



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

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
FORD N. FUCHIGAMI  
RANDY GRUNE  
AUDREY HIDANO  
JADINE URASAKI

IN REPLY REFER TO:

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

AMENDMENT TO PRIOR BOARD ACTION OF MAY 11, 2012 (ITEM M-1),  
AS AMENDED ON MAY 24, 2013 (ITEM M-1) AND AUGUST 24, 2013 (ITEM M-1)  
ISSUANCE OF A DIRECT LEASE TO HYAK AVIATION LLC  
AT HONOLULU INTERNATIONAL AIRPORT  
TO CHANGE THE LOCATION AND TAX MAP KEY, AREA  
AND ANNUAL GROUND LEASE RENT  
TMK: (1) 1-1-072: 81 AND 82 (PORTION)

OAHU

On May 11, 2012, under agenda Item M-1, and amended by the Board on May 24, 2013, under agenda Item M-1 and on August 24, 2013, under agenda Item M-1, pursuant to Section 261-7 and 171-59, Hawaii Revised Statutes, relating to Disposition by Negotiation, the Land Board authorized the Department of Transportation (DOT) to issue a lease to Hyak Aviation LLC, for the operation and maintenance of a private hangar facility at Honolulu International Airport.

PURPOSE:

The DOT requests certain changes to the LOCATION AND TAX MAP KEY, AREA and ANNUAL GROUND LEASE RENT of the lease to Hyak Aviation LLC, previously approved by the Land Board. The changes are as follows:

ORIGINAL

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-072: 011 (portion).

AS AMENDED

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-072: 81 and 82 (portion).

**ITEM M-2**

**ORIGINAL**

**AREA**

Area Space No. 009-107C, containing approximately 26,400 square feet of improved, paved land, as delineated on the attached map labeled Exhibit B.

**AS AMENDED**

**AREA**

Area Space No. 009106B & C, containing approximately 34,320 square feet of improved, paved land, as delineated on the attached map labeled Exhibit B.

**ORIGINAL**

**ANNUAL GROUND LEASE RENTAL:**

First Five (5) Years (Lease Years 1 through 5): \$54,912.00 per annum, payable in monthly payments of \$4,576.00, in advance, based upon the ground lease rental rate of \$2.08 per square foot, per annum for the premises at Honolulu International Airport.

Second Five (5) Years (Lease Years 6 through 10): \$63,148.80 per annum, payable in monthly payments of \$5,262.40, in advance, based upon the product of the annual rental for the fifth (5<sup>th</sup>) year of the Lease term (\$54,912.00) and 115%.

**AS AMENDED**

**ANNUAL GROUND LEASE RENTAL:**

First Five (5) Years (Lease Years 1 through 5): \$71,385.60 per annum, payable in monthly payments of \$5,948.80, in advance, based upon the ground lease rental rate of \$2.08 per square foot, per annum for the premises at Honolulu International Airport.

Second Five (5) Years (Lease Years 6 through 10): \$82,093.44 per annum, payable in monthly payments of \$6,841.12, in advance, based upon the product of the annual rental for the fifth (5<sup>th</sup>) year of the Lease term (\$71,385.60) and 115%.

**REMARKS:**

All other terms as outlined in the submittals previously approved by the Land Board remain unchanged.

RECOMMENDATION:


That the Board amends its prior action of May 11, 2012, under agenda Item M-1, May 24, 2013, under agenda Item M-1, and August 24, 2013, under agenda Item M-1, by approving the changes to the Location and Tax Map Key, Area and Annual Ground Lease Rental, as herein outlined, which are by reference incorporated herein and subject to such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

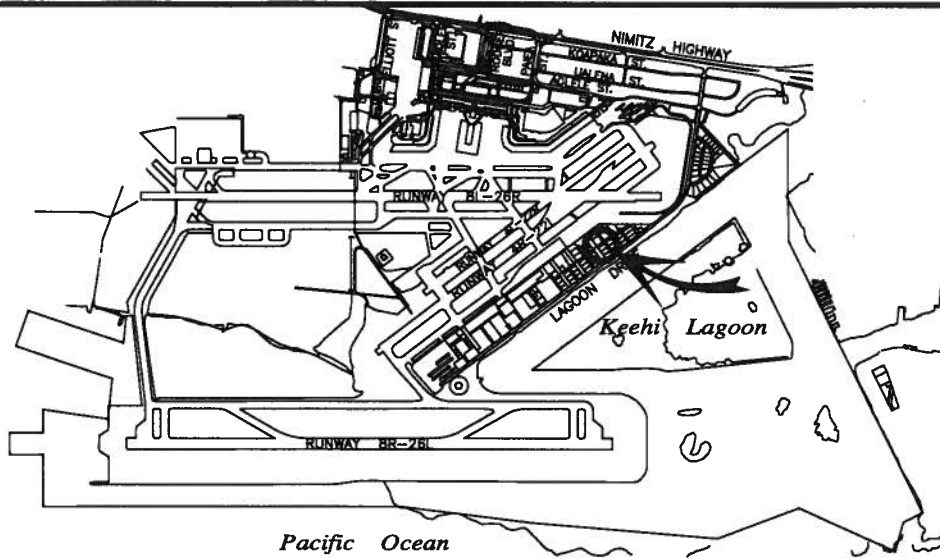
Respectfully submitted,



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

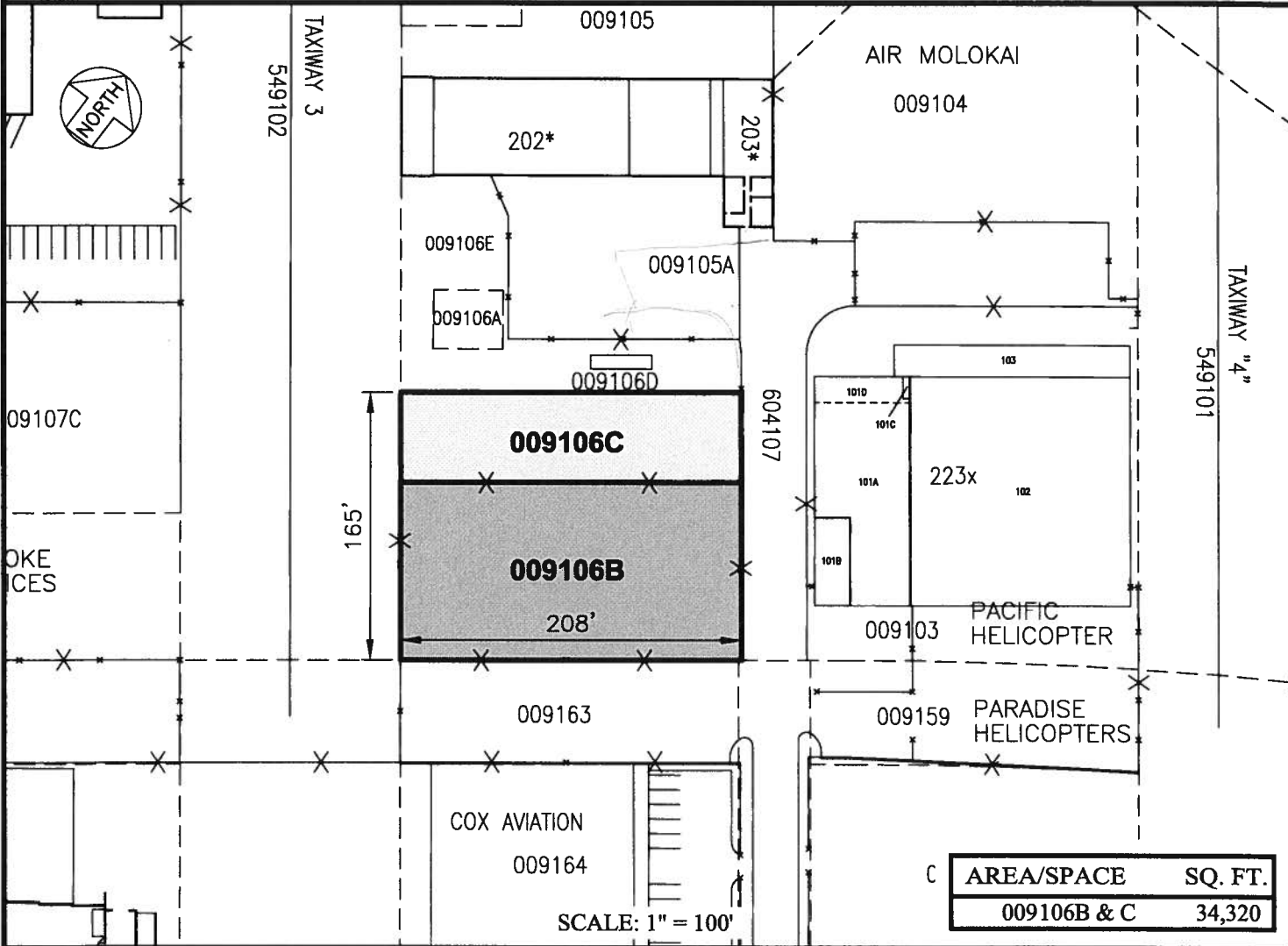
APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
WILLIAM J. AILA, JR.  
Chairperson and Member



**LOCATION PLAN**

5000:1



AREA/SPACE	SQ. FT.
009106B & C	34,320

DATE : JANUARY 2014

EXHIBIT: **B**



**HYAK AVIATION LLC**

**SOUTH RAMP**

**009106B  
009106C  
PLAT 36**

**HONOLULU INTERNATIONAL AIRPORT**

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NEIL ABERCROMBIE  
GOVERNOR



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

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
FORD N. FUCHIGAMI  
RANDY GRUNE  
JADINE URASAKI

IN REPLY REFER TO:

August 23, 2013

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

AMENDMENT TO PRIOR BOARD ACTION OF MAY 11, 2012 (ITEM M-1),  
AS AMENDED ON MAY 24, 2013 (ITEM M-1), ISSUANCE OF A DIRECT LEASE  
TO HYAK AVIATION LLC, HONOLULU INTERNATIONAL AIRPORT  
TO CHANGE THE TERMS OF THE ANNUAL GROUND LEASE RENT  
TMK: (1) 1-1-072: 11 (PORTION) OAHU

On May 11, 2012, under agenda Item M-1, and Amended by the Board on May 24, 2013, under agenda Item M-1, pursuant to Section 261-7 and 171-59, Hawaii Revised Statutes, relating to Disposition by Negotiation, the Land Board authorized the Department of Transportation (DOT) to issue a lease to Hyak Aviation LLC, for the operation and maintenance of a private hangar facility, at Honolulu International Airport.

PURPOSE:

The DOT requests certain changes to the ANNUAL GROUND LEASE RENT of the lease to Hyak Aviation LLC, previously approved by the Land Board. The changes are as follows:

ORIGINAL

ANNUAL GROUND LEASE RENTAL:

Third Five (5) Years (Lease Years 11 through 15): For the third five (5)-years of the Lease term, beginning upon the first day of the eleventh (11<sup>th</sup>) year of the Lease term, the annual land rental shall be determined separately when due in accordance with Article VI. (Reopening of Rent) of the Lease; provided, however, that the land rental for each year shall be no less than a rental of 115% times the annual rental for the last year of the immediately preceding five-year period.

Fifth Five (5) Years (Lease Years 20 through 25): For the fifth five (5)-years of the Lease term, beginning upon the first day of the twentieth (20<sup>th</sup>) year of the Lease term, the annual land rental shall be determined separately when due in accordance with Article VI. (Reopening of Rent) of the Lease; provided however that the land rental for each year shall be no less than a rental of 115% times the annual rental for the last year of the immediately preceding five-year period.

APPROVED BY THE BOARD  
AT ITS MEETING HELD ON

**ITEM M-1**

AUG 23 2013

**AS AMENDED**

**ANNUAL GROUND LEASE RENTAL:**

**Third Five (5) Years (Lease Years 11 through 15):** For the third five (5)-years of the Lease term, beginning upon the first day of the eleventh (11<sup>th</sup>) year of the Lease term, the annual land rental shall be determined separately when due in accordance with Article VI. (Reopening of Rent) of the Lease.

**Fifth Five (5) Years (Lease Years 21 through 25):** For the fifth five (5)-years of the Lease term, beginning upon the first day of the twenty-first (21<sup>st</sup>) year of the Lease term, the annual land rental shall be determined separately when due in accordance with Article VI. (Reopening of Rent) of the Lease.

**REMARKS:**

All other terms as outlined in the submittals previously approved by the Land Board remain unchanged.

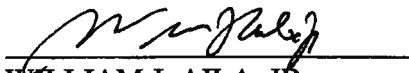
**RECOMMENDATION:**

That the Board amends its prior action of May 11, 2012, under agenda Item M-1, and May 24, 2013, under agenda Item M-1, by approving the change to the Annual Ground Lease Rental, as herein outlined, which are by reference incorporated herein and subject to such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,

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

**APPROVED FOR SUBMITTAL:**

  
WILLIAM J. AILA, JR.  
Chairperson and Member

NEIL ABERCROMBIE  
GOVERNOR



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

May 24, 2013

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
FORD N. FUCHIGAMI  
RANDY GRUNE  
JADINE URASAKI

IN REPLY REFER TO:

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

AMENDMENT TO PRIOR BOARD ACTION OF MAY 11, 2012, ITEM M-1,  
ISSUANCE OF A DIRECT LEASE TO HYAK AVIATION LLC  
HONOLULU INTERNATIONAL AIRPORT  
TMK: (1) 1-1-072: 11 (PORTION)

OAHU

On May 11, 2012, under agenda Item M-1, and pursuant to Section 261-7 and 171-59, Hawaii Revised Statutes, relating to Disposition by Negotiation, the Land Board authorized the Department of Transportation (DOT) to issue a lease to Hyak Aviation LLC, for the operation and maintenance of a private hangar facility, at Honolulu International Airport.

PURPOSE:

The DOT requests certain changes to the REQUEST, AREA, CHARACTER OF USE, and the ANNUAL GROUND LEASE RENT, as written on said submittal previously approved by the Land Board.

The changes should read as follows:

REQUEST:

Issuance of a direct lease to Hyak Aviation LLC for the development, construction, operation, and maintenance of a hangar facility, located on the South Ramp at Honolulu International Airport.

AREA:

Area/Space No. 009-107C, containing approximately 26,400 square feet of improved, paved land, as delineated on the attached map labeled Exhibit A.

CHARACTER OF USE:

The development, construction, operation and maintenance of a hangar facility.

APPROVED BY THE BOARD  
AT ITS MEETING HELD ON

5-24-2013

**ITEM M-1**

**ANNUAL GROUND LEASE RENTAL:**

First Five (5) Years (Lease Years 1 through 5): \$54,912.00 per annum, payable in monthly payments of \$4,576.00, in advance, based upon the ground lease rental rate of \$2.08 per square foot, per annum for the premises at Honolulu International Airport.

Second (5) Years (Lease Years 6 through 10): \$63,148.80 per annum, payable in monthly payments of \$5,262.40, in advance, based upon the product of the annual rental for the fifth (5<sup>th</sup>) year of the Lease term (\$54,912.00) and 115%.

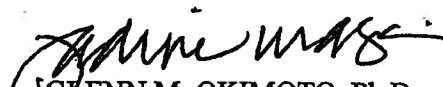
**REMARKS:**

All other terms as outlined in the submittal previously approved by the Land Board remain unchanged.

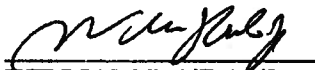
**RECOMMENDATION:**

That the Board amends its prior action of May 11, 2012, under agenda Item M-1, by approving the changes to the Request, Area, Character of Use, and the Annual Ground Lease Rental, as herein outlined, which are by reference incorporated herein and subject to such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

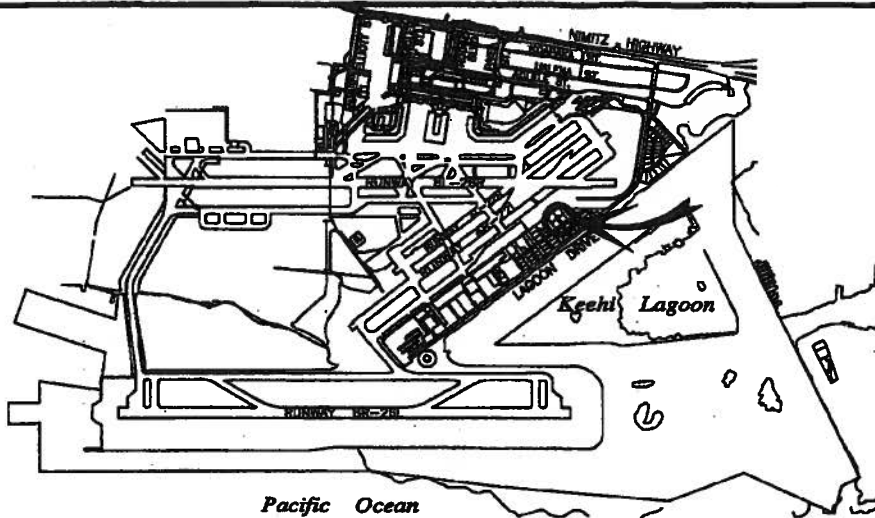
Respectfully submitted,

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

APPROVED FOR SUBMITTAL:

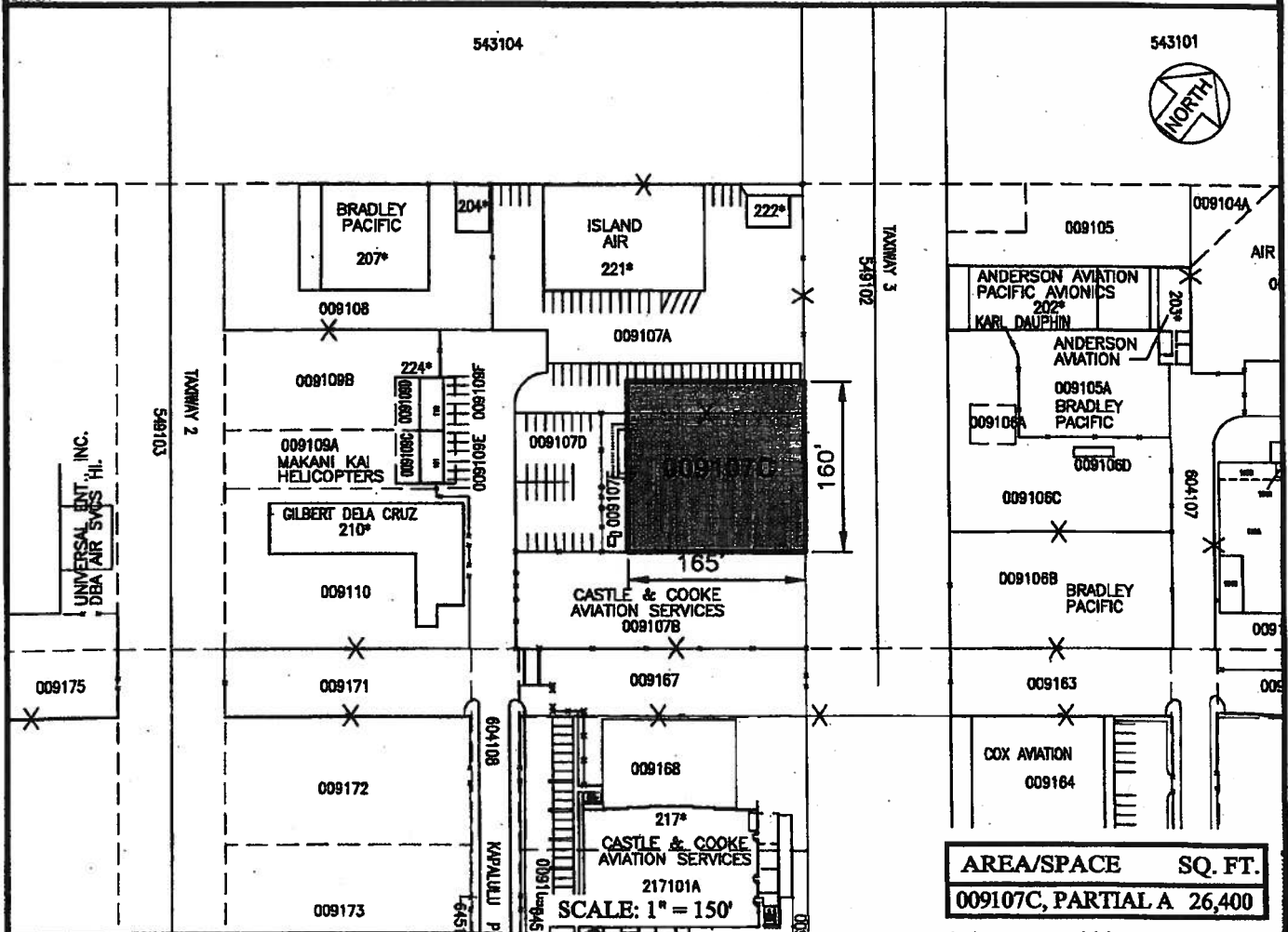
  
WILLIAM J. AILA, JR.  
Chairperson and Member





**LOCATION PLAN**

5000:1



DATE : APRIL 2013

EXHIBIT: **A**



Airports Division

HYAK AVIATION

GENERAL AVIATION  
FACILITIES  
SOUTH RAMP

PARTIAL  
009107A  
009107C  
PLAT 36

**HONOLULU INTERNATIONAL AIRPORT**

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NEIL ABERCROMBIE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097  
May 11, 2012

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
FORD N. FUCHIGAMI  
RANDY GRUNE  
JADINE URASAKI

IN REPLY REFER TO:

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

ISSUANCE OF DIRECT LEASE TO HYAK AVIATION LLC  
TMK no. (1) 1-1-072:011 (portion)  
HONOLULU INTERNATIONAL AIRPORT

OAHU

REQUEST:

Issuance of a direct lease to Hyak Aviation LLC for the development, construction, operation, and maintenance of a private hangar facility, located on the South Ramp at Honolulu International Airport.

LEGAL REFERENCE:

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

APPLICANT / LESSEE:

Hyak Aviation LLC, incorporated under the laws of Nevada authorized to do business in the State of Hawaii.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-072:011 (portion).

AREA:

Lot/Space Nos. 009-107C, containing an area of approximately 24,522 square feet of improved, paved land, as delineated on the attached map labeled Exhibit A.

ZONING:

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

BLNR – Issuance of Direct Lease  
HYAK AVIATION LLC, Honolulu International Airport  
Page 2

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act: Non-ceded  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES  NO

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, 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.

CHARACTER OF USE:

Development, construction, operation, and maintenance of a private hangar 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): \$51,005.76 per annum, payable in monthly payments of \$4,250.48, in advance, based upon present ground lease rental rate of \$2.08 per square foot, per annum for the premises at Honolulu International Airport

Second Five (5) Years (Lease Years 6 through 10): \$58,656.62 per annum, payable in monthly payments of \$4,888.05, in advance, based upon the product of the annual rental for the fifth (5<sup>th</sup>) year of the lease term (\$51,005.76) and 115%.

Third Five (5) Years (Lease Years 11 through 15): For the third five (5) years of the Lease term, beginning upon the first day of the eleventh (11<sup>th</sup>) year of the Lease term, the annual land rental shall be determined separately when due in accordance with Article VI. (Reopening of Rent) of the Lease; provided however that the land rental for each year shall be no less than a rental of 115% times the annual rental for the last year of the immediately preceding five-year period.

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.

Fifth Five (5) Years (Lease Years 20 through 25): For the fifth five (5) years of the Lease term, beginning upon the first day of the twentieth (20<sup>th</sup>) year of the Lease term, the annual land rental shall be determined separately when due in accordance with Article VI. (Reopening of Rent) of the Lease; provided however that the land rental for each year shall be no less than a rental of 115% times the annual rental for the last year of the immediately preceding five-year period.

Sixth Five (5) Years (Lease Years 26 through 30): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (25<sup>th</sup> year) of the lease term.

PERFORMANCE BOND:

Sum equal to the annual land rentals in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

\$1,500,000.00

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: Hyak Aviation, LLC desires to develop, construct, operate and maintain a private hangar facility on the proposed leased premises.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by Volume 3, Environmental Assessment for the Honolulu International Airport Master Plan Update and Noise Compatibility Program, dated September 1989 and referenced as State Project No. AO1011-03. This Environmental Assessment evaluated the environmental effects of the recommended Airport Development Plan which would accommodate the forecast general and commercial aviation needs of the island of Oahu through the year 2005 and was prepared for the State of Hawaii, Department of Transportation, Airports Division by KFC Airport, Inc.

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 _____

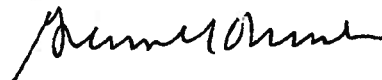
REMARKS:

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 proposes to issue a direct lease to Hyak Aviation LLC for the purpose of developing, constructing, operating, and maintaining a private hangar facility for general aviation purposes at Honolulu International Airport. The DOT has determined that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

RECOMMENDATION:


That the Board authorize the Department of Transportation to issue a direct lease to Hyak Aviation, 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.

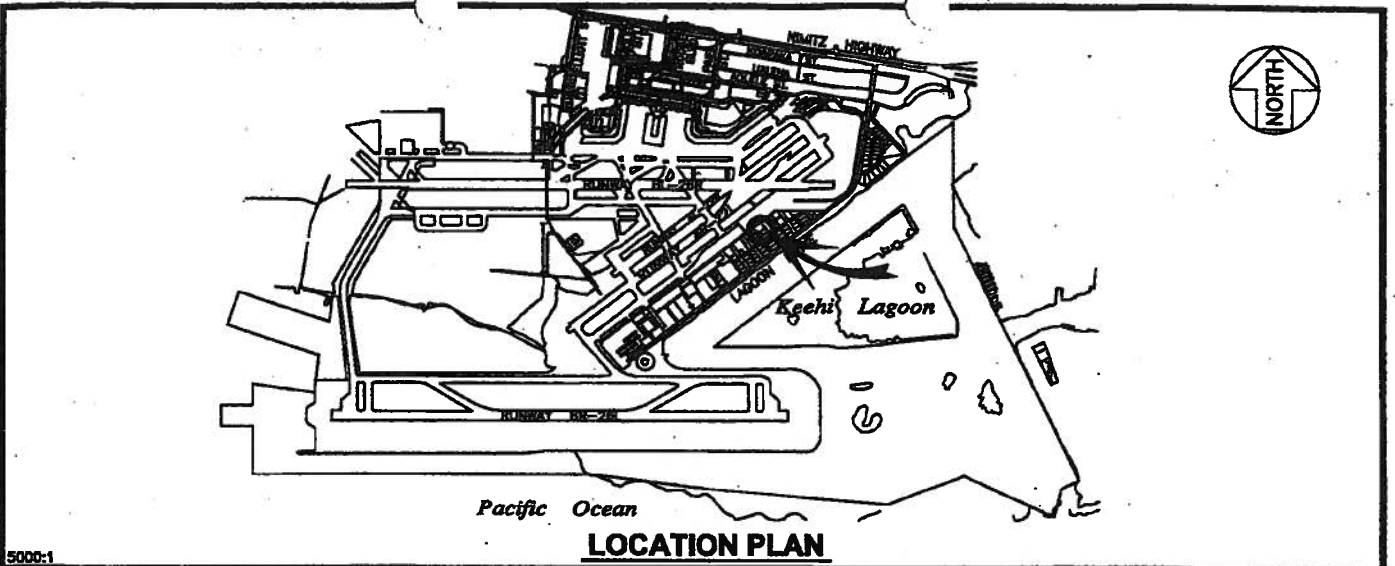
Respectfully submitted,



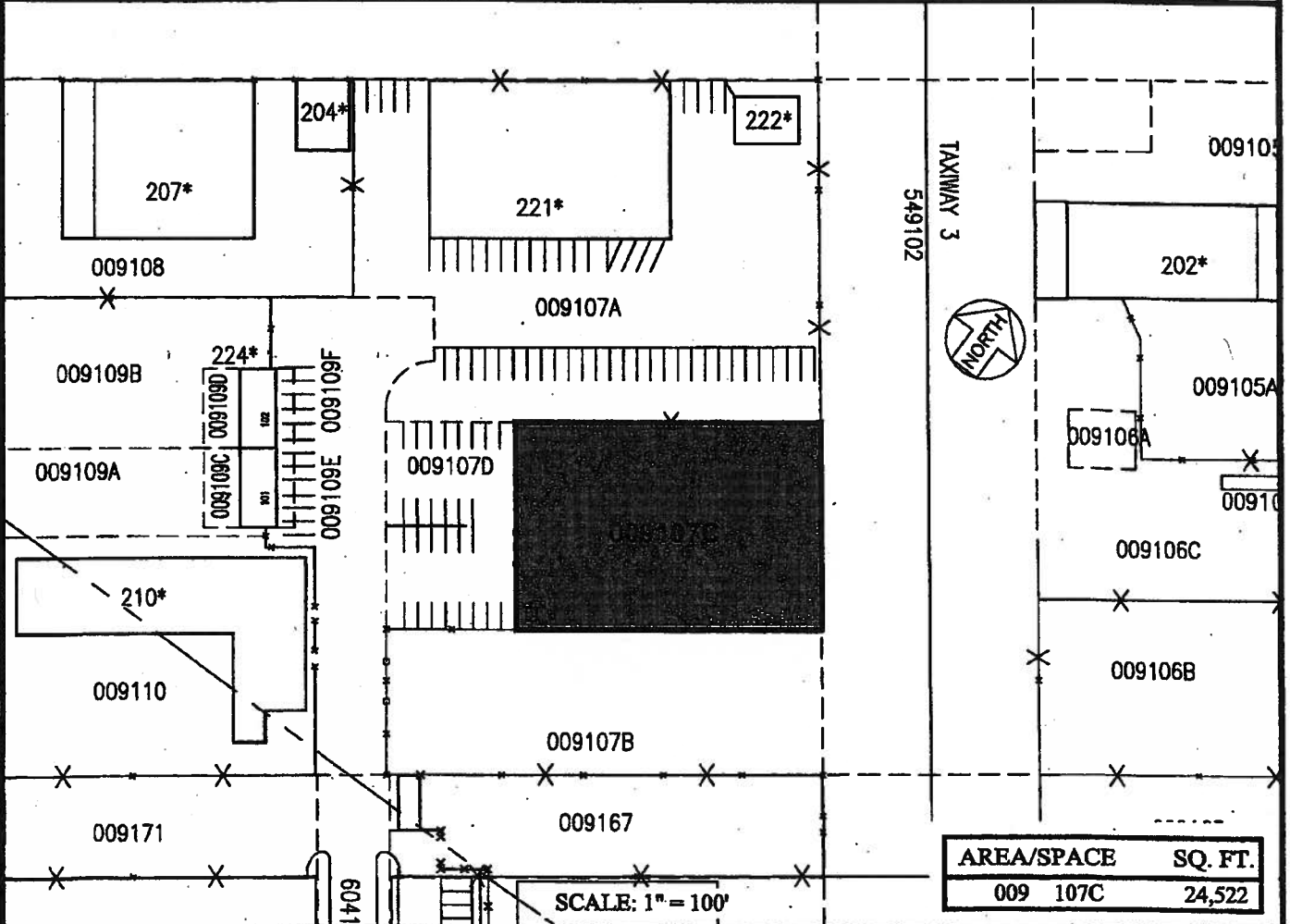
GLENN M. OKIMOTO, Ph.D.  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
WILLIAM J. AILA, JR.  
Chairperson and Member



5000:1



DATE : APRIL 2012

EXHIBIT: **A**



Airports Division

HYAK AVIATION, LLC.

GENERAL AVIATION  
FACILITIES  
SOUTH RAMP

009107C

PLAT 36

**HONOLULU INTERNATIONAL AIRPORT**

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