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

ISSUANCE OF A DIRECT LEASE TO TIRE STATION, INC.
2895 UALENA STREET, HONOLULU INTERNATIONAL AIRPORT
TMK: (1) 1-1-04:10

REQUEST:

Issuance of a direct lease to Tire Station, Inc. for the operation and maintenance of a
wholesale tire business.

LEGAL REFERENCE:

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

APPLICANT / LESSEE:

Tire Station, Inc., a Hawaii corporation, authorized to do business in the State of Hawaii,
whose mailing address is 287 Kalihi 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, 1-1-04:10.

AREA:

EXHIBIT A:
Area/Space No. 005-122B, consisting of approximately 8,130 square feet
Building/Space No. 141-101, consisting of approximately 312 square feet,
Building/Space No. 199-101, consisting of approximately 1,638 square feet,
Building/Space No. 199-102, consisting of approximately 3,120 square feet,
Building/Space No. 199-103, consisting of approximately 3,094 square feet,
Building/Space No. 199-104, consisting of approximately 4,706 square feet, and
Building/Space No. 199-201, consisting of approximately 1,638 square feet.
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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 _ X

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 wholesale tire business.

TERM OF LEASE:

Five (5) years.

LEASE COMMENCEMENT DATE:

Upon execution of the lease document.

ANNUAL LEASE RENTAL:

Property Lease Rental. Annual property lease rental in the sum of $119,244 per annum, payable in monthly installments of $9,937.00.

PERFORMANCE BOND:

Sum equal to six 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 ☒ | NO ___ |
| Registered business name confirmed:      | YES ☒ | NO ___ |
| Good standing confirmed:                 | YES ☒ | 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 Tire Station, Inc. for the purpose of operating and maintaining a wholesale tire business. The DOT has determined that the issuance of a direct lease to Tire Station, Inc. 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 Tire Station, Inc., 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