



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

IN REPLY REFER TO:

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

ISSUANCE OF A DIRECT LEASE TO ROYAL HAWAIIAN MOVERS
UALENA STREET, HONOLULU INTERNATIONAL AIRPORT

OAHU

REQUEST:

Issuance of a direct lease to Royal Hawaiian Movers for the operation and maintenance of a Hawaii Moving Company, with a majority of its moving contracts involving air cargo transporting to and from Honolulu International Airport.

LEGAL REFERENCE:

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

APPLICANT / LESSEE:

Royal Hawaiian Movers, a Hawaii corporation, authorized to do business in the State of Hawaii, whose business address is 3017 Ualena Street, Honolulu, Hawaii 96819.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1st Division, 1-1-14:10, Tax Map Key: 1st Division, 1-1-14:05 and Tax Map Key: 1st Division, 1-1-14:02

AREA:

Areas are shown and delineated on the attached maps labeled Exhibit A, B and C.

EXHIBIT A:

Building Space No. 712-101, consisting of approximately 2,661 square feet,
Building Space No. 712-102, consisting of approximately 1,063 square feet,
Building Space No. 712-103A, consisting of approximately 6,208 square feet,
Building Space No. 712-103B, consisting of approximately 9,235 square feet,

Building Space No. 712-103C, consisting of approximately 3,552 square feet,
Area/Space No. 005-106A, consisting of approximately 6,240 square feet,
Area/Space No. 005-106B, consisting of approximately 13,463 square feet, and
Area/Space No. 005-106C, consisting of approximately 6,781 square feet.

EXHIBIT B:

Area/Space No. 005-110, consisting of approximately 26,102 square feet.

EXHIBIT C:

Building Space No. 723-101, consisting of approximately 5,220 square feet,
Building Space No. 723-102, consisting of approximately 837 square feet,
Building Space No. 724-000, consisting of approximately 5,675 square feet, and
Area/Space No. 005-112, consisting of approximately 17,556 square feet.

ZONING:

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

LAND TITLE STATUS:

Non-ceded - Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES NO

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3894, 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.

The Department of Transportation, Airports Division acquired the subject property together with most of the remaining properties (except one) along the ocean (makai) side of Ualena Street, between Lagoon Drive and Paiea Street, in the mid 1990's from Loyalty Enterprises, Ltd.

CHARACTER OF USE:

Operation and maintenance facilities for a Hawaiian Moving Company, involving air Cargo transportation to and from Honolulu International Airport.

TERM OF LEASE:

Five (5) years.

LEASE COMMENCEMENT DATE:

Upon execution of the lease document

ANNUAL GROUND LEASE RENTAL:

Annual Rental for the Five (5) Year Lease Term:

1. Building Rental. For the five (5)-year Lease term, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual building rental in the sum of \$206,706.00, payable in monthly installments of \$17,225.05, based upon a rental rate of \$6.00 per square foot, per annum.
2. Ground Rental. For the five (5)-year Lease term, beginning upon the commencement date of the Lease term, LESSEE shall pay to STATE an annual ground rental in the sum of \$291,790.72, payable in monthly installments of \$24,315.89, based upon a rental rate of \$4.16 per square foot, per annum.

PERFORMANCE BOND:

Sum equal to the annual building and land rentals in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

DCCA VERIFICATION:

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

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 proposes to issue a direct Lease to Royal Hawaiian Movers, for the purpose of operating and maintaining a Hawaii Moving Company involving air cargo transportation to and from Honolulu International Airport. The DOT has determined that the issuance of a direct lease to Royal Hawaiian Movers will encourage competition within the aeronautical industry specifically amongst freight forwarders and air cargo operators at Honolulu International Airport.

RECOMMENDATION:

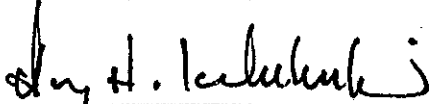
That the Board authorize the Department of Transportation to issue a direct lease to Royal Hawaiian Movers subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best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



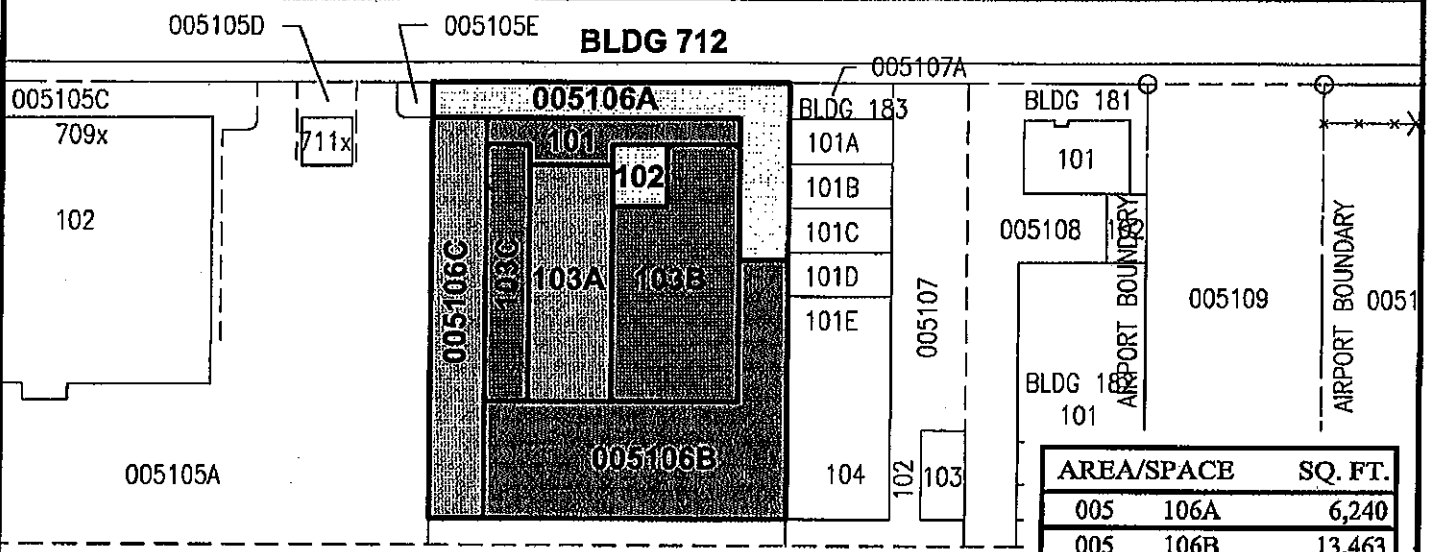
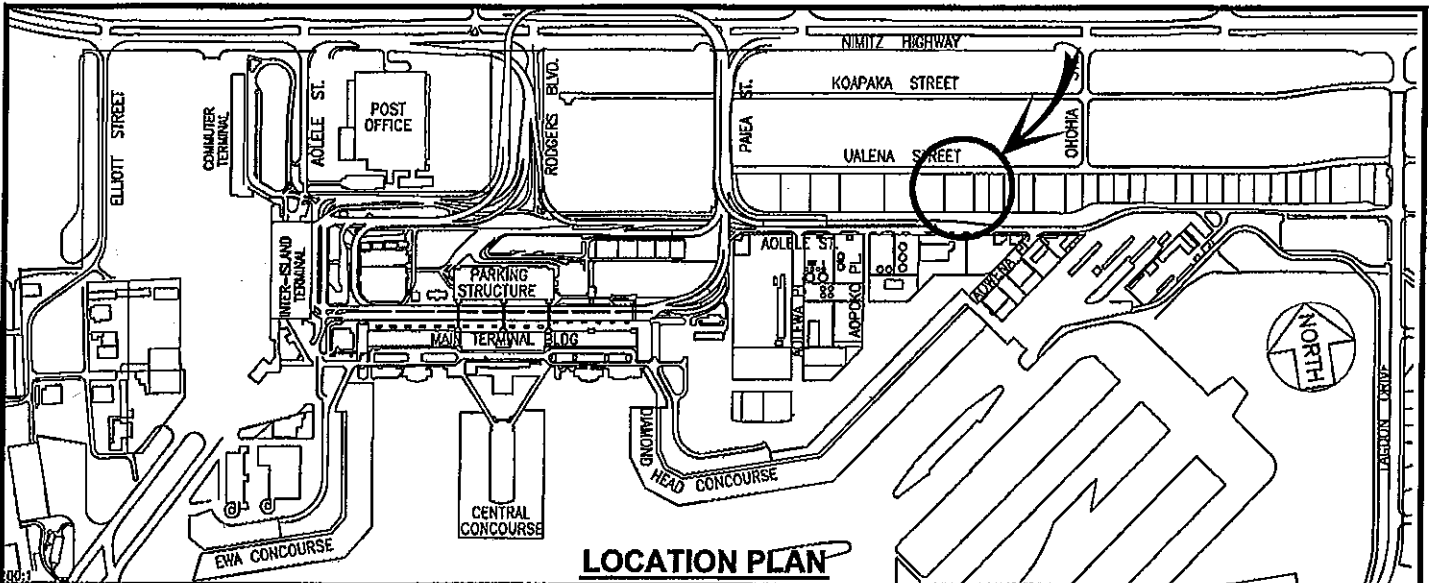
GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



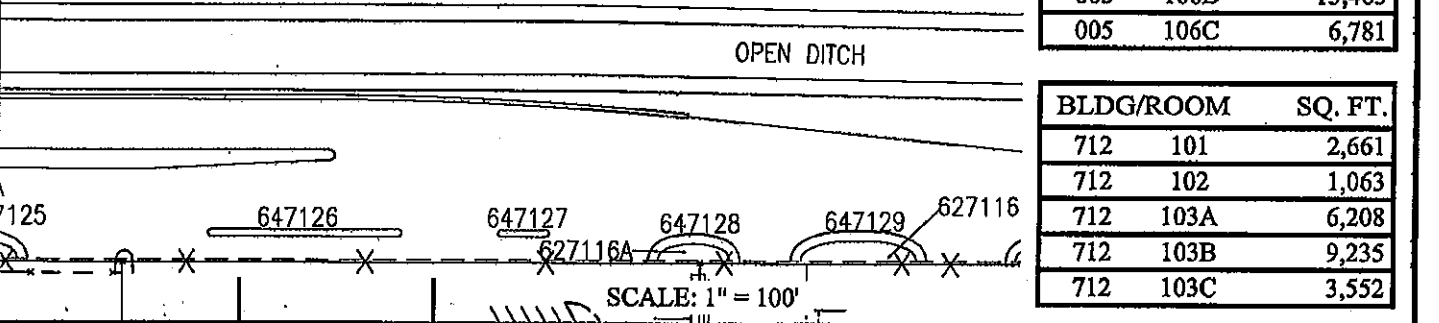
WILLIAM J. AILA, JR.
Chairperson and Member

for



AREA/SPACE	SQ. FT.
005 106A	6,240
005 106B	13,463
005 106C	6,781

BLDG/ROOM	SQ. FT.
712 101	2,661
712 102	1,063
712 103A	6,208
712 103B	9,235
712 103C	3,552



DATE : DECEMBER 2011

EXHIBIT: **A**

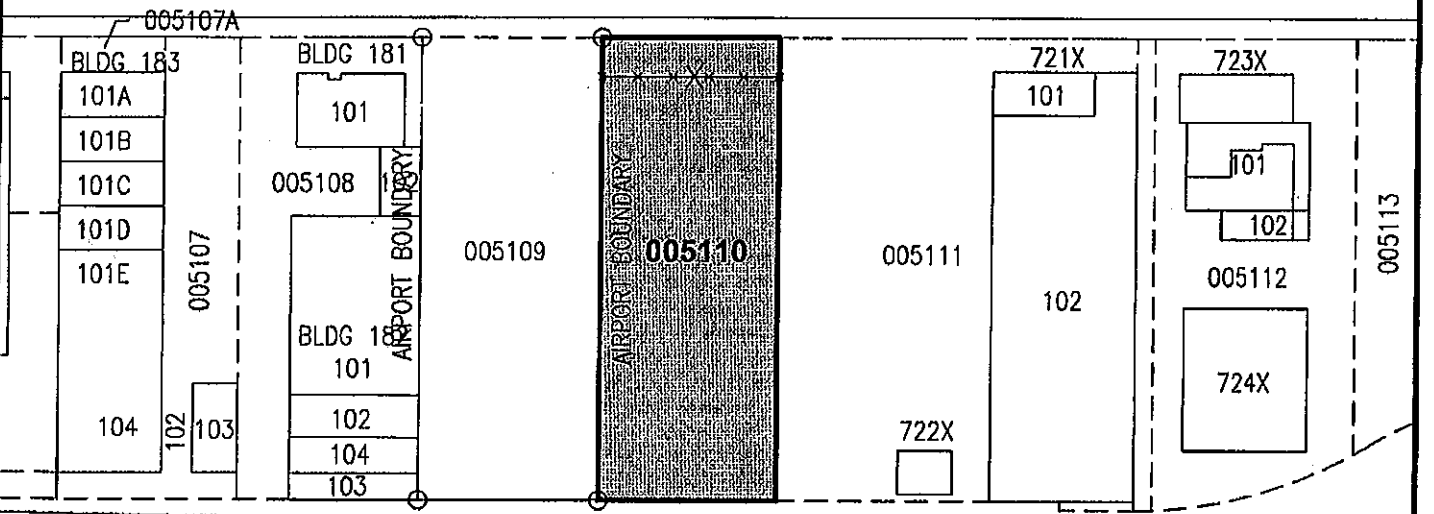
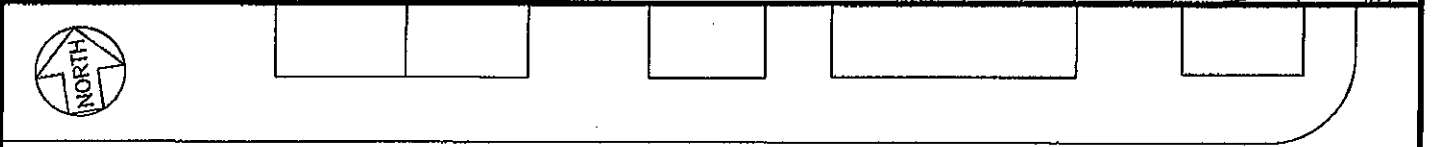
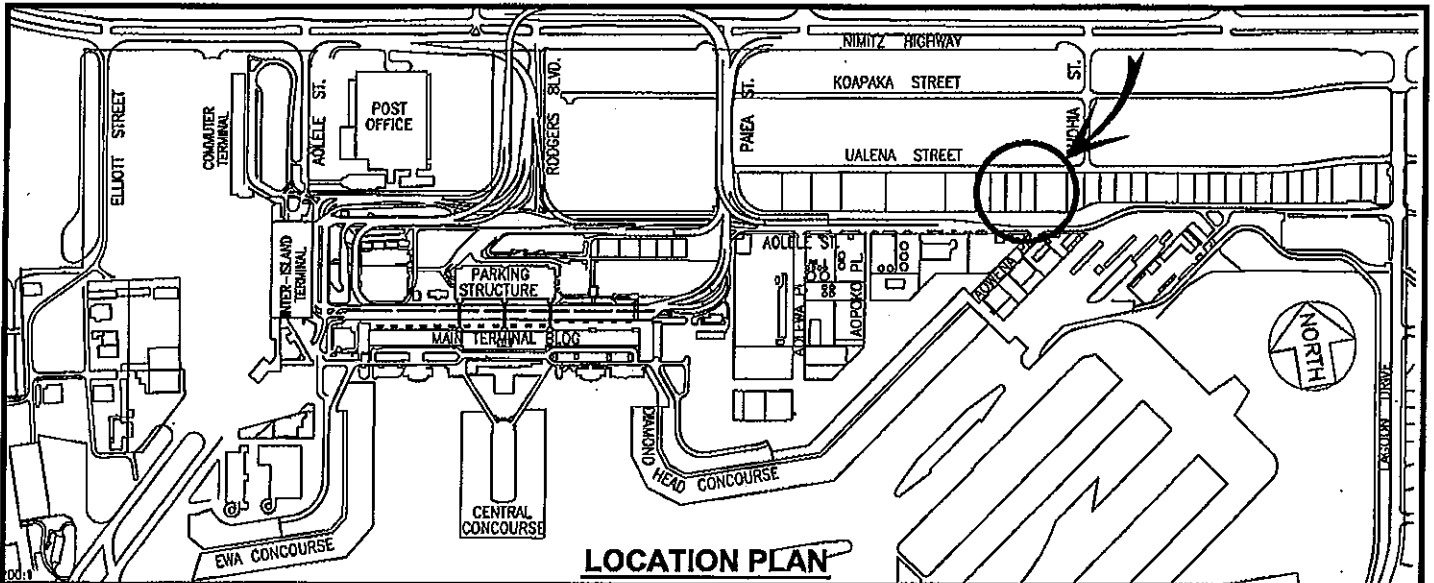


Airports Division

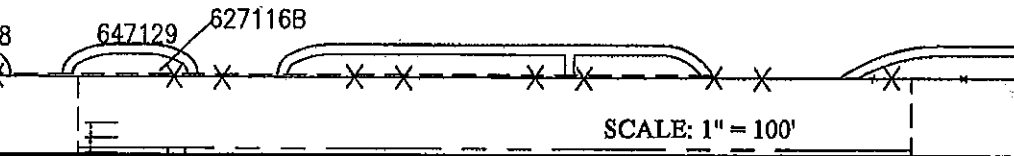
ROYAL HAWAIIAN
MOVERS

LOTS
UALENA STREET

005106A-C
722101,102
722103A-C
PLAT 15



OPEN DITCH



AREA/SPACE	SQ. FT.
005 110	26,102

DATE : DECEMBER 2011

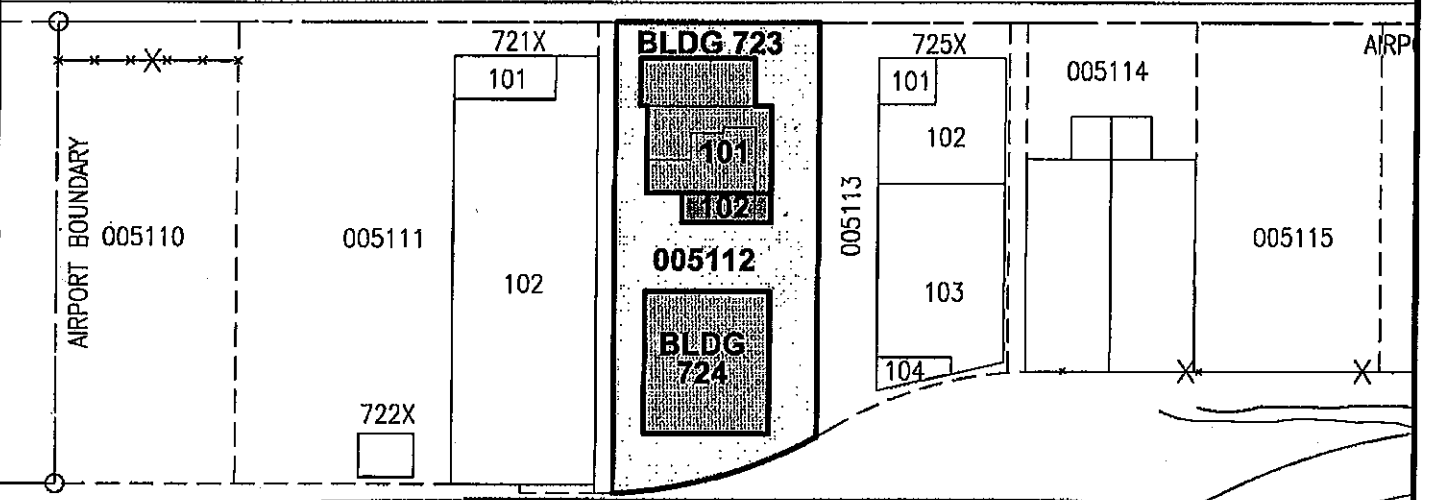
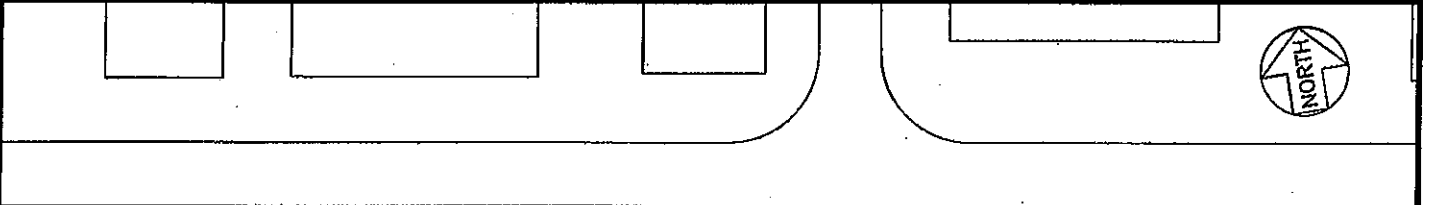
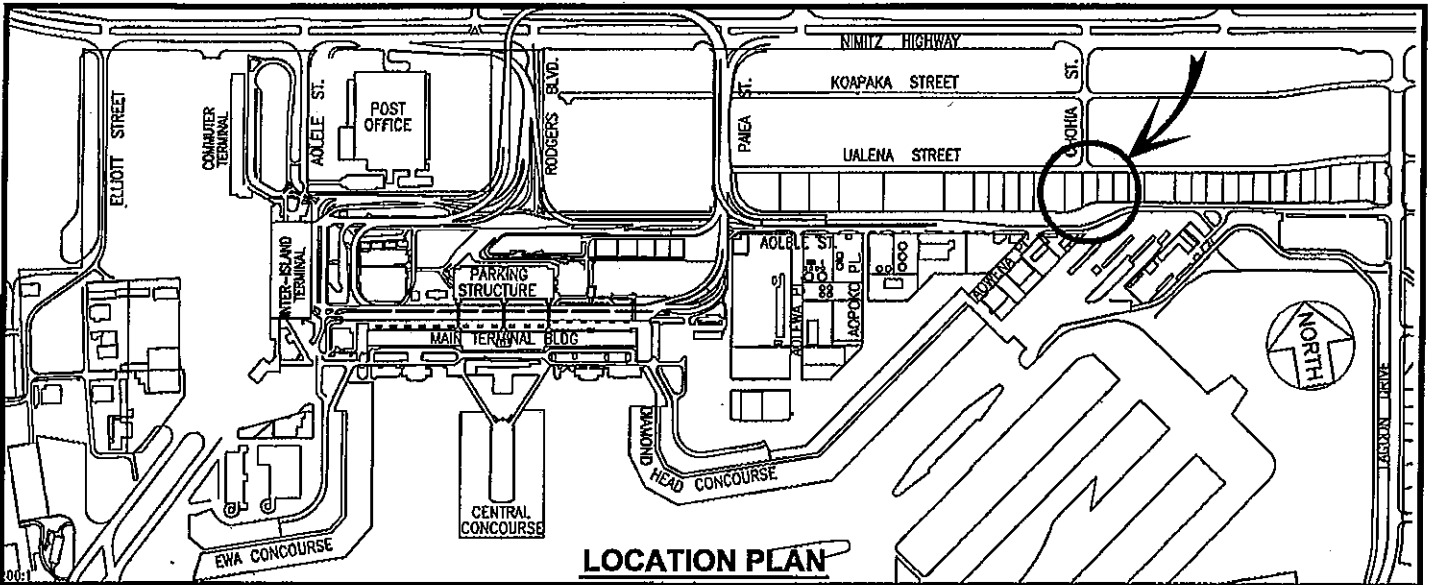
EXHIBIT: **B**



**ROYAL HAWAIIAN
MOVERS**

**LOTS
UALENA STREET**

**005110
PLAT 15**



AREA/SPACE	SQ. FT.
005 112	17,556

BLDG/ROOM	SQ. FT.
723 101	5,220
723 102	837
724 000	5,675

SCALE: 1" = 100'

DATE : DECEMBER 2011 EXHIBIT: C



ROYAL HAWAIIAN
MOVERS

LOTS
UALENA STREET

005112
723101,102
724000
PLAT 15

HONOLULU INTERNATIONAL AIRPORT

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