



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

Deputy Directors
RANDY GRUNE
AUDREY HIDANO
ROSS M. HIGASHI
JADINE URASAKI

IN REPLY REFER TO:

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

ISSUANCE OF A HELIPORT LEASE
ISLAND HELICOPTERS KAUAI, INC.
LIHUE AIRPORT
TAX MAP KEY: (4) 3-5-01: PORTION OF 8

KAUAI

REQUEST:

Issuance of a heliport lease to Island Helicopters Kauai, Inc. for the development, construction, operation, use and maintenance of a fixed-base facility for commercial helicopter operations at Lihue Airport.

APPLICANT:

ISLAND HELICOPTERS KAUAI, INC. (IHK), a Hawaii corporation, authorized to do business in the State of Hawaii.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Portion of Lihue Airport, Lihue, Island of Kauai, identified by Tax Map Key:
4th Division, 3-5-01: Portion of 8

AREAS:

Area/Space Nos. 011-101A and -102A, containing land areas of approximately 12,200 and 6,100 square feet of improved/paved general aviation lands, respectively, and Area/Space Nos. 011-101B thru -101E, and 011-102B thru -102D, containing land areas of approximately 19,677 and 9,839 square feet of improved/unpaved general aviation lands, respectively, as shown and delineated on the attached exhibit labeled "Exhibit A".

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ZONING:

State Land Use: Urban
County: Industrial (IG-STP)

LAND TITLE STATUS:

Section 5(a), Hawaii Admissions Act: Non-Ceded
DHHL, 30% entitlement lands Yes No

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a fixed-base facility for commercial helicopter operations

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation

ANNUAL LAND RENTALS:

Lease years 1-5: \$ 92,349.84
Lease years 6-10: \$106,202.28
Lease years: 11-15: \$122,132.64

REOPENING OF ANNUAL LAND RENTALS:

None

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall, within twelve (12) months after the commencement date of the Lease, invest the sum of not less than \$150,000.00 for upgrading and improving the leased

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ISLAND HELICOPTERS KAUAI, INC.**

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premises and constructing fixed base facility improvements and other accessory leasehold improvements on the leased premises. The upgraded and improved leased premises and fixed base facility and other accessory improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the Department of Transportation, Airports Division, in writing, prior to the commencement of any construction work.

ANNUAL LAND RENTAL COMMENCEMENT:

The annual land rental payable to DOT shall commence on the day the lessee physically occupies the premises or one year from the effective date of the lease, whichever occurs sooner.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: IHK desires to develop, construct, operate, use and maintain a fixed base facility for commercial helicopter operations on the proposed leased premises.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land areas are covered by the Environmental Assessment for Lihue Airport Ahukini Road Realignment and General Aviation Subdivision dated March 6, 1997. This Environmental Assessment evaluated the environmental effects of the recommended Airport Plan to realign Ahukini Road and the development of a General Aviation Subdivision. The assessment was prepared by the State of Hawaii, Department of Transportation, Airports Division.

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 to Management and Disposition of Public Lands and relating specifically to Disposition by Negotiation, the Department of Transportation proposes to issue a heliport lease to IHK for the purpose of developing, constructing, operating, using and maintaining a fixed-base facility for its commercial helicopter operations.

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RECOMMENDATION:


That the Board authorize the Department of Transportation to issue a heliport lease to IHK 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,

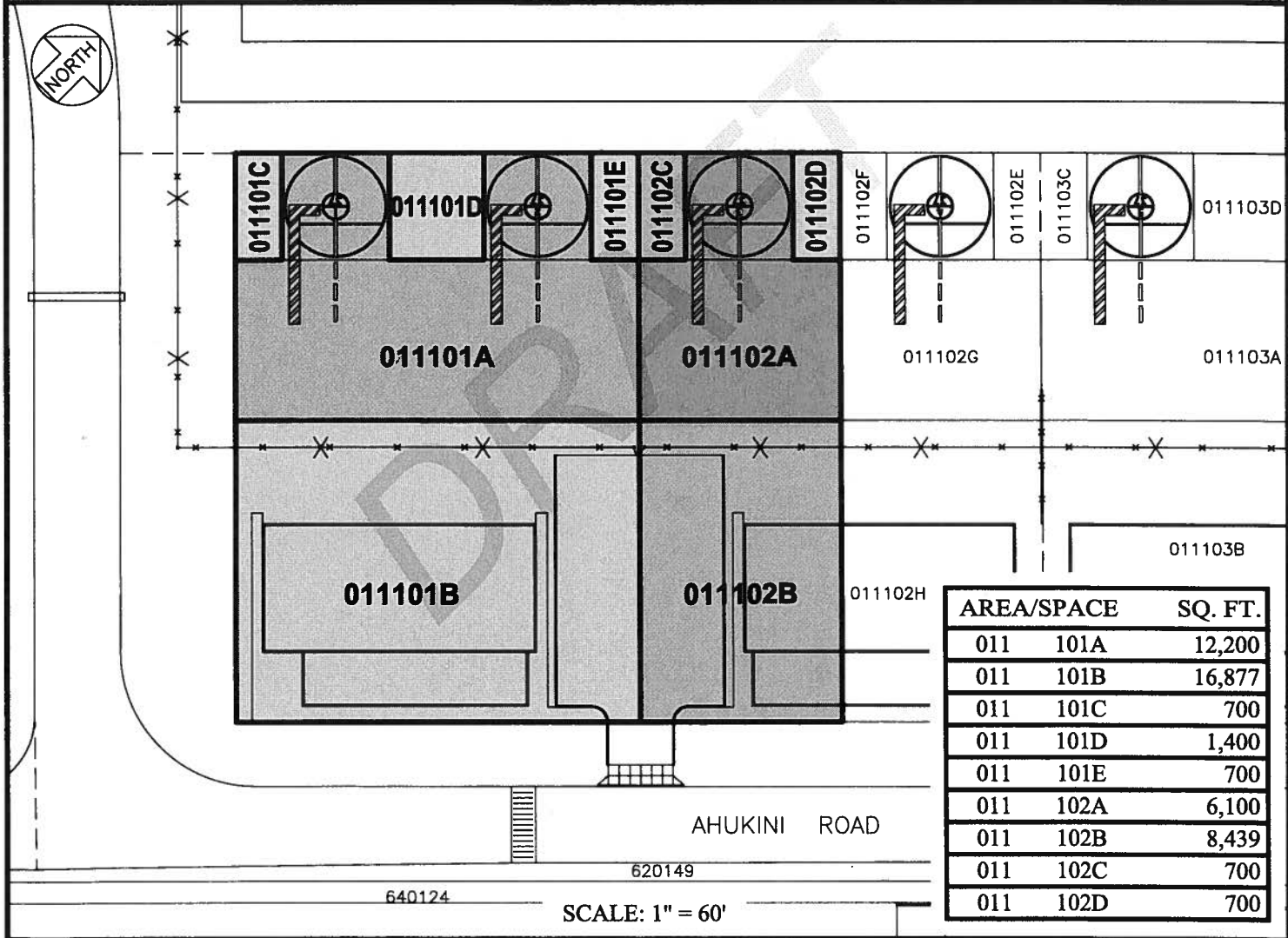
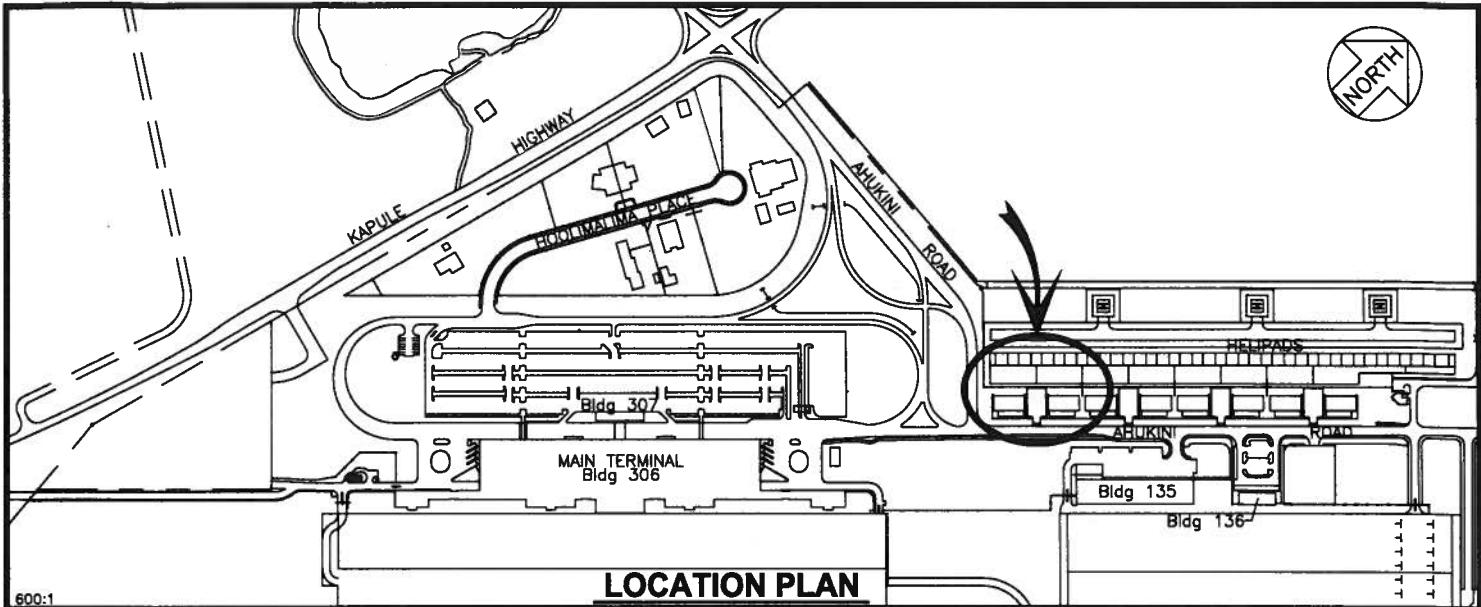


FORD N. FUCHIGAMI
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, Jr.
Chairperson and Member



DATE : JUNE 2014

EXHIBIT: **A**



ISLAND HELICOPTERS
KAUAI, INC.

HELIPORT
LOTS

011101A-E
011102A-D
PLATS A1, D1, 35

LIHUE AIRPORT