



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

GLENN M. OKIMOTO
DIRECTOR

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IN REPLY REFER TO:

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

CONSENT TO SUBLEASE FOR SCHOOL BUS PARKING
SO ONO FOOD PRODUCTS, LLC TO GROUND TRANSPORT, INC.
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-14-103 (PORTION):114

OAHU

LEGAL REFERENCE:

Subsection 171-36(a) (6), Hawaii Revised Statutes

LESSEE:

So Ono Food Products, LLC. (So Ono)

SUBLESSEE:

Ground Transport, Inc. (Ground Transport)

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):114, as delineated on the attached map labeled Exhibit A.

AREA:

Portions of Area/Space Nos. 005-105A and 005-105B, containing a land area of approximately 38,675 square feet, as delineated by measurements of 170 ft. x 115 ft. and 8.5 ft. x 270 ft., excepting and reserving the cross hatched area on Area/Space No. 005-105B, all as shown on the attached map labeled Exhibit A.

LEASE TERM :

Fifteen (15) years, commencing upon execution of the lease.

LEASE RENT:

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 TEN THOUSAND AND 00/100 DOLLARS (\$510,000.00), 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-SIX THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$586,500.00) based upon the product of the annual rental for the fifth (5th) year of the Lease term (\$510,000.00) 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 SEVENTY-FOUR THOUSAND FOUR HUNDRED SEVENTY-FIVE AND 00/100 DOLLARS (\$674,475.00) based upon the product of the annual rental for the tenth (10th) year of the Lease term (\$586,500.00) and 115%.

SUBLEASE TERM:

One (1) year.

SUBLEASE RENT:

\$17,403.75 per month.

SUBLEASE CHARACTER OF USE:

Parking for school buses.

SUBLEASE RENT PARTICIPATION PROVISION:

Not applicable.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated May 22, 2001, the subject request qualifies under Exemption Class 1 - “Operations, repairs and maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: Industrial (I2)

LAND TITLE STATUS:

Non-ceded - Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to Hawaii Admission Act 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 State of Hawaii, Department of Transportation, Airports Division (DOTA) for Airport Purposes.

The DOTA 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.

REMARKS:

The Department of Transportation (DOT) will be entering into a direct lease with So Ono for the purpose of operating and maintaining a food processing business. On August 19, 2013, Item M-2, the Land Board authorized DOT to issue a direct lease to So Ono for the property located at 3129 Ualena Street.

So Ono is requesting to sublease a portion of the property at 3129 Ualena Street to Ground Transport to park school buses. DOT has no objections to this sublease request.

RECOMMENDATION:

That the Board authorize DOT to approve the Consent to Sublease between So Ono Food Products, LLC, as Sublessor and Ground Transport, Inc., as Sublessee, as hereinabove outlined, subject to: (1) terms and conditions hereinabove outlines, 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 Consent to Sublease form and content.

Respectfully submitted,

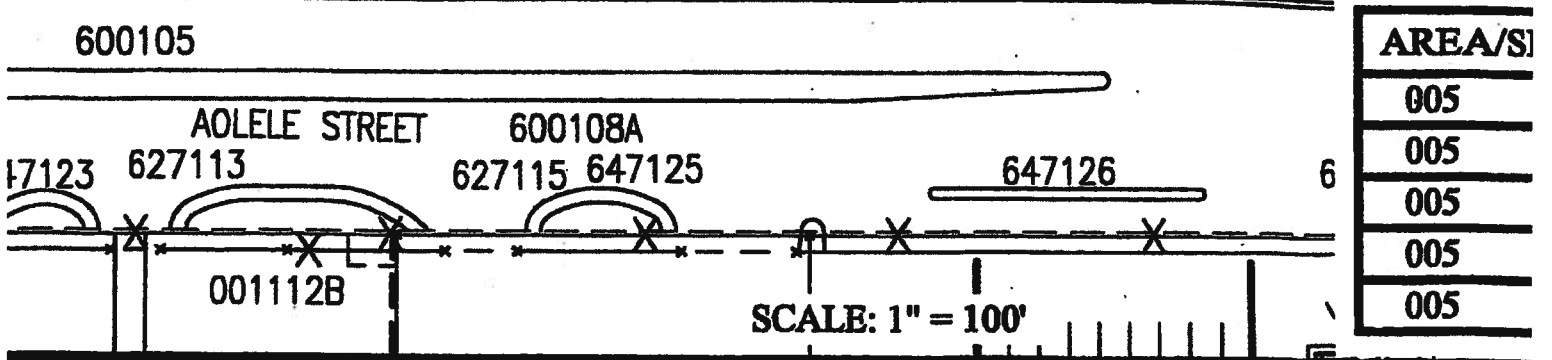
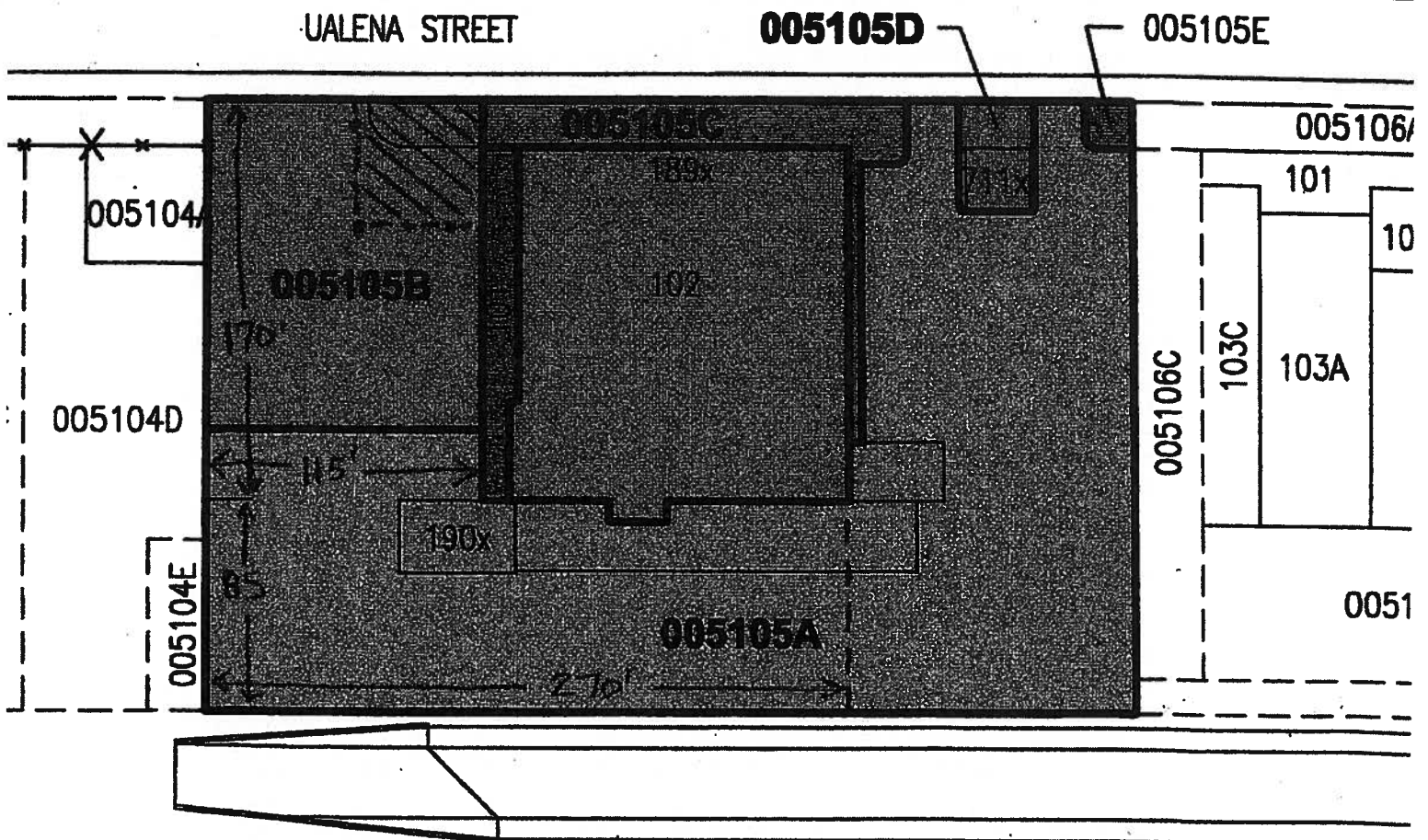
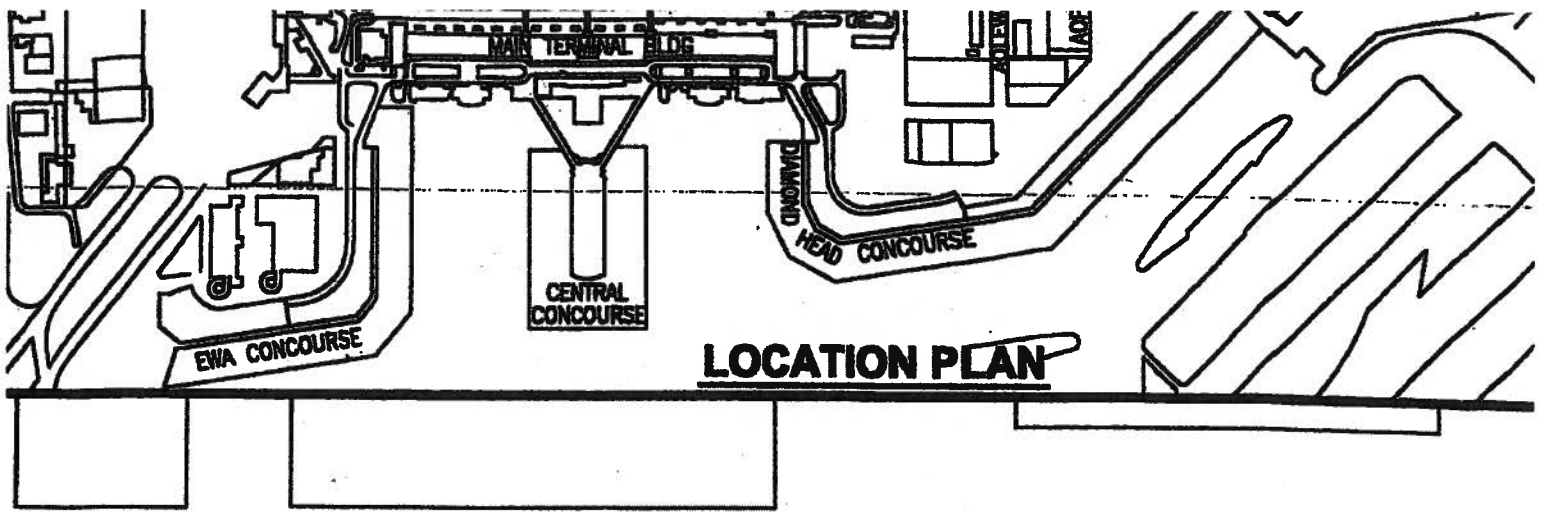


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



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DATE : APRIL 2013

