

NEIL ABERCROMBIE  
GOVERNOR



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

GLENN M. OKIMOTO  
DIRECTOR

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IN REPLY REFER TO:

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

ISSUANCE OF A HANGAR FACILITY LEASE  
STATE LEASE NO. DOT-A-12-0014 TO STEVEN J. NOTMAN  
MOLOKAI AIRPORT, ISLAND OF MOLOKAI, STATE OF HAWAII  
TAX MAP KEY: (2) 5-2-04: PORTION OF 8

MOLOKAI

REQUEST:

Issuance of a Hanger Facility Lease to STEVEN J. NOTMAN at Molokai Airport to develop, construct, operate, use, and maintain a hangar facility

APPLICANT:

STEVEN J. NOTMAN, whose mailing address is 2840 Kalua Koi Road, Maunaloa, Hawaii, 96770

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Portion of Molokai Airport, Hoolehua, Island of Molokai, identified by Tax Map Key: 2<sup>nd</sup> Division, 5-2-04: Portion of 8

AREA:

Area/Space No. 403-101, containing a land area of approximately 5,100 square feet of unimproved/unpaved general aviation land, as shown and delineated on the attached map labeled Exhibit B.

**ITEM M-2**

ZONING:

State Land Use: Agricultural  
County: Interim Zoning Provisions of the Maui County Zoning Code

LAND TITLE STATUS:

Section 5(b), Hawaii Admissions Act (ceded)

DHHL, 30% entitlement lands Yes \_\_\_\_\_ No X

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation and maintenance of a hangar facility

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

Upon execution of the Lease

ANNUAL GROUND RENTALS:

Years 1 thru 5: \$1,989.00  
Years 6 thru 10: \$2,287.32  
Years 11 thru 15: \$2,630.40

REOPENING OF ANNUAL GROUND LEASE RENTAL:

Not applicable.

PERFORMANCE BOND:

Sum equal to the annual land rental in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

The Applicant shall, within twelve (12) months of the date of commencement of the Lease, invest the sum of not less than \$30,000.00 for upgrading and improving the leased premises and constructing its leasehold improvements. The upgraded and improved leased premises and hangar facility 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.

WAIVER OF RENT:

Ground lease rents payable to the STATE by the Applicant shall be waived at the beginning or commencement date of the lease for: (a) a period of twelve (12) months; or (b) until the Applicant first physically occupies and uses the premises for the purpose(s) or use(s) stated in the lease, whichever occurs first.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are not available at the site

Improvements: The Applicant desires to develop, construct, operate, use, and maintain a hangar facility on the proposed leased premises.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by the Final Environmental Assessment (FEA) dated August, 2012 for the Construction of a Private Hangar on the Molokai Airport. The FEA resulted in a Finding of No Significant Impacts (FONSI) from the construction of this single hangar. The project triggers compliance with HRS 343 due to its use of State Lands and will not result in changes to the level of aircraft operations to the Molokai Airport. The FEA was prepared by the Applicant for the State of Hawaii, Department of Transportation, Airports Division.

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 (DOT) proposes to issue a direct lease to STEVEN J. NOTMAN to develop, construct, operate, use, and maintain a hangar facility. The DOT has determined

that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

RECOMMENDATION:

That the Board authorizes the Department of Transportation to issue a direct lease to STEVEN J. NOTMAN, 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,

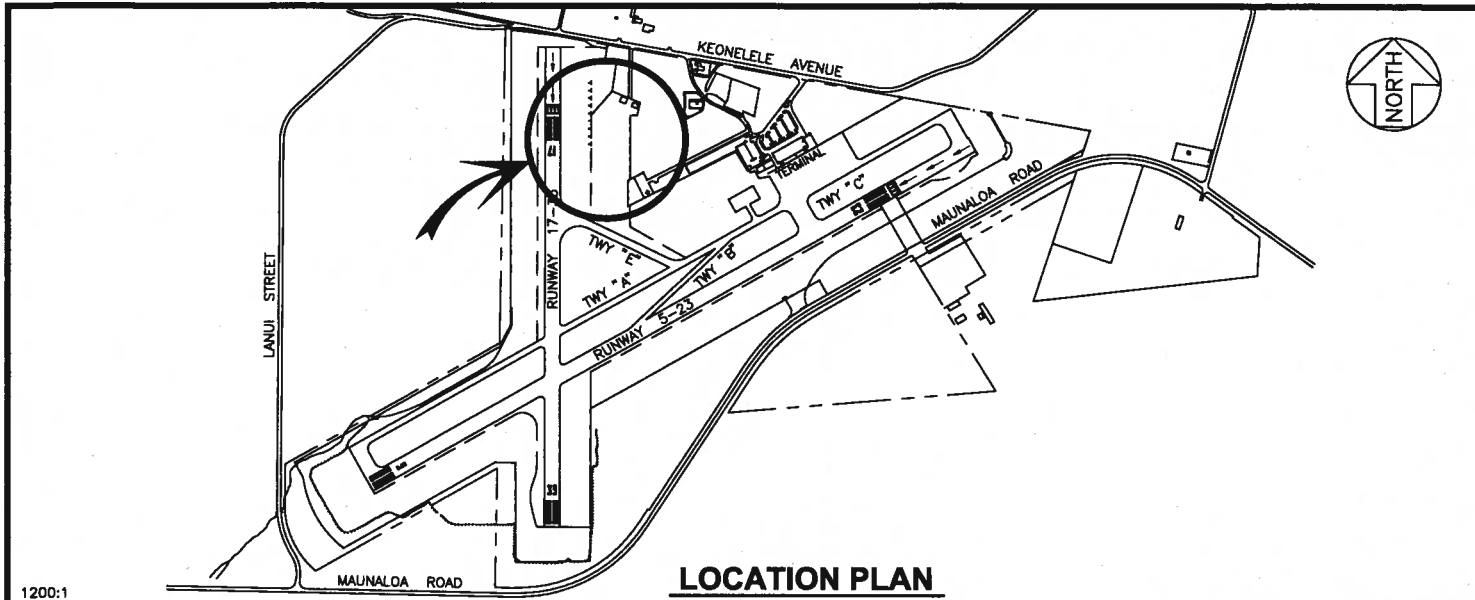


GLENN M. OKIMOTO, Ph.D.  
Director of Transportation

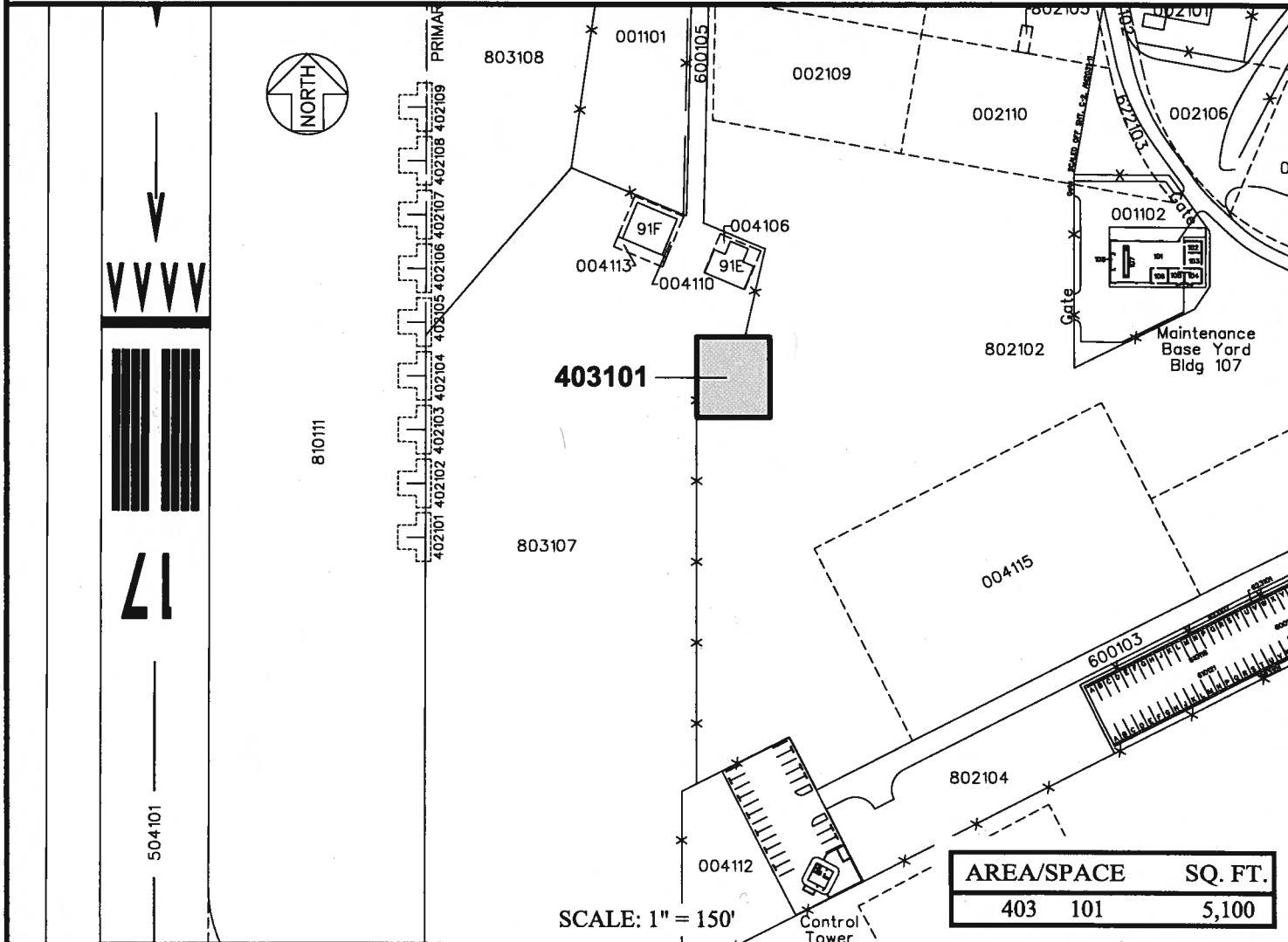
APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.  
Chairperson and Member



1200:1



DOT-A-12-0014

DATE : NOVEMBER 2012

EXHIBIT: **B**



Airports Division

STEVEN J. NOTMAN

HANGAR

403101

PLAT A1

**MOLOKAI AIRPORT**