

NEIL ABERCROMBIE  
GOVERNOR



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

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
FORD N. FUCHIGAMI  
RANDY GRUNE  
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JADINE URASAKI

IN REPLY REFER TO:

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

ISSUANCE OF A DIRECT HANGAR & FACILITIES LEASE  
GUARDIAN FLIGHT, INC.  
KONA INTERNATIONAL AIRPORT AT KEAHOLE  
TMK: (3) 7-3-43: PORTION OF 003

HAWAII

REQUEST:

Issuance of a direct lease to Guardian Flight, Inc. to develop, construct, operate, maintain and repair a hangar and related facilities at Kona International Airport at Keahole (KOA)

LEGAL REFERENCE:

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

APPLICANT:

Guardian Flight, Inc. (GFI), an Alaska corporation

LOCATION AND TAX MAP KEY:

Portion of Kona International Airport at Keahole, Kailua-Kona, Island of Hawaii, identified by Tax Map Key: 3<sup>rd</sup> Division, 7-3-43: Portion of 003.

PREMISES:

EXHIBIT B

Land Area: Space No. 006-122, containing an area of approximately 53,743 square feet

TERM OF LEASE:

Thirty (30) years

LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation

**ITEM M-2**

ANNUAL RENTALS AND RENTAL REOPENINGS:

Due to the substantial improvements to be placed on the Premises by the Applicant in the amount of approximately \$1,600,000.00, the annual lease rental for the first year is waived pursuant to Sec. 171-6 Powers, Hawaii Revised Statutes

\$27,946.36 for years 2 through 5  
\$32,138.28 for years 6 through 10  
\$36,959.04 for years 11 through 15

Rental Reopening: Fair Market Rent determined by Independent Appraisal (FMR) for years 16 through 20

Fair Market Rent from year 15 of the lease term plus 115%, for years 21 through 25

Rental Reopening: Fair Market Rent for years 26 through 30

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect

ZONING:

State Land Use District: Urban and Conservation  
County of Hawaii: Industrial (MG-1a) and Open

LAND TITLE STATUS:

Section 5(a), Hawaii Admission Act Ceded  
DHHL 30% entitlement lands Yes \_\_\_ No X

CURRENT USE STATUS:

Airport and aeronautical purposes

CHARACTER OF USE:

Development, construction, operation, maintenance and repair of a hangar and related facilities to support an air ambulance and air medical transportation service and operation

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site  
Improvements: The requested land area is vacant

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

This project will have no significant impact as stated in the Final Environmental Assessment/Finding of No Significant Impact for the Airfield, Terminal and Facility

Improvements for KOA as prepared for the State of Hawaii, Department of Transportation, Airports Division by Wilson Okamoto Corporation, Engineers and Planners under WOC Job No. 8027-01 for State Project No. AH2011-05, and dated March 2013.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

REMARKS:

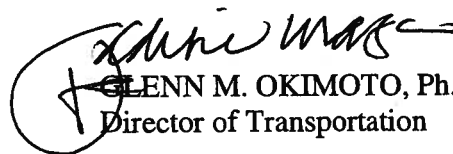
In accordance with Subsection 171-59(b), HRS, as amended, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation (DOT) proposes to issue a direct lease to GFI, for the development, construction, operation, maintenance and repair of a hangar and related facilities lease at KOA. The DOT has determined that the issuance of this direct lease encourages competition and is essential to the aeronautical and airport-related industries at KOA.

By the issuance of this direct lease, GFI provides KOA , the island of Hawaii and the State of Hawaii with an air ambulance and air medical transportation service and operation. DOT, in the public interest, has no objection to GFI's request.


RECOMMENDATION:

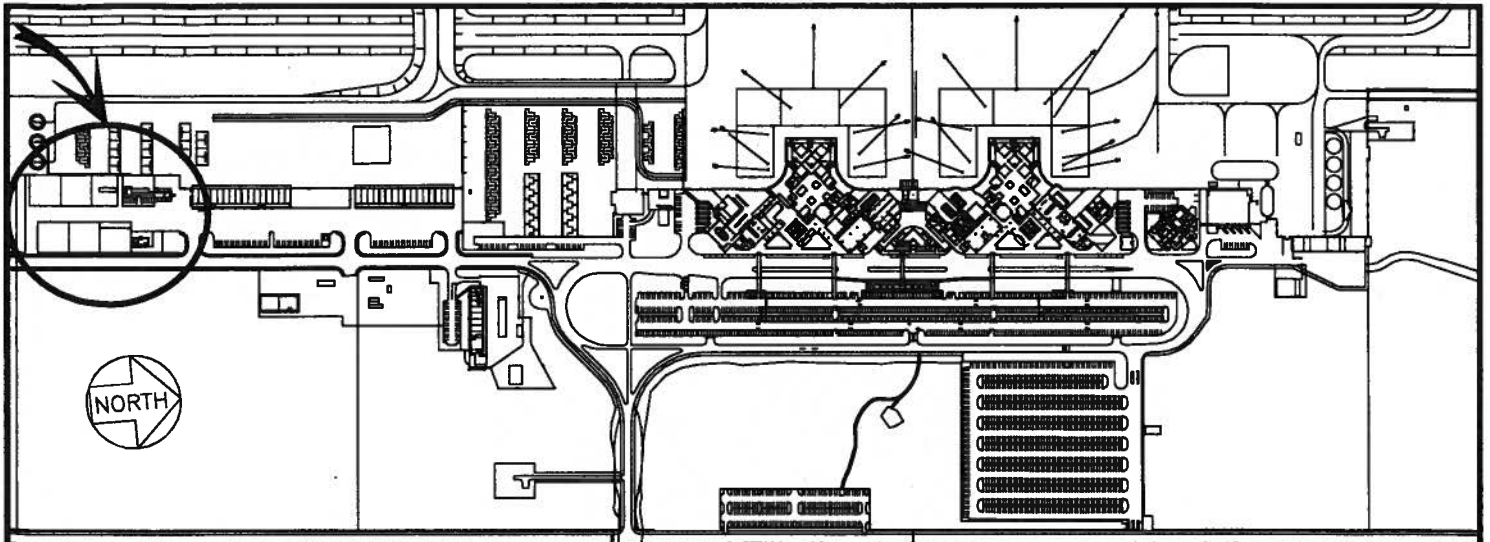
That the Board authorize the issuance of a direct hangar and facilities lease to GFI at KOA, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests 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

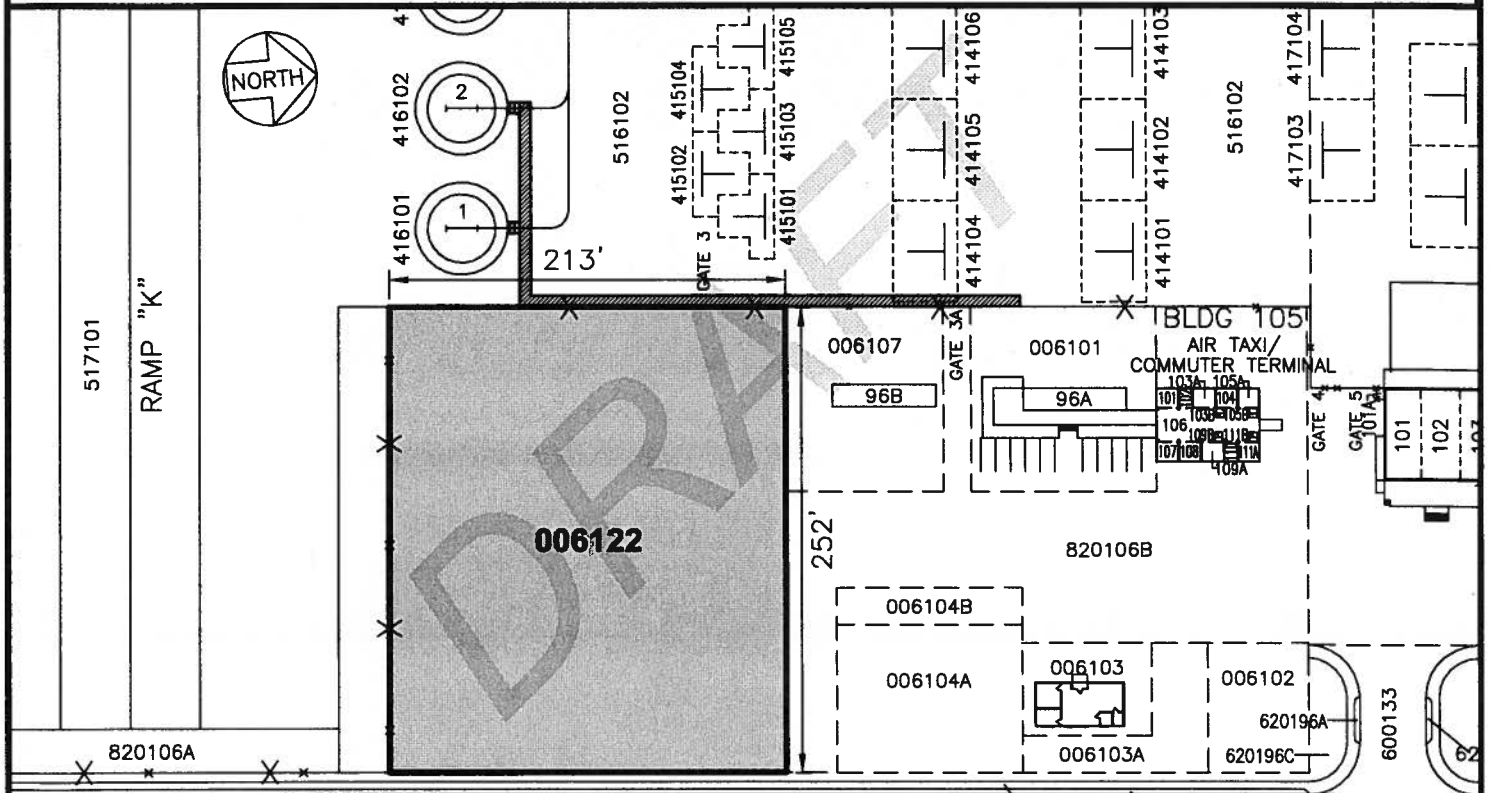
APPROVED FOR SUBMITTAL:

  
WILLIAM J. AILA, JR.  
Chairperson and Member



**LOCATION PLAN**

800:1



U'U STREET

SCALE: 1" = 100'

AREA/SPACE	SQ. FT.
006 122	53,743

DATE : SEPTEMBER 2013

EXHIBIT: **B**



Airports Division

GUARDIAN FLIGHT, INC.

LOT

006122

PLATS B1, 39

**KONA INTERNATIONAL AIRPORT AT KEAHOLE**