



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

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

**AMENDMENT TO PRIOR BOARD ACTION OF 8-23-13, ITEM M-3,
ISSUANCE OF A DIRECT LEASE TO ISLAND MOVERS, INC.
HONOLULU INTERNATIONAL AIRPORT
REQUEST AMENDMENT TO LOCATION AND TAX MAP KEY, AREA,
AND ANNUAL LEASE RENTAL
TMK: (1) 1-1-072: 5, 6, 34 & 35 (PORTION)**

OAHU

On August 23, 2013, under agenda Item M-3, and pursuant to Section 261-7 and 171-59, Hawaii Revised Statutes, relating to Disposition by Negotiation, the Land Board authorized the Department of Transportation (DOT) to issue a lease to Island Movers, Inc., for the operation and maintenance of a Container Freight Forwarding and Customs Exam Station, at Honolulu International Airport.

PURPOSE:

The DOT requests certain changes to the LOCATION AND TAX MAP KEY, AREA, and the ANNUAL LEASE RENTAL, as written on said submittal previously approved by the Land Board.

The changes should read as follows:

ORIGINAL

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 1-1-72: 5 (portion).

AS AMENDED

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 1-1-72: 5, 6, 34 & 35 (portion).

ORIGINAL

AREA:

Building:

Building No. 223, consisting of approximately 33,267 square feet.

Land:

Area/Space No. 009-103, consisting of an area of approximately 14,523 square feet;
Area/Space No. 009-159, consisting of an area of approximately 12,980 square feet; and
Area/Space No. 009-160, consisting of an area of approximately 25,332 square feet of
improved, paved land.

AS AMENDED

AREA:

Building:

Building No. 223-101, consisting of approximately 33,267 square feet.

Land:

Area/Space No. 009-103, consisting of an area of approximately 14,523 square feet;
Area/Space No. 009-159, consisting of an area of approximately 12,980 square feet;
Area/Space No. 009-160, consisting of an area of approximately 25,332 square feet; and
Area/Space No. 009-161A, consisting of an area of approximately 14,195 square feet of
improved, paved land.

ORIGINAL

ANNUAL LEASE RENTAL:

1. **Annual Rental for the First Five (5) Years of the Lease Term (Years 1– 5):**

a. **Building Rental.** For the first five (5) years, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual building rental of \$268,560.00, payable in monthly installments of \$22,380.00, in advance; and

b. **Ground Rental.** For the first five (5) years, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual ground rental, in the amount of \$219,793.60, payable in monthly installments of \$18,316.13, in advance, for the Premises at Honolulu International Airport.

2. Annual Rental for the Second Five (5) Years of the Lease Term (Years 6 – 10):

a. Building Rental. For the second five (5) years, beginning upon the first day of the sixth (6th) year of the Lease term, LESSEE shall pay to STATE a building rental, in the amount of \$308,844.00, payable in monthly installments of \$25,737.00, in advance, based upon the product of 115% and the annual rental for the fifth (5th) year of the Lease term (\$268,560.00).

b. Ground Rental. For the second five (5) years, beginning upon the first day of the sixth (6th) year of the Lease term, LESSEE shall pay to STATE an annual ground rental, in the amount of \$252,762.64, payable in monthly installments of \$21,063.55, in advance, based upon the product of 115% and the annual rental for the fifth (5th) year of the Lease term (\$219,793.60).

AS AMENDED

1. Annual Rental for the First Five (5) Years of the Lease Term (Years 1– 5):

a. Building Rental. For the first five (5) years, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual building rental of \$268,560.00, payable in monthly installments of \$22,380.00, in advance; and

b. Ground Rental. For the first five (5) years, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual ground rental, in the amount of \$278,844.80, payable in monthly installments of \$23,237.07, in advance, for the Premises at Honolulu International Airport.

2. Annual Rental for the Second Five (5) Years of the Lease Term (Years 6 – 10):

a. Building Rental. For the second five (5) years, beginning upon the first day of the sixth (6th) year of the Lease term, LESSEE shall pay to STATE a building rental, in the amount of \$308,844.00, payable in monthly installments of \$25,737.00, in advance, based upon the product of 115% and the annual rental for the fifth (5th) year of the Lease term (\$268,560.00).

b. Ground Rental. For the second five (5) years, beginning upon the first day of the sixth (6th) year of the Lease term, LESSEE shall pay to STATE an annual ground rental, in the amount of \$320,671.52, payable in monthly installments of \$26,722.63, in advance, based upon the product of 115% and the annual rental for the fifth (5th) year of the Lease term (\$278,844.80).

REMARKS:

All other terms as outlined in the submittal previously approved by the Land Board remain unchanged.

RECOMMENDATION:

That the Board amends its prior action of August 23, 2013, under agenda Item M-3, by approving the changes to the Location and Tax Map Key, Area, and the Annual Lease Rental, as herein outlined, which are by reference incorporated herein and subject to such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,

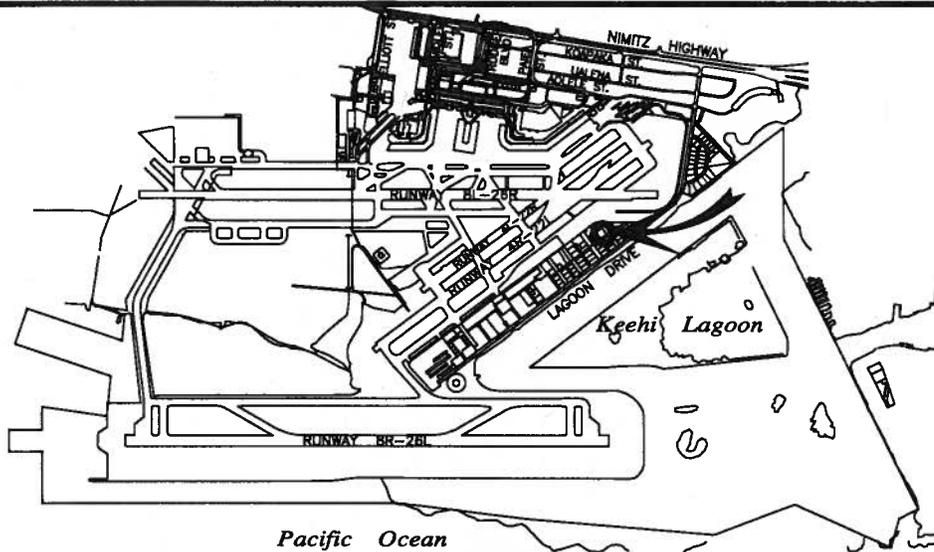


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

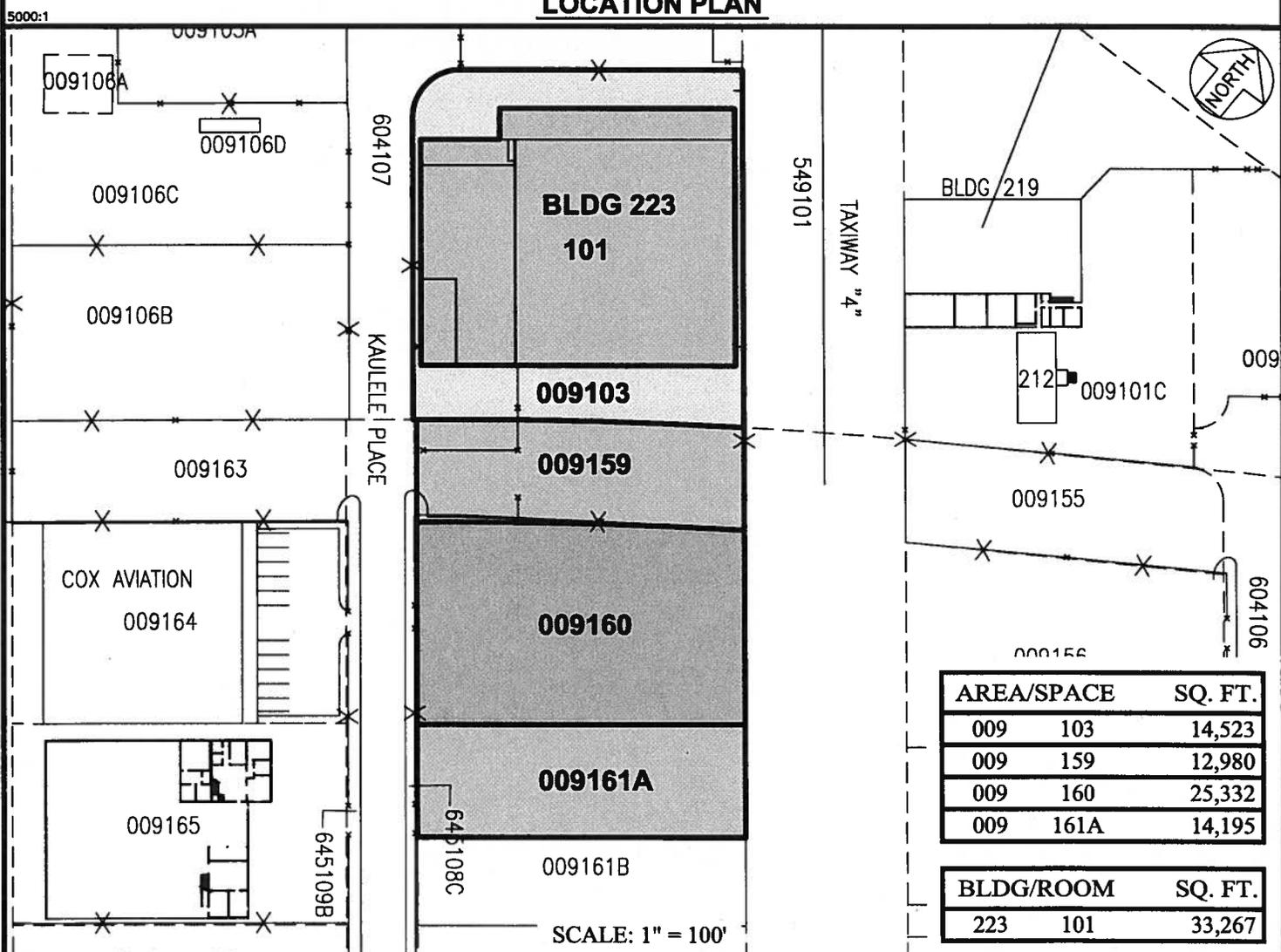
APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



LOCATION PLAN



AREA/SPACE	SQ. FT.
009 103	14,523
009 159	12,980
009 160	25,332
009 161A	14,195

BLDG/ROOM	SQ. FT.
223 101	33,267

SCALE: 1" = 100'

DATE : AUGUST 2013

EXHIBIT: **B**



Airports Division

ISLAND MOVERS, INC.

**BUILDING 223
GENERAL AVIATION HANGAR
SOUTH RAMP**

223101
009103,159
009160,161A
PLAT 36

HONOLULU INTERNATIONAL AIRPORT

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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:

August 23, 2013

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

ISSUANCE OF DIRECT LEASE TO ISLAND MOVERS, INC.
HONOLULU INTERNATIONAL AIRPORT
TMK: (1) 1-1-72: 5 (PORTION)

OAHU

REQUEST:

Issuance of a direct lease to Island Movers, Inc. for the operation, and maintenance of its Container Freight Forwarding Station and Customs Exam Station, located on the South Ramp at Honolulu International Airport.

LEGAL REFERENCE:

Section 261-7 and 171-59, Hawaii Revised Statutes.

APPLICANT/LESSEE:

Island Movers, Inc., a Hawaii corporation, authorized to do business in the State of Hawaii, whose mailing address is P.O. Box 17865, Honolulu, Hawaii 96817.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 1-1-72: 5 (portion).

AREA:

Building:

Building No. 223 consisting of approximately 33,267 square feet.

Land:

Area/Space No. 009-103, consisting of an area of approximately 14,523 square feet;
Area/Space No. 009-159, consisting of an area of approximately 12,980 square feet; and
Area/Space No. 009-160, consisting of an area of approximately 25,332 square feet of improved, paved land.

APPROVED BY THE BOARD
AT ITS MEETING HELD ON

AUG 23 2013

ITEM M-3

ZONING:

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

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

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

The operation and maintenance of a Container Freight Forwarding Station and Customs Exam Station.

TERM OF LEASE:

Ten (10) years.

LEASE COMMENCEMENT DATE:

Upon execution of the lease document.

ANNUAL LEASE RENTAL:

1. Annual Rental for the First Five (5) Years of the Lease Term (Years 1– 5):
 - a. Building Rental. For the first five (5) years, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual building rental of \$268,560.00, payable in monthly installments of \$22,380.00, in advance; and
 - b. Ground Rental. For the first five (5) years, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual ground rental, in the amount of \$219,793.60, payable in monthly installments of \$18,316.13, in advance, for the Premises at Honolulu International Airport.

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PERFORMANCE BOND:

The sum equal to three times the monthly building and land rental in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by Volume 3, Environmental Assessment for the Honolulu International Airport Master Plan Update and Noise Compatibility Program, dated September 1989 and referenced as State Project No. AO1011-03. This Environmental Assessment evaluated the environmental effects of the recommended Airport Development Plan which would accommodate the forecast general and commercial aviation needs of the island of Oahu through the year 2005 and was prepared for the State of Hawaii, Department of Transportation, Airports Division by KFC Airport, Inc.

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 ___

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, the Department of Transportation (DOT) proposes to issue a direct lease to Island Movers, Inc., for the purpose of operating and maintaining Container Freight Station and Customs Exam Station, on the South Ramp at Honolulu International Airport. 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 direct lease to Island Movers, Inc, 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,

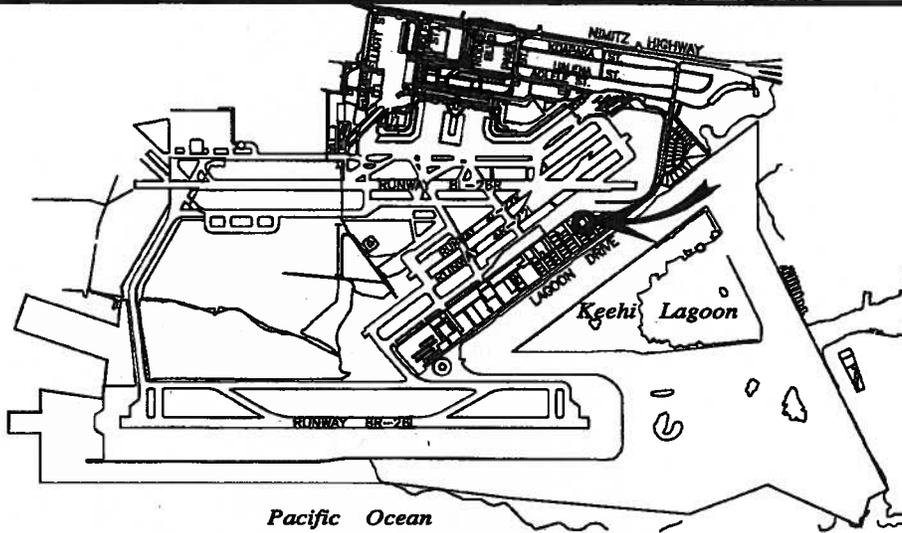


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:

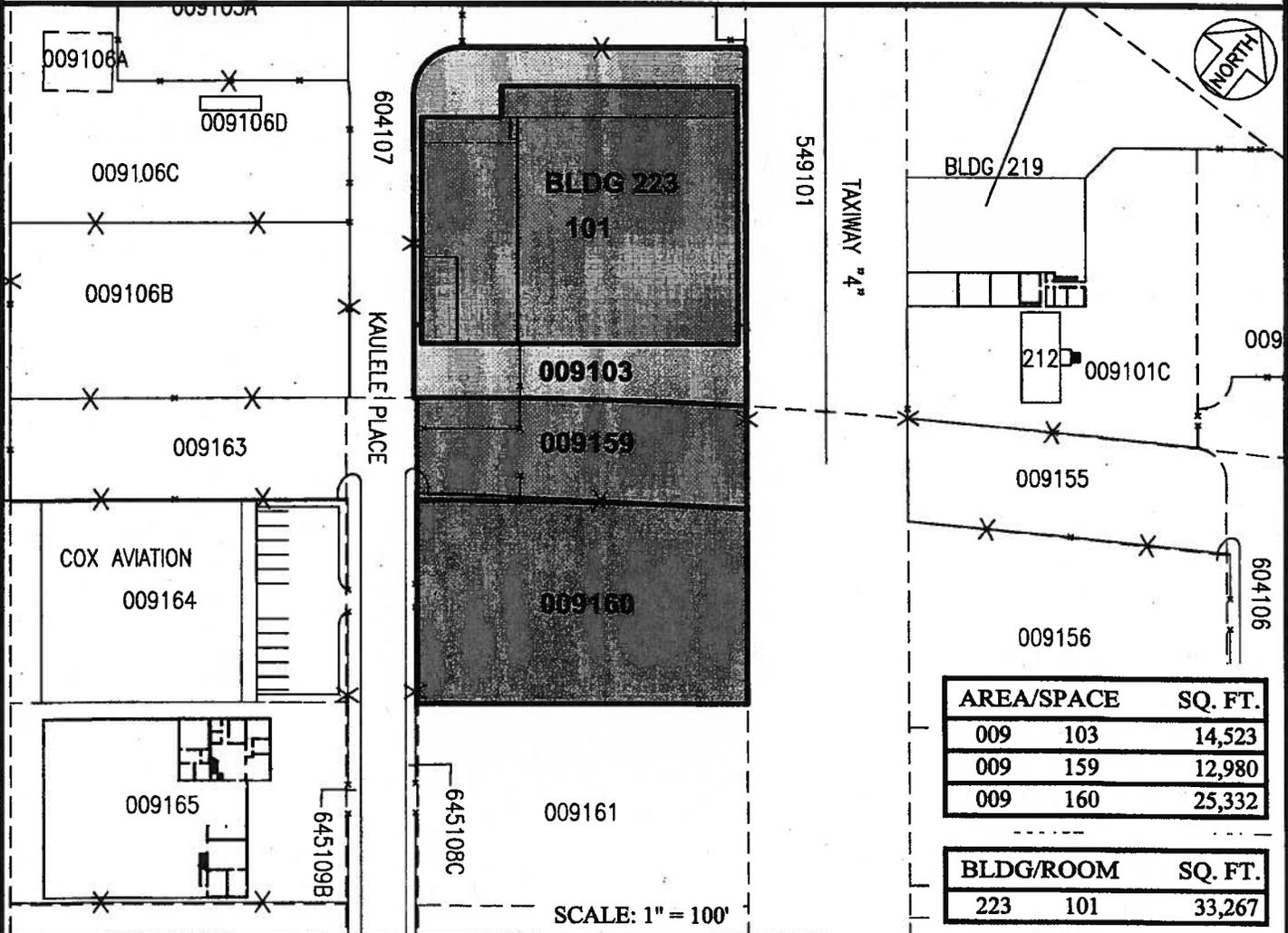


WILLIAM J. AILA, JR.
Chairperson and Member



LOCATION PLAN

5000:1



AREA/SPACE	SQ. FT.
009 103	14,523
009 159	12,980
009 160	25,332

BLDG/ROOM	SQ. FT.
223 101	33,267

DATE : AUGUST 2013

EXHIBIT: **A**



Airports Division

ISLAND MOVERS, INC.

**BUILDING 223
GENERAL AVIATION HANGAR
SOUTH RAMP**

223101
009103,159
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PLAT 36

HONOLULU INTERNATIONAL AIRPORT

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