



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 SO ONO FOOD PRODUCTS, LLC.
3129 UALENA STREET, HONOLULU INTERNATIONAL AIRPORT
TMK: (1) 1-1-14-103 (portion):113:114

OAHU

REQUEST:

Issuance of a direct lease to So Ono Food Products, LLC. for the operation and maintenance of a food processing business.

LEGAL REFERENCE:

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

APPLICANT / LESSEE:

So Ono Food Products, LLC., a Hawaii limited liability corporation, authorized to do business in the State of Hawaii, whose business address is 3219 Ualena Street, Honolulu, Hawaii 96819.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-14-103 (portion):113:114.

AREA:

Lot/Space No. 005-105A, containing a land area of 57,098 square feet more or less;
Lot/Space No. 005-105B, containing a land area of 16,880 square feet more or less;
Lot/Space No. 005-105C, containing a land area of 28,491 square feet more or less;
Lot/Space No. 005-105D, containing a land area of 792 square feet more or less; and
Lot/Space No. 005-105E, containing a land area of 389 square feet more or less, as shown and delineated on the attached map labeled "Exhibit A".

ZONING:

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

LAND TITLE STATUS:

Non-ceded - Direct purchase from private land owner
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 of a food processing business.

TERM OF LEASE:

Fifteen (15) years.

LEASE COMMENCEMENT DATE:

Upon execution of the lease document.

ANNUAL GROUND LEASE RENTAL:

Annual Rental for First (5)-Year Period. For the first five (5) years of the Lease term, beginning upon the commencement date hereof, LESSEE shall pay to LESSOR an annual rental in the sum of FIVE HUNDRED FIVE THOUSAND EIGHT HUNDRED TWELVE AND 00/100 DOLLARS (\$505,812.00), based upon a ground rental rate of \$4.88 per square foot, per annum, for the property.

Annual Rental for the Second (5)-Year Period. For the second five (5) years of the Lease term, beginning upon the first day of the sixth (6th) year of the Lease term, LESSEE shall pay to LESSOR an annual rental in the sum of FIVE HUNDRED EIGHTY-ONE THOUSAND SIX HUNDRED EIGHTY-THREE AND 80/100 DOLLARS (\$581,683.80) based upon the product of the annual rental for the fifth (5th) year of the Lease term (\$505,812.00) and 115%.

Annual Rental for the Third (5)-Year Period. For the third five (5) years of the Lease term, beginning upon the first day of the eleventh (11th) year of the Lease term, LESSEE shall pay to LESSOR an annual rental in the sum of SIX HUNDRED SIXTY-EIGHT THOUSAND NINE HUNDRED THIRTY-SIX AND 37/100 DOLLARS (\$668,936.37) based upon the product of the annual rental for the tenth (10th) year of the Lease term (\$581,683.80) and 115%.

PERFORMANCE BOND:

Sum equal to three times the monthly lease rental 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 15, 2000, 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 _____
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 So Ono Food Products, LLC. for the purpose of operating and maintaining a food processing business.

The DOT has determined that the issuance of a direct lease to So Ono Food Products, LLC. will encourage competition within the airport-related industries at Honolulu International Airport.

RECOMMENDATION:

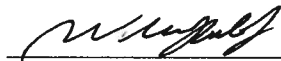
That the Board authorize the Department of Transportation to issue a direct lease to So Ono Food Products, LLC., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation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

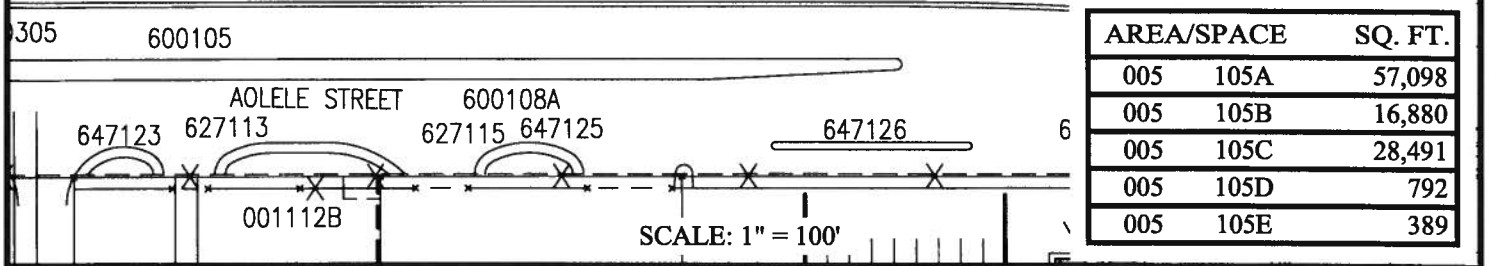
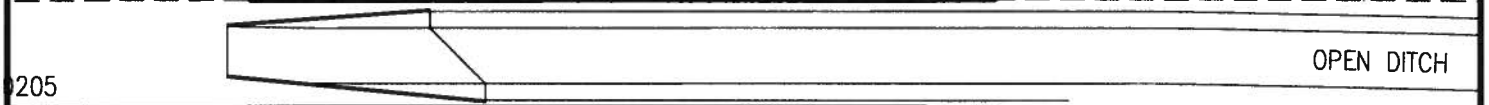
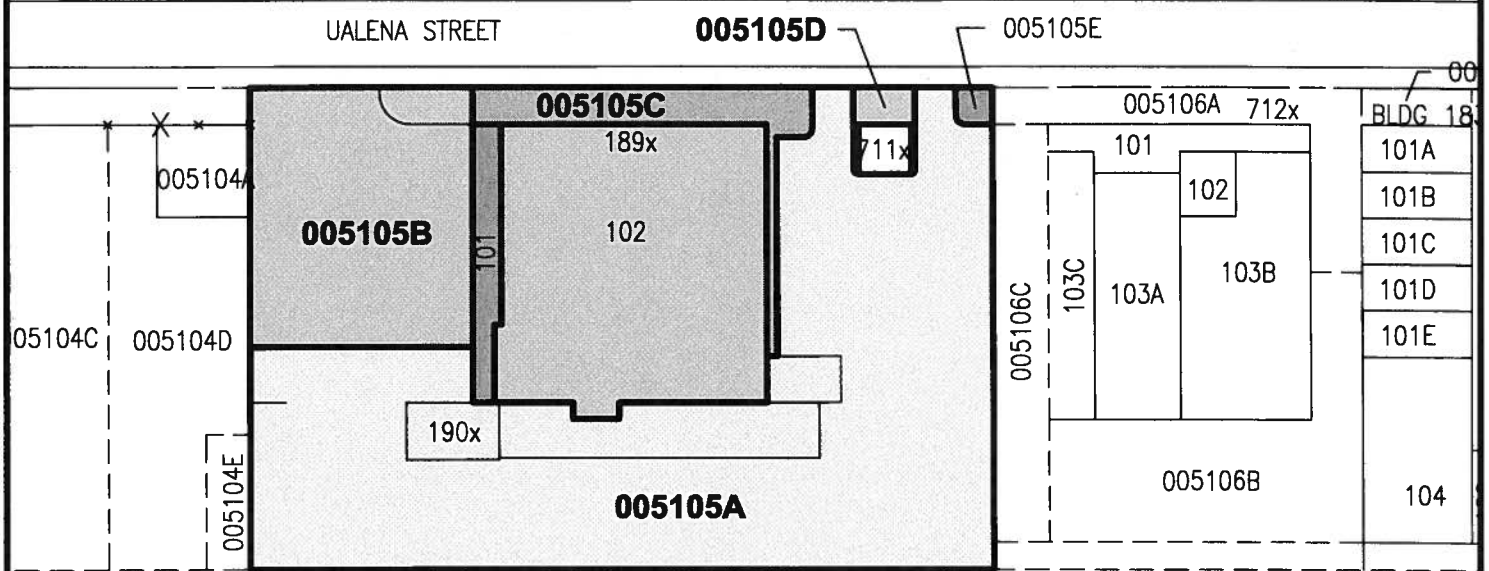
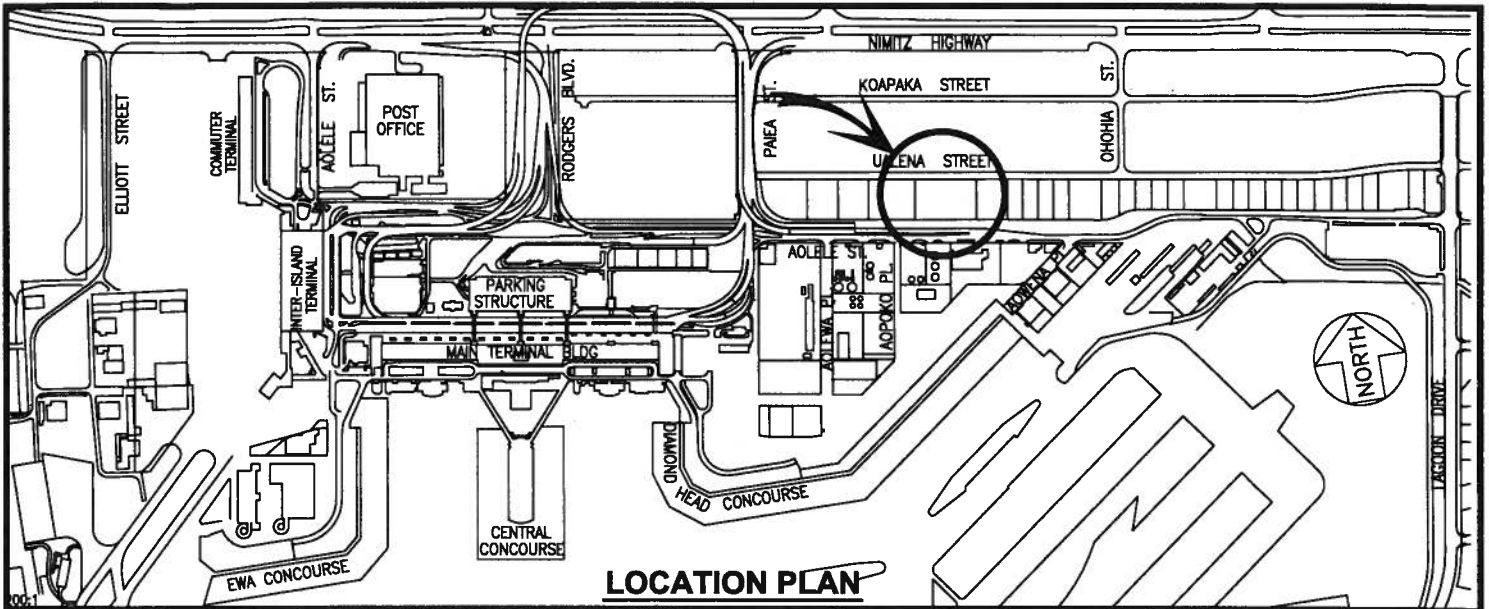


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



AREA/SPACE	SQ. FT.
005 105A	57,098
005 105B	16,880
005 105C	28,491
005 105D	792
005 105E	389

DATE : APRIL 2013 EXHIBIT: **A**



SO ONO FOOD
FOOD PRODUCTS, LLC.

3129 UALENA STREET

005105A-D
PLAT 16

HONOLULU INTERNATIONAL AIRPORT

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