NEIL ABERCROMBIE
GOVERNOR

GLENN M. OKIMOTO
DIRECTOR

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

IN REPLY REFER TO:

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 DIRECT LEASE TO
KANAE, CLARENCE K.
KALAELOA AIRPORT, ISLAND OF OAHU, STATE OF HAWAII
TMK: (1) 9-1-13: PORTION OF 32 OAHU

REQUEST:

Issuance of a direct lease to Kanae, Clarence K., to develop, construct, operate, use and maintain a private hangar facility for the storage of personal aircraft at Kalaeloa Airport.

APPLICANT / LESSEE:

Kanae, Clarence K., a sole proprietor, whose mailing address is 92-898 Palailai Street, Kapolei, Hawaii 96707.

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes

LOCATION AND AREA:

Portion of Kalaeloa Airport, Kapolei, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 9-1-13: Portion of 32

AREA:

Area/Space No. 406-108, containing a land area of approximately 8,550 square feet, as shown and delineated on the attached map labeled Exhibit A.

ITEM M-8

ZONING:

State Land Use District:	Urban
City and County of Honolulu:	P-2 (To be rezoned in the future)

LAND TITLE STATUS:

Non-ceded land acquired from the U.S. Government by the State of Hawaii after Statehood
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES _ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3861, setting aside Kalaeloa Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

Private Hangar Facility

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

Upon execution of the Lease document

ANNUAL GROUND LEASE RENTAL:

First five years (lease years 1 through 5): $5,044.50 per annum, payable in monthly installments of $420.38, in advance, based upon a ground lease rental rate of $0.59 per square foot per annum for improved, paved general aviation land at Kalaeloa Airport.

Reopening of Annual Ground Lease Rentals: The annual ground lease rental for the remaining two 5-year periods, beginning with the sixth (6th) and eleventh (11th) year of the Lease term, shall be based upon the Aeronautical rental rate published in the Airports Division Procedures No. 4.5 (Schedule of Rates and Charges) for Kalaeloa Airport, at the time of each reopening period.

PERFORMANCE BOND:

Sum equal to the annual land lease rental in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

$100,000.00

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by the Final Environmental Assessment for the Kalaeloa Airfield Development Plan Improvements, State Project No. AO5011-02 dated June 2010. This Environmental Assessment was prepared by Wilson Okamoto Corp. for the State of Hawaii, Department of Transportation, Airports Division, in part to evaluate the environmental effects of the recommended Kalaeloa Airfield Master Plan to meet existing and forecast general aviation demands.

DCCA VERIFICATION:

Place of business registration confirmed:	YES _X_	NO ____
Registered business name confirmed:	YES _X_	NO ____
Good standing confirmed:	YES _X_	NO ____

REMARKS:

The State of Hawaii, Department of Transportation, Airports Division (DOTA) proposes to issue a direct lease to Kanae, Clarence K., for the purpose of developing, constructing, operating, and maintaining a private hangar facility at Kalaeloa Airport, in accordance with Section 171-59 (b), Hawaii Revised Statutes, which provides in part, "disposition of public lands for airline, aircraft, airport-related, agricultural processing, cattle feed production, aquaculture, marine, maritime, and maritime-related operations may be directly negotiated without regard to the limitations set forth in subsection (a) and Section 171-16(c); provided that the disposition encourages competition within the aeronautical, airport-related, agricultural, marine, maritime, and maritime-related operations;" And further provides that "'Airport-related' means a purpose or activity that requires air transportation to achieve that purpose or activity; or an activity that generates revenue for the airport system as provided in Section 261-7."

In accordance to HRS 171-59(b) the DOTA does not have an objection to this lease request and finds the issuance of the lease an airport related purpose and in the public interest.

RECOMMENDATION:

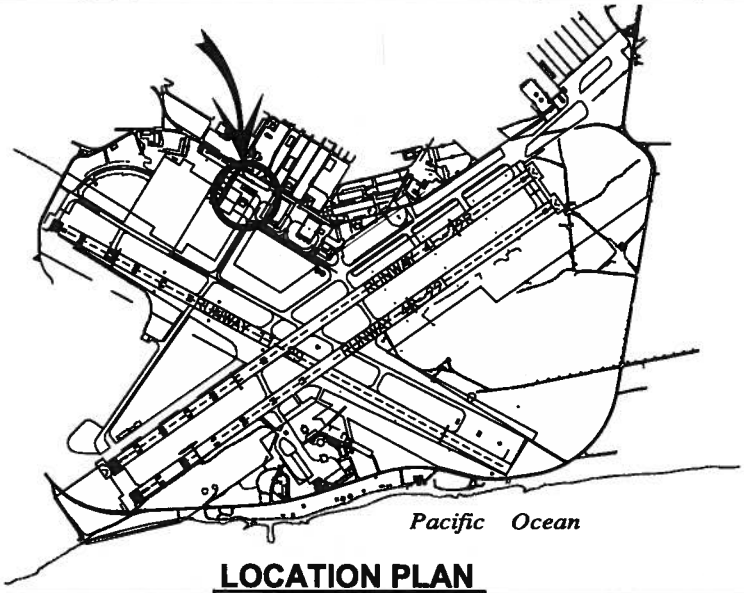
That the Board authorize the Department of Transportation to issue a direct lease to Kanae, Clarence K., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best 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

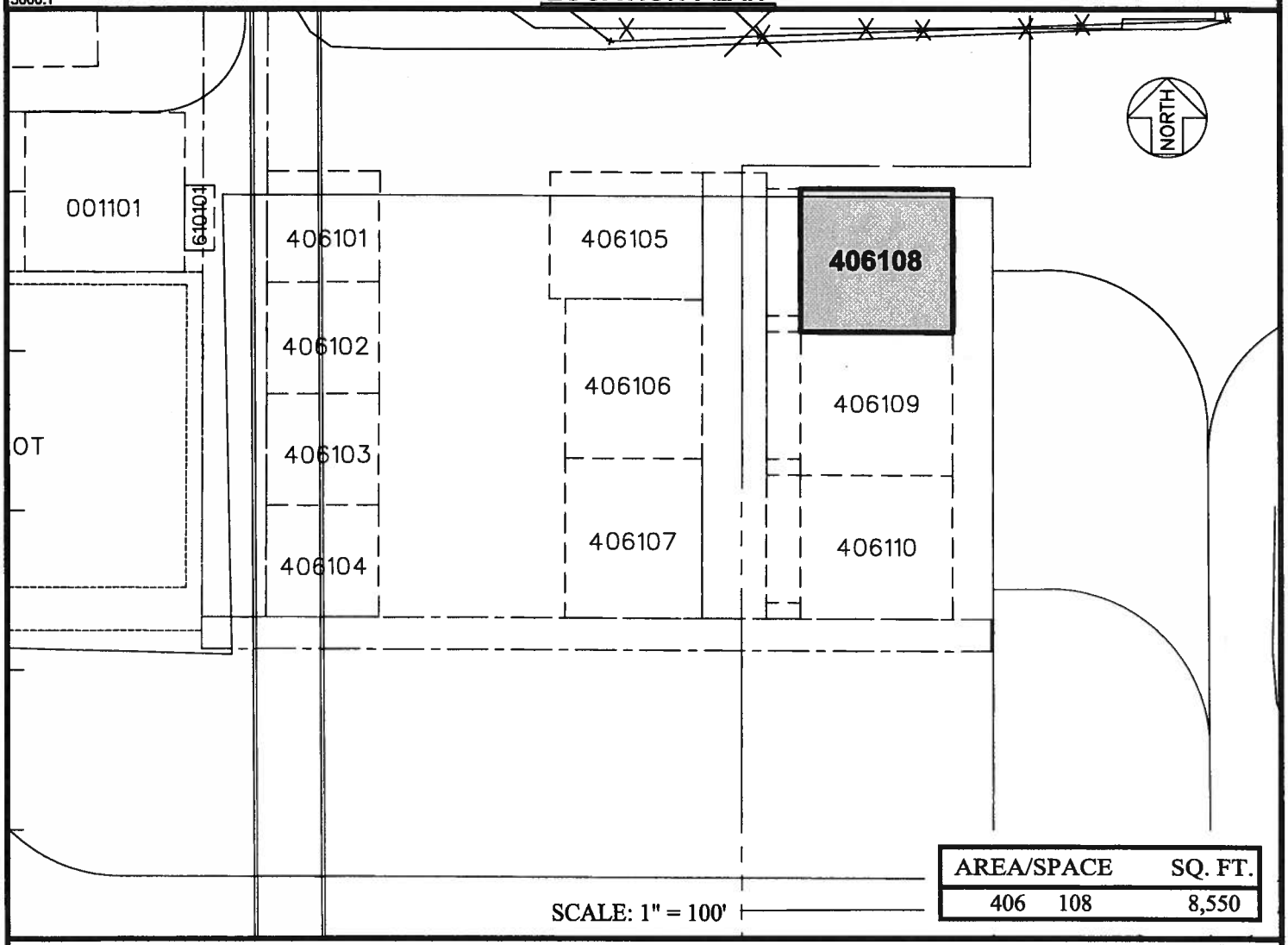
APPROVED FOR SUBMITTAL:

WILLIAM J. AILA, JR.
Chairperson and Member



LOCATION PLAN

3000:1



AREA/SPACE		SQ. FT.
406	108	8,550

SCALE: 1" = 100'

DATE : NOVEMBER 2013 EXHIBIT: A

Airports Division	CLARENCE K. KANAE	HANGAR LOTS	406108

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KALAELOA AIRPORT