

NEIL ABERCROMBIE  
GOVERNOR



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

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
FORD N. FUCHIGAMI  
RANDY GRUNE  
JADINE URASAKI

IN REPLY REFER TO:

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

ISSUANCE OF A HELIPORT LEASE  
HELICOPTER CONSULTANTS OF MAUI, INC., DBA BLUE HAWAIIAN  
HELICOPTERS, LIHUE AIRPORT  
TMK: (4) 3-5-01:PORTION OF 8 KAUAI

REQUEST:

Issuance of a heliport lease to Helicopter Consultants of Maui, Inc. dba Blue Hawaiian Helicopters for the development, construction, operation, use and maintenance of a fixed base facility for commercial helicopter operations at Lihue Airport.

APPLICANT:

HELICOPTER CONSULTANTS OF MAUI, INC. DBA BLUE HAWAIIAN  
HELICOPTERS, a Hawaii corporation, authorized to do business in the State of Hawaii.

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes, as amended

LOCATION AND TAX MAP KEY:

Portion of Lihue Airport, Lihue, Island of Kauai, identified by  
Tax Map Key: 4<sup>th</sup> Division, 3-5-01: Portion of 8

AREA:

Area/Space Nos. 011-109A, containing a land area of approximately 11,299 square feet of improved, paved land, and Area/Space Nos. 011-109B, -109C, -109D and -109E containing a total land area of approximately 14,658 square feet of improved, unpaved lands as shown and delineated on the attached Exhibit A.

**ITEM M-4**

BLNR – Issuance of Heliport Lease  
Helicopter Consultants of Maui, Inc.  
dba Blue Hawaiian Helicopters

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ZONING:

State Land Use: Urban  
County: Industrial (IG-STP)

LAND TITLE STATUS:

Section 5(a), Hawaii Admissions Act  
DHHL, 30% entitlement lands Yes \_\_\_\_\_ No X

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a fixed base facility for commercial helicopter operations

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

Upon execution of the lease

ANNUAL LAND RENTALS:

Lease years 1-5: \$52,146.12  
Lease years 6-10: \$59,968.08  
Lease years: 11-15: \$68,963.28

REOPENING OF ANNUAL LAND RENTALS:

None

PERFORMANCE BOND:

Sum equal to the annual land rentals in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall, within twelve (12) months after the commencement date of the Lease, invest the sum of not less than \$150,000.00 for upgrading and improving the leased premises and constructing fixed base facility improvements and other accessory leasehold improvements on the leased premises. The upgraded and improved leased premises and fixed-base facility and other accessory improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the Department of Transportation, Airports Division, in writing, prior to the commencement of any construction work.

ANNUAL LAND RENTAL COMMENCEMENT:

The annual land rental payable to DOT shall commence on the day the lessee physically occupies the premises (beneficial occupancy) or twelve calendar months from the effective date of the lease, whichever occurs sooner.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: Helicopter Consultants of Maui, Inc. dba Blue Hawaiian Helicopters desires to develop, construct, operate, use and maintain a fixed base facility for commercial helicopter operations on the proposed leased premises.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land areas are covered by the Environmental Assessment for Lihue Airport Ahukini Road Realignment and General Aviation Subdivision dated March 6, 1997. This Environmental Assessment evaluated the environmental effects of the recommended Airport Plan to realign Ahukini Road and the development of a General Aviation Subdivision. The assessment was prepared by the State of Hawaii, Department of Transportation, Airports Division.

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 _____

BLNR – Issuance of Heliport Lease  
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dba Blue Hawaiian Helicopters

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REMARKS:

In accordance with Section 171-59(b), HRS, relating to Management and Disposition of Public Lands and relating specifically to Disposition by Negotiation, the Department of Transportation proposes to issue a heliport lease to Helicopter Consultants of Maui, Inc. dba Blue Hawaiian Helicopters for the purpose of developing, constructing, operating, using and maintaining a fixed-base facility for commercial helicopter operations. The DOT has determined that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a heliport lease to Helicopter Consultants of Maui, Inc. dba Blue Hawaiian Helicopters, 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,



GLENN M. OKIMOTO, Ph.D.  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
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WILLIAM J. AILA, Jr.  
Chairperson and Member

