improved, Unpaved Land:

Area/Space No. 011-111, containing an area of approximately 2,622 square feet,
Area/Space No. 011-108B, containing an area of approximately 15,015 square feet,
Area/Space No. 011-108C, containing an area of approximately 700 square feet,
Area/Space No. 011-108D, containing an area of approximately 1,400 square feet,
Area/Space No. 011-108E, containing an area of approximately 700 square feet, and
Area/Space No. 610-114B, consisting of an area of approximately 3,037 square feet, as
shown and delineated on the attached map labeled Exhibits B-1 and B-2.

Additional Improved, Paved Land:

Area/Space No. 011-108F, containing an area of approximately 1,600 square feet, and
Area/Space No. 011-108G, containing an area of approximately 1,600 square feet, as
delineated on the attached map labeled Exhibit B-2.

ZONING:

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

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 (HDOT)
for Airport Purposes.

CHARACTER OF USE:

Develop, construct, operate, use and maintain a fixed-base facility for commercial
helicopter operations at LIH.

TERM OF LEASE:

Original Term: Fifteen years (October 1, 2013– September 30, 2028)

COMMENCEMENT DATE:

October 1, 2024.

ANNUAL RENTAL:

Current Lease Rental: \$44,542.33 per annum

Amended Lease Rental: \$113,722.56 per annum

PERFORMANCE BOND:

Original: \$44,542.33,

Amended: \$113,722.56, or the sum equal to the annual rental then in effect.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The HDOT has determined that the subject land areas are covered by the Final Environmental Assessment (EA)/Finding of No Significant Impact (FONSI), Lihue Airport Heliport Improvements dated October 2002, published by the Office of Environmental Quality Control in the November 8, 2002, issue of The Environmental Notice. Accordingly, all relevant mitigation from the EA and best management practices will be implemented to address the minimum impacts of this action.

REMARKS:

The HDOT and Blue entered into the DOT-A-13-0023 and DOT-A-09-0003 to develop, construct, operate, use and maintain fixed-base facilities for commercial helicopter operations at LIH. The original issuance of these leases by negotiation was determined to encourage competition amongst commercial helicopter operators, and therefore, met the requirement set forth in Subsection 171-59 (b), HRS, as amended.

Blue has provided the HDOT with itemized costs of \$1,080,887.42 for the construction of its hangar under DOT-A-09-0003 which substantially exceeds the \$150,000.00 minimum improvement requirements for both DOT-A-09-0003 and DOT-A-13-0023.

Blue is requesting to amend DOT-A-13-0023 to consolidate its Premises with the Premises under DOT-A-09-0003, which expires on September 30, 2024, along with additional land for its commercial helicopter operation due to its excessive investment at LIH.

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The HDOT has no objection to the request and will amend DOT-A-13-0023 to add the Premises under DOT-A-09-0003 along with additional space to create paved ingress/egress for continued commercial helicopter operations at LIH.

RECOMMENDATION:

That the Board approves Amendment No. 3 to DOT-A-13-0023, 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 amendment of lease form and content.

Respectfully submitted,

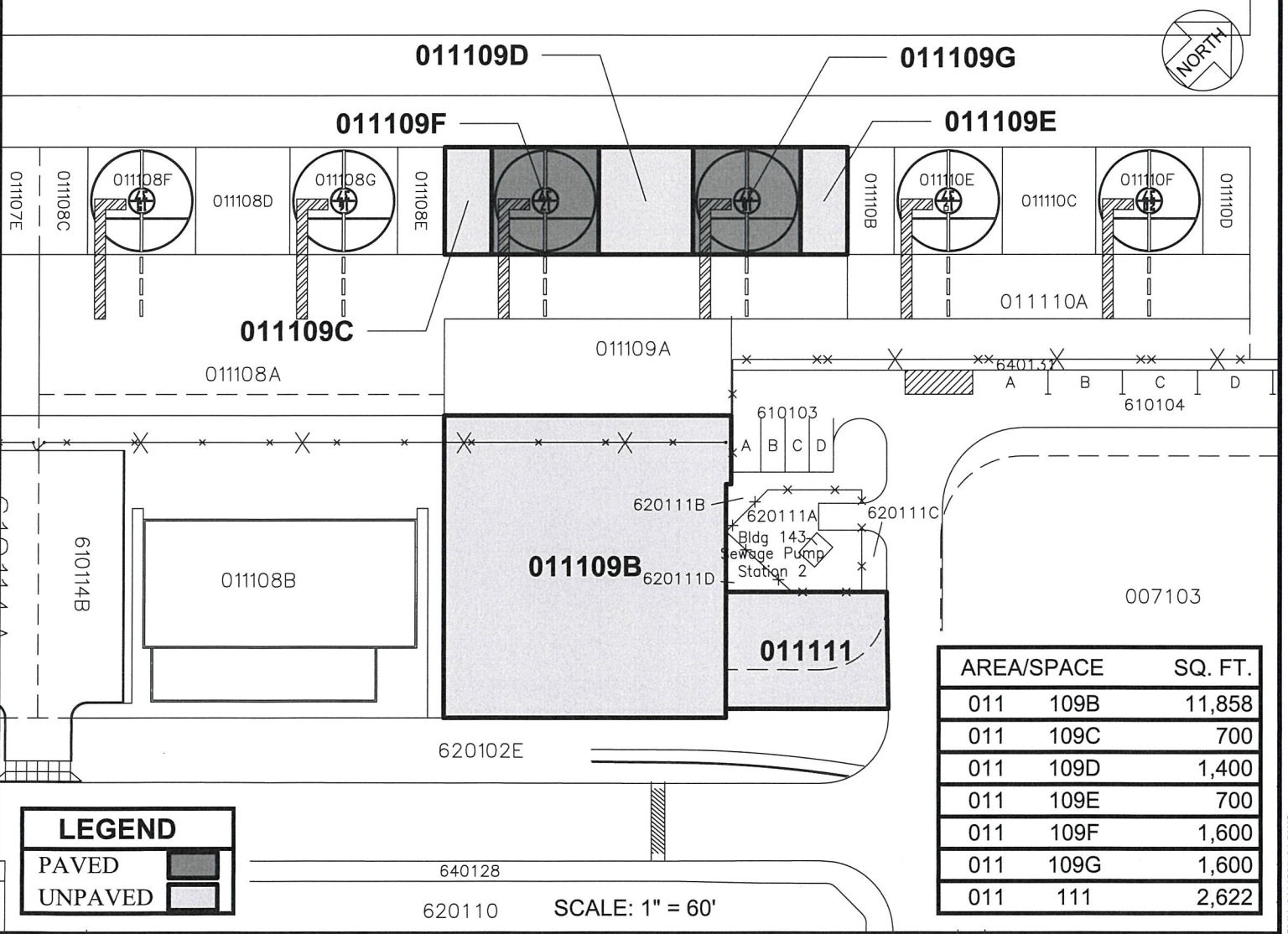
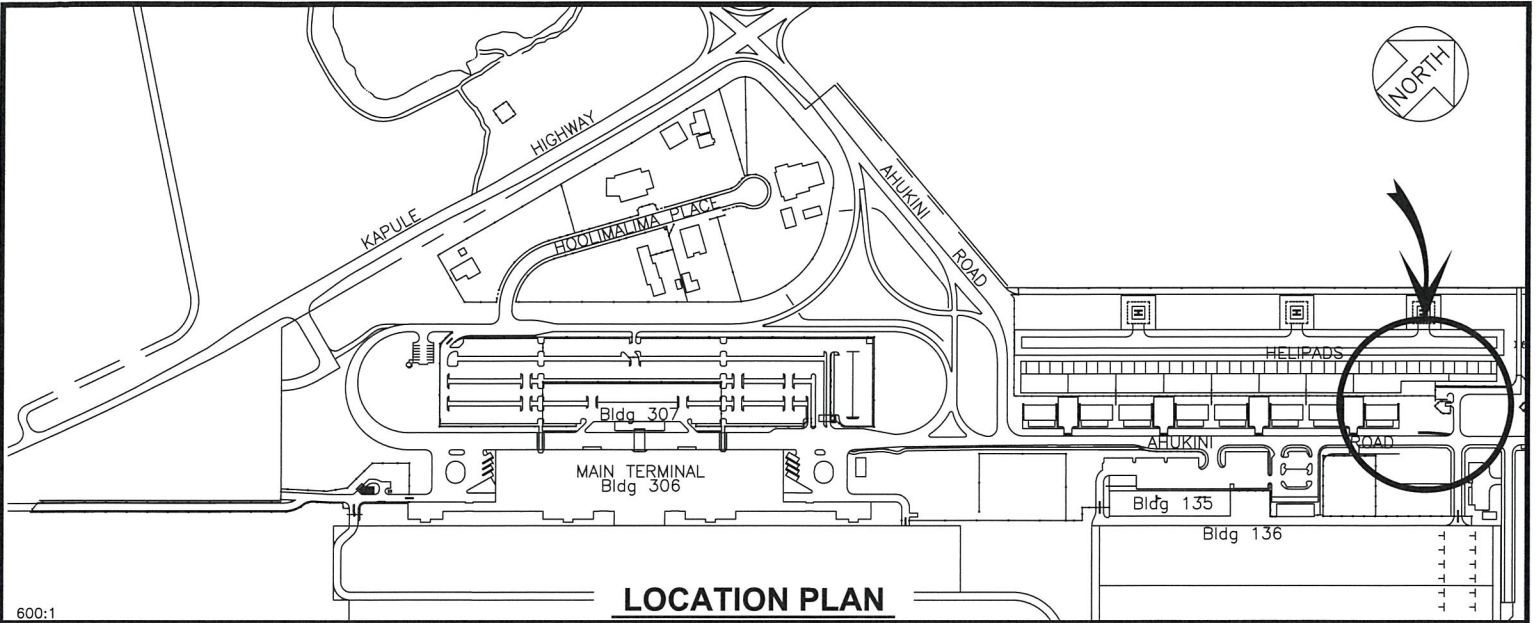


EDWIN H. SNIFFEN
Director of Transportation

APPROVED FOR SUBMITTAL:



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



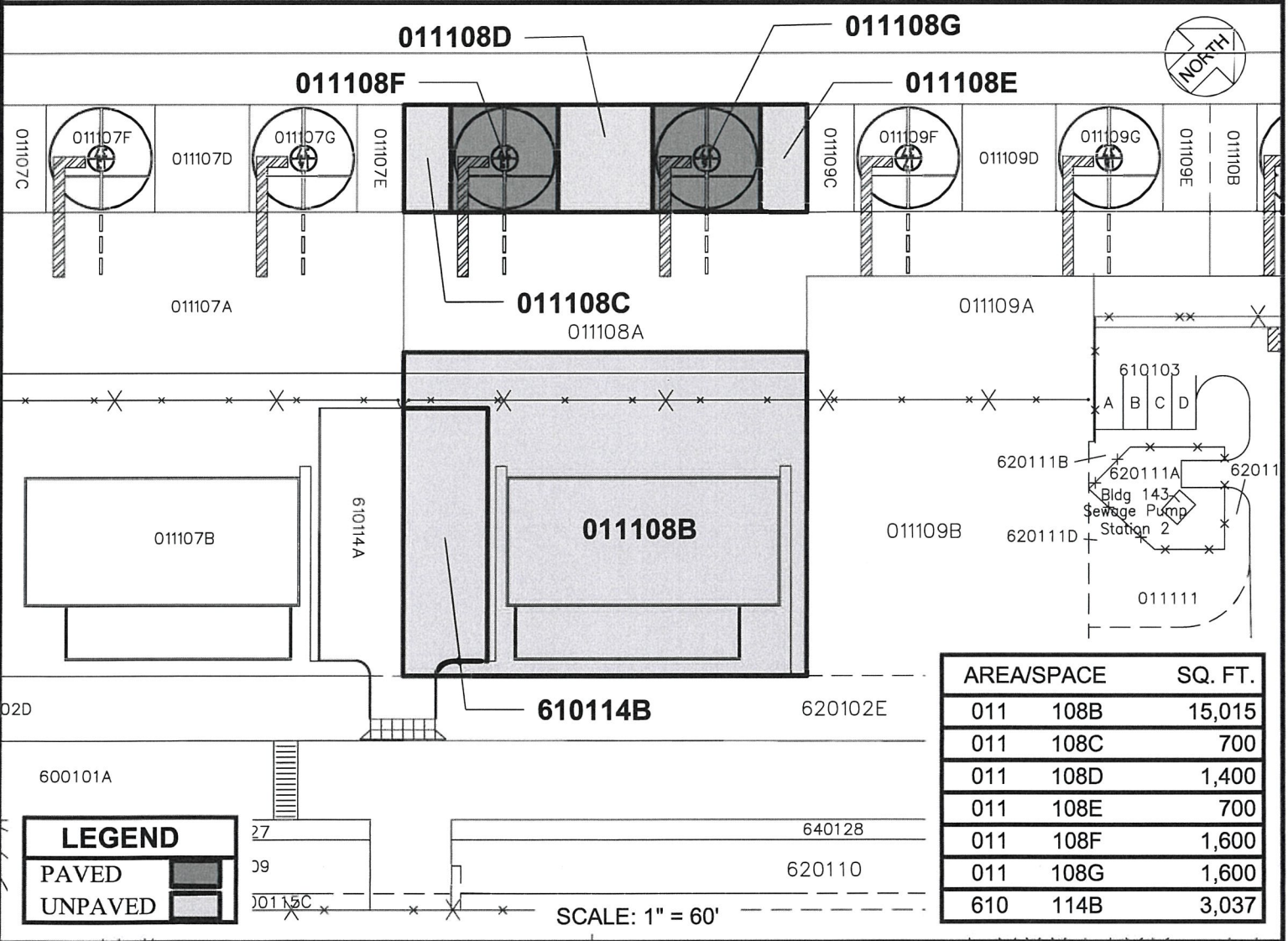
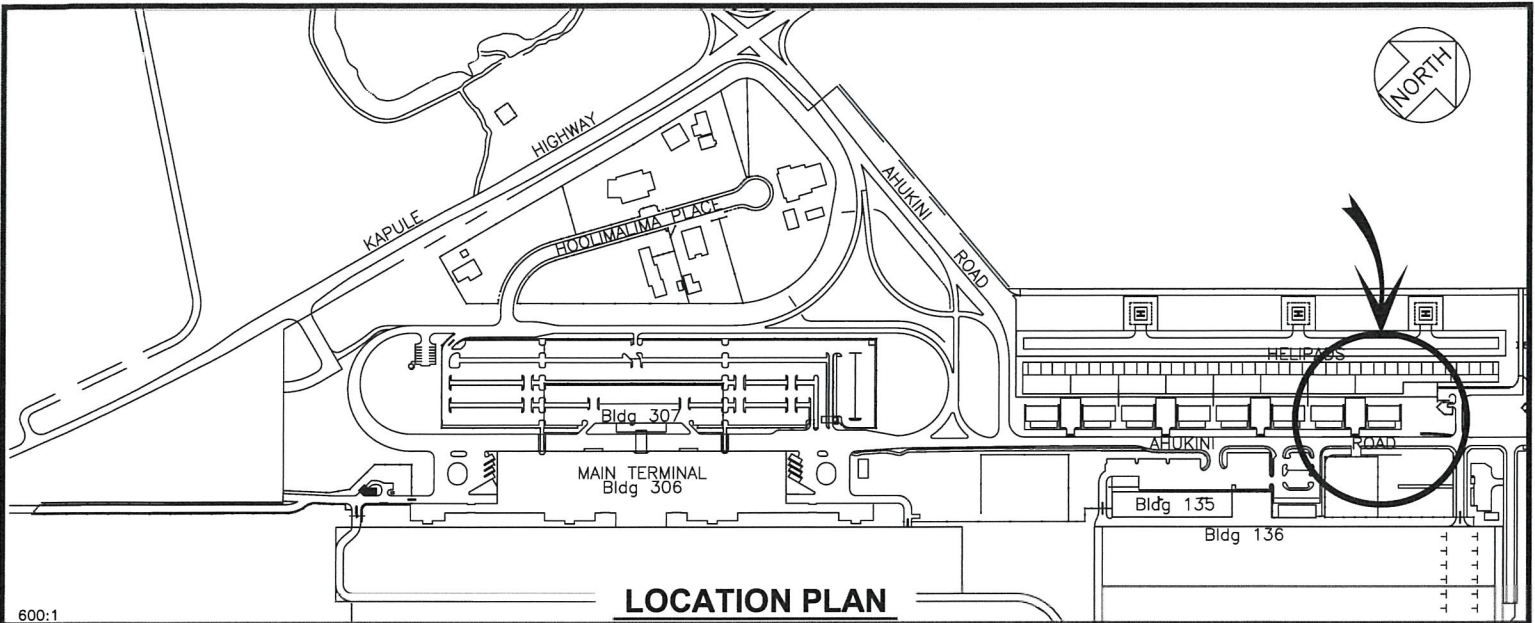
Amendment No. 3 to State Lease No. DOTA-13-0023 DATE : FEBRUARY 2024 EXHIBIT: **B-1**



BLUE HAWAIIAN HOLDINGS, LLC

HELIPORT LOTS
GROUND LEVEL

011109B-011111



Amendment No. 3 to State Lease No. DOTA-13-0023

DATE : FEBRUARY 2024

EXHIBIT: **B-2**



AIRPORTS

BLUE HAWAIIAN HOLDINGS, LLC

HELIPORT LOTS
GROUND LEVEL

011108B-G
610114B

LIHUE AIRPORT

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