



**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 DIRECT LEASE TO AEKO KULA, INC. DBA  
ALOHA AIR CARGO FOR CARGO/MAINTENANCE FACILITIES  
AND ISSUANCE OF A RIGHT-OF-ENTRY, FOR THE CONSTRUCTION  
OF DUST CONTROL FENCING AND SOILS REMEDIATION,  
AT HONOLULU INTERNATIONAL AIRPORT  
TMK: (1)-1-1-002:014 (PORTION)**

OAHU

CONTROLLING AGENCY:

Department of Transportation, Airports Division (DOTA).

APPLICANT:

Aeko Kula, Inc., doing business as Aloha Air Cargo (Aeko Kula), a Hawaii domestic for profit corporation, whose principal place of business is 371 Aokea Place, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

Section 171-59(b), Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-002:014 (portion), as shown on and delineated on attached map labeled "Exhibit A".

AREA:

Lot/Space Nos. 004-148, containing a land area of 3.467 Acres or 151,061 square feet of unimproved/unpaved land, as shown and delineated on the attached map labeled "Exhibit B".

ZONING:

State Land Use District: Urban  
City and County of Honolulu: F-1 (Federal & Military Reservation)

LAND TITLE STATUS

Land presently encumbered by Governor's Executive Order No. 3529, 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.

Non-ceded.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES\_\_ NO X

CURRENT USE:

Vacant and unencumbered.

CHARACTER OF USE:

Development, construction, maintenance, and operation of air cargo and aircraft maintenance facility.

TERM OF LEASE:

Thirty (30) years

LEASE COMMENCEMENT DATE:

Upon execution of the lease document

ANNUAL GROUND LEASE RENTAL:

First Five (5) Years (Lease Years 1 through 5): \$400,311.65 per annum, payable in monthly installments of \$33,359.30, in advance, based upon present ground lease rental rate of \$2.65 per square foot, per annum for the premises at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$460,358.40 per annum, payable in monthly installments of \$38,363.20, in advance, based upon the product of the annual rental for the fifth (5<sup>th</sup>) year of the lease term (\$400,311.65) and 115%.

Fourth Five (5) Years (Lease Years 16 through 20): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (15<sup>th</sup> year) of the lease term.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

For each of the three remaining five (5) year lease periods totaling fifteen (15) years, the fair market annual ground lease rental for each five (5)-year lease rental reopening period shall be determined separately when due at the time of reopening, in accordance with the provisions of Section 171-17, Hawaii Revised Statutes, relating to Appraisals, by an independent real estate appraiser whose services shall be contracted for and paid by the Department of Transportation.

PERFORMANCE BOND:

Sum equal to the annual ground lease rental then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

\$6,000,000.00 (approximately)

PROPERTY CHARACTERISTICS:

Utilities: All utilities are unavailable at the site

Improvements: Aeko Kula desires to develop, construct, operate and maintain a Cargo and Aircraft Maintenance facility on the proposed leased premises.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The final Environmental Assessment acceptance notice for the subject project was published in the OEQC's Environmental Notice on February 8, 2013.

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 ____

PURPOSE:

Right, privilege and authority to construct, operate, and maintain cargo and aircraft maintenance facility and other related accessory improvements at Honolulu International Airport.

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 Aeko Kula for the purpose of: (1) developing, constructing, operating, and maintaining a cargo and aircraft maintenance facility and other related accessory improvements; and (2) conducting air cargo activities at Honolulu International Airport.

Issuance of a Right-of-Entry onto the property will allow Aeko Kula to remove contaminated soil which is the responsibility of DOTA and will deposit it to a DOTA remediation site. By issuing a Right-of-Entry, Aeko Kula will be able to complete the removal of contaminated soils more quickly than DOTA could by following its procedures and allow Aeko Kula to begin construction more expeditiously under the proposed lease.

RECOMMENDATION:

That the Board:

1. Subject to the Applicant fulfilling all of the Applicant requirements, authorize DOTA to issue direct lease to Aeko Kula, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current lease document from, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and
  - C. Such other terms and conditions as may be prescribed by the Director of Transportation or the Chairperson of the Board of Land and Natural Resources to best serve the interest of the State.
2. Authorize DOTA to issue a construction and soils remediation right-of-entry to Aeko Kula, its consultants, contractors, and/or persons acting for or on its behalf, covering the subject area and further subject to the following:

- A. The standard terms and conditions of the most current right-of-entry document form, as may be amended from time to time;
- B. Review and approval by the Department of the Attorney General; and
- C. Such other terms and conditions as may be prescribed by the Director of Transportation or the Chairperson of the Board of Land and Natural Resources to best serve the interest of the State.

Respectfully submitted,



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

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.  
Chairperson and Member

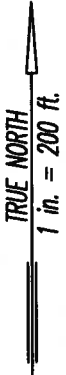


HICKAM AIR FORCE BASE

tie: brass disk fnd  
"HICKAM AFB"  
0°01'19" 955.63

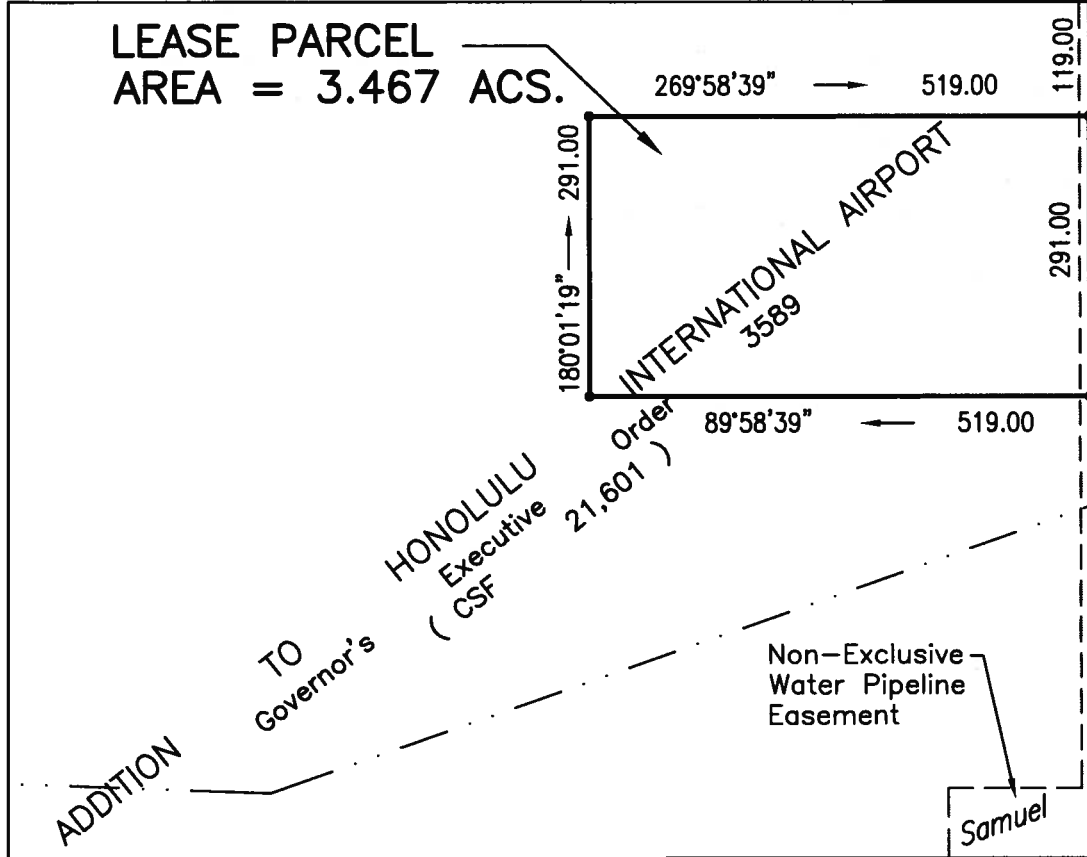
R. P. 7858, L. C. Av. 7715, Ap. 2 to Lot Kamehameha

1/2" pipe set  
59,324.62 ft. N  
1,664,060.40 ft. E  
NAD 83(1993), Zone 3



LEASE PARCEL  
AREA = 3.467 ACS.

HICKAM AIR FORCE BASE



ADDITION TO  
GOVERNOR'S  
HONOLULU  
EXECUTIVE  
ORDER  
(CSF 21,601)

HONOLULU INTERNATIONAL AIRPORT  
Part 2  
Governor's Executive Order 3201  
(CSF 19,643)  
M. Damon

HICKAM AIR FORCE BASE

ALOHA AIR CARGO  
LEASE PARCEL  
HONOLULU INTERNATIONAL AIRPORT

At Moanalua, Honolulu, Oahu, Hawaii  
Date: December 17, 2010  
Tax Map Key (1) 1-1-002: 014 portion  
Scale: 1 in. = 100 ft.

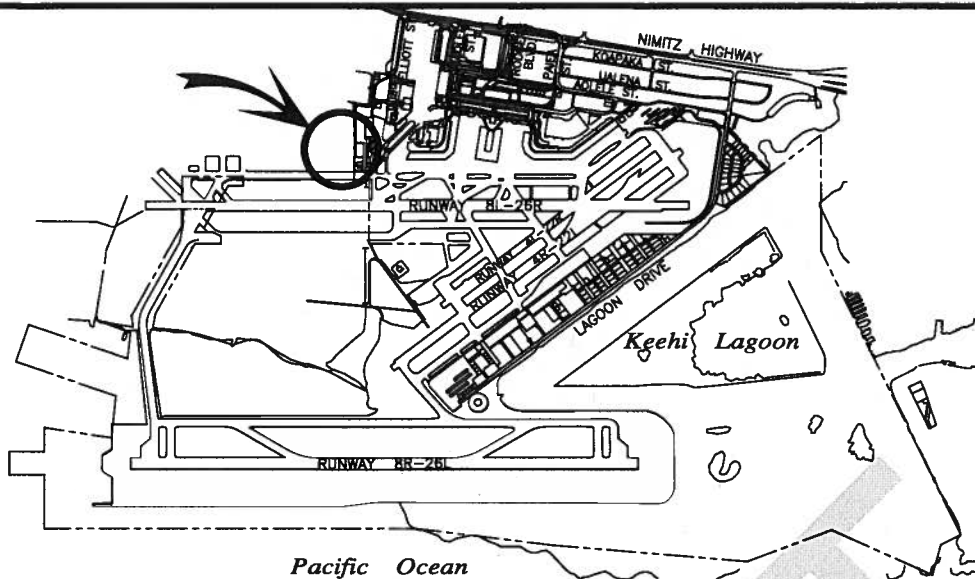


This map was prepared by me or  
under my direct supervision

*Arden J. Torcuato*

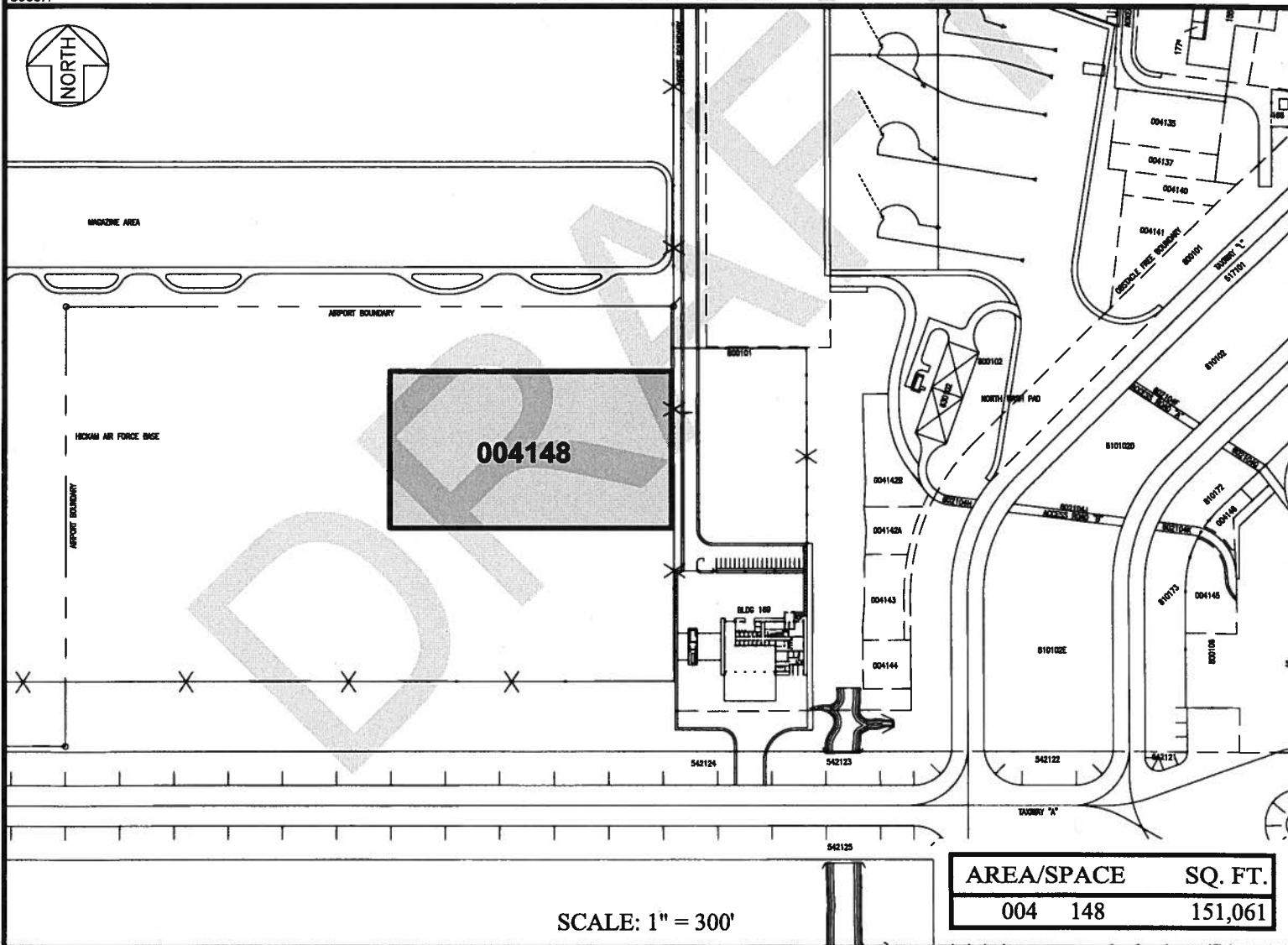
LICENSED PROFESSIONAL LAND SURVEYOR  
CERTIFICATE NUMBER 10257  
Exp. 4/30/2012

EXHIBIT B F.B. 35:32



5000:1

**LOCATION PLAN**



**004148**

SCALE: 1" = 300'

AREA/SPACE	SQ. FT.
004 148	151,061

DATE : JANUARY 2011

EXHIBIT: **B**



Airports Division

AEKO KULA, INC.

INTER-ISLAND  
MAINTENANCE AREA

004148

PLAT 24

**HONOLULU INTERNATIONAL AIRPORT**

N:\AIRPORTS\HNL\_HONOLULU\CAD\PM\HNL\_004148-01.DWG