



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

June 14, 2024

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

AMENDMENT NO. 3 TO HANGAR FACILITIES LEASE NO. DOT-A-07-0004
REQUEST FOR ADDITIONAL PREMISES TO THE LEASE
SCHUMAN AVIATION COMPANY, LTD.
DANIEL K. INOUE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-072: 032 (PORTION)

OAHU

REQUEST:

The State of Hawaii, Department of Transportation (HDOT) and Schuman Aviation Company, Ltd. (Schuman) entered into Hangar Facilities Lease No. DOT-A-07-0004 (Lease) dated December 31, 2007, to develop, construct, operate, use and maintain a Hangar Facility at Daniel K. Inouye International Airport. Schuman is now requesting to amend the Lease to add the adjacent property for storage of fuel trucks and other equipment used in support of their helicopter tour operation business.

LEGAL REFERENCE:

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

APPLICANT/LESSEE:

Schuman Aviation Company, Ltd., a Hawaii corporation, authorized to do business in the State of Hawaii, whose business address is 120 Kapalulu Place, Honolulu, Hawaii 96819.

LOCATION AND TAX MAP KEY:

Portion of the South Ramp, Daniel K. Inouye International Airport (Airport), Island of Oahu, Sate of Hawaii, identified by Tax Map Key: 1st Division, 1-1-072: 032 (Portion).

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AREA:

Additional Premises:

Area/Space No. 009-157B, containing an area of approximately 9,901 square feet of improved, paved land, as shown and delineated on the attached map labeled Exhibit A.

ZONING:

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

LAND TITLE STATUS:

Section 5(b) lands of the Hawaii Admission Act: 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. 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 (HDOT), for Airport Purposes.

CHARACTER OF USE:

Schuman will use the Additional Premises for storage of fuel trucks and other equipment used in support of their helicopter tour operation business at the Airport.

TERM OF LEASE:

Thirty (30) years

COMMENCEMENT DATE:

Upon execution of Amendment No. 3 to the Lease.

ANNUAL RENTAL:

Current Lease Rental:

Lease Years 16 – 20:	\$78,107.60 per annum
Lease Years 21 – 25:	Reopening at fair market rent determined by an independent appraiser.
Lease Years 26 – 30:	115% of the annual rental for year twenty-five (25) of the Lease term.

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Amended Lease Rental:

Lease Years 16 – 20:	\$125,236.36 per annum (Note: Amended lease rental will take effect on the effective date of Amendment No. 3 to the Lease.)
Lease Years 21 – 25:	Reopening at fair market rent determined by an independent appraiser.
Lease Years 26 – 30:	115% of the annual rental for year twenty-five (25) of the Lease term.

PERFORMANCE BOND:

The sum equal to the annual rental then in effect.

DCCA VERIFICATION:

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

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 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 HDOT environmental best management practice will address minimal impacts from this action.

REMARKS:

HDOT and Schuman entered into the Lease, dated December 31, 2007, together with all amendments, modifications, assignments, consents, and extensions subsequent thereto, to develop, construct, operate, use and maintain a Hangar Facility at the Airport. Schuman is now requesting to amend the Lease to include the Additional Premises adjacent to their existing property for storage of fuel trucks and other equipment used in support of their helicopter tour operation business. HDOT has reviewed Schuman's request and has no objections.

RECOMMENDATION:

That the Board approves Amendment No. 3 to the Lease, 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,



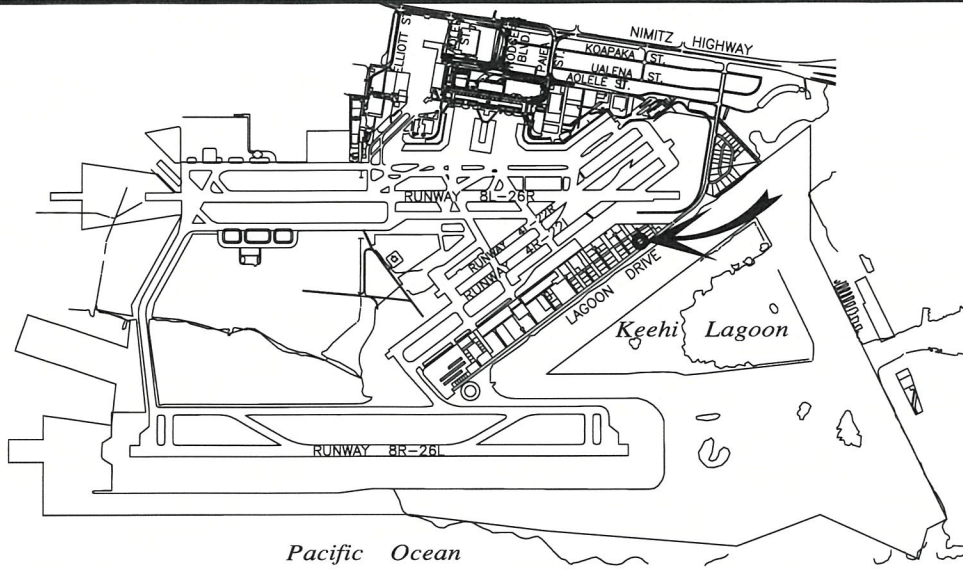
EDWIN H. SNIFFEN
Director of Transportation

APPROVAL FOR SUBMITTAL:



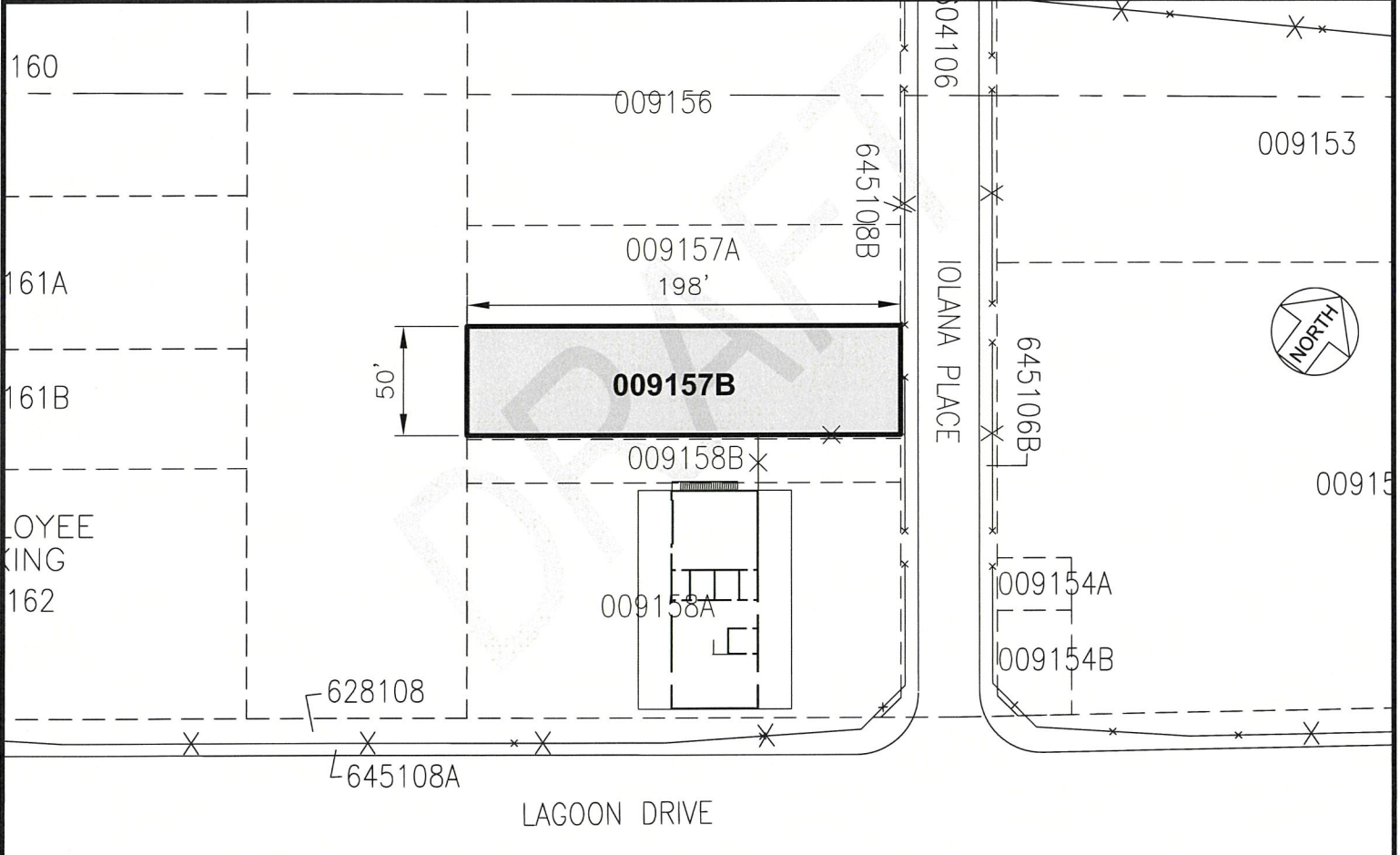
DAWN N. S. CHANG
Chairperson
Board of Land and Natural Resources

Attachment



LOCATION PLAN

5000:1



AREA/SPACE	SQ. FT.
009 157B	9,901

SCALE: 1" = 80'

DATE : APRIL 2024

EXHIBIT: **A**



AIRPORTS

LOTS
SOUTH RAMP

009157B

DANIEL K. INOUE INTERNATIONAL AIRPORT