

DAVID Y. IGE  
GOVERNOR



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

FORD N. FUCHIGAMI  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

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

ISSUANCE OF A DIRECT LEASE FOR  
LAND FOR AN AVIATION FUELING FACILITY  
HAWAII FUELING FACILITIES CORPORATION  
HILO INTERNATIONAL AIRPORT  
TAX MAP KEY: (3) 2-1-12: PORTION OF 90

HAWAII

REQUEST:

Issuance of a Direct Lease to Hawaii Fueling Facilities Corporation for land for an aviation fueling facility at Hilo International Airport (ITO)

LEGAL REFERENCE:

Subsection 171-59, Hawaii Revised Statutes, as amended

APPLICANT:

Hawaii Fueling Facilities Corporation (HFFC), whose business address is 3201 Aolele Street, Honolulu, Hawaii, 96819

AREA:

Area/Space No. 007-121, containing an area of approximately 63,706 square feet of improved, unpaved land, as shown on the attached map labeled Exhibit "A"

LOCATION AND TAX MAP KEY:

Portion of Hilo International Airport (ITO), Hilo, Island of Hawaii, identified by Tax Map Key: 3<sup>rd</sup> Division, 2-1-12: Portion of 90

ZONING:

State Land Use District:  
County of Hawaii:

Urban  
Industrial (ML-20)

**ITEM M-2**

BLNR – ISSUANCE OF A DIRECT LEASE  
HAWAII FUELING FACILITIES CORPORATION  
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LAND TITLE STATUS:

Section 5(a) lands (“ceded” lands) of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to Hawaii Admission Act YES  NO

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Aviation fueling facility

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site  
Improvements: All improvements exist at the site

TERM OF LEASE:

Thirty-five (35) years

COMMENCEMENT DATE:

Upon complete execution of the direct lease

ANNUAL RENTALS:

Lease years 1 thru 5:	\$70,076.64
Lease years 6 thru 10:	\$80,588.16
Lease years 11 thru 15:	\$92,676.24
Lease years 16 thru 20:	Fair market rent determined by independent appraisal and no less than annual rental of year 15 times 115%
Lease years 21 thru 25:	Annual rental for year 20 times 115%
Lease years 26 thru 30:	Fair market rent determined by independent appraisal and no less than annual rental of year 25 times 115%
Lease years 31 thru 35:	Annual rental for year 30 times 115%

PERFORMANCE BOND:

Equivalent to the annual rental then in effect

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>

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.

REMARKS:

On March 27, 2015, under Item M-10, the Board approved the issuance of a revocable permit to HFFC under the exact same facts outlined above. After further consideration to its request, HFFC decided it was in its and the DOT's best interests to request for a long term lease instead. The DOT has no objections to HFFC's request for a direct lease in accordance with Sections 171-59, HRS, as amended, relating generally to the Management and Disposition of Public Lands, and relating specifically to Disposition by negotiation. The DOT has determined that the issuance of this direct lease encourages competition and is essential to the aeronautical and airport-related industry at ITO.

RECOMMENDATION:


That the Board authorize the Department of Transportation to issue a direct lease to HFFC, 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,



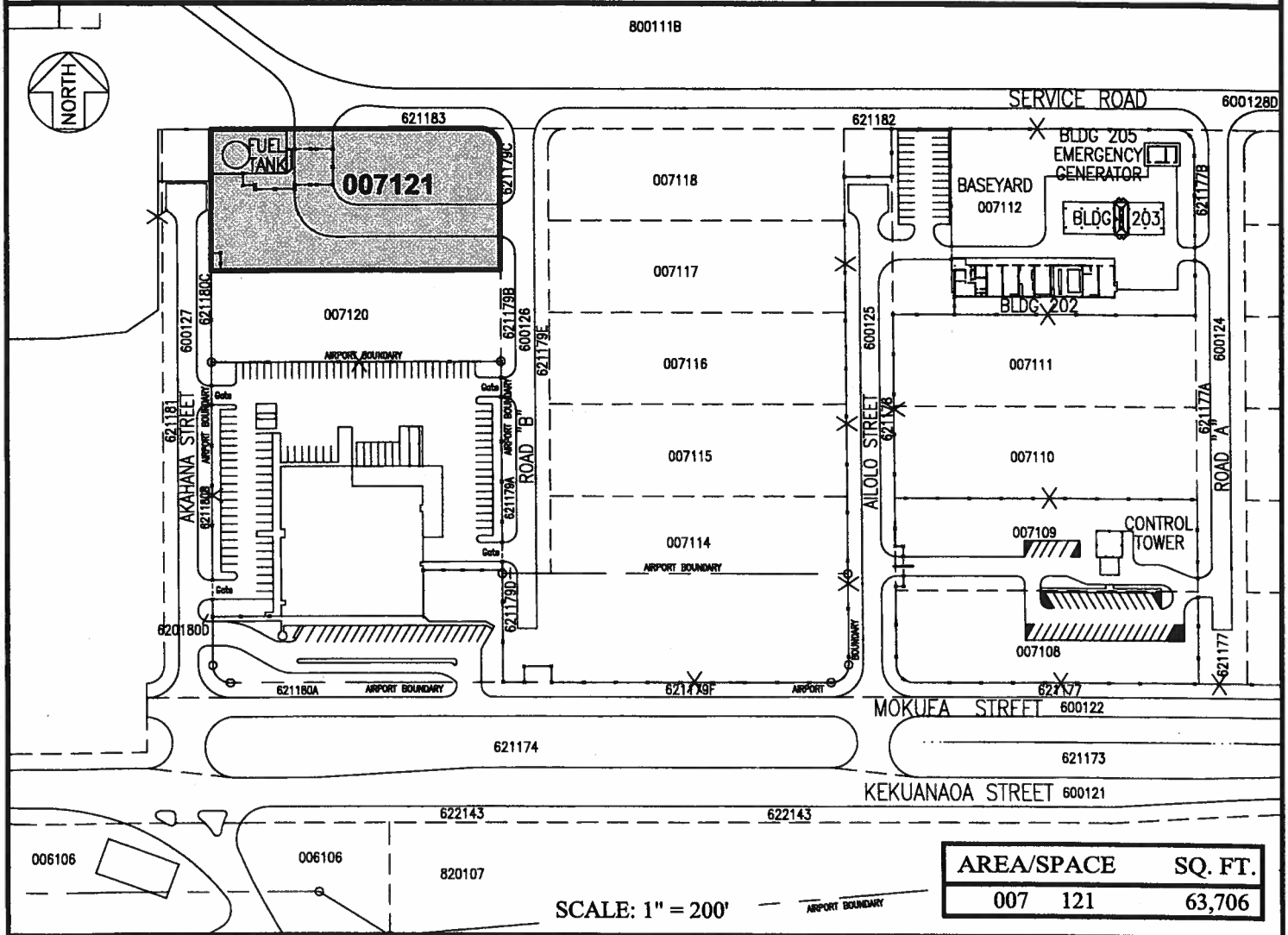
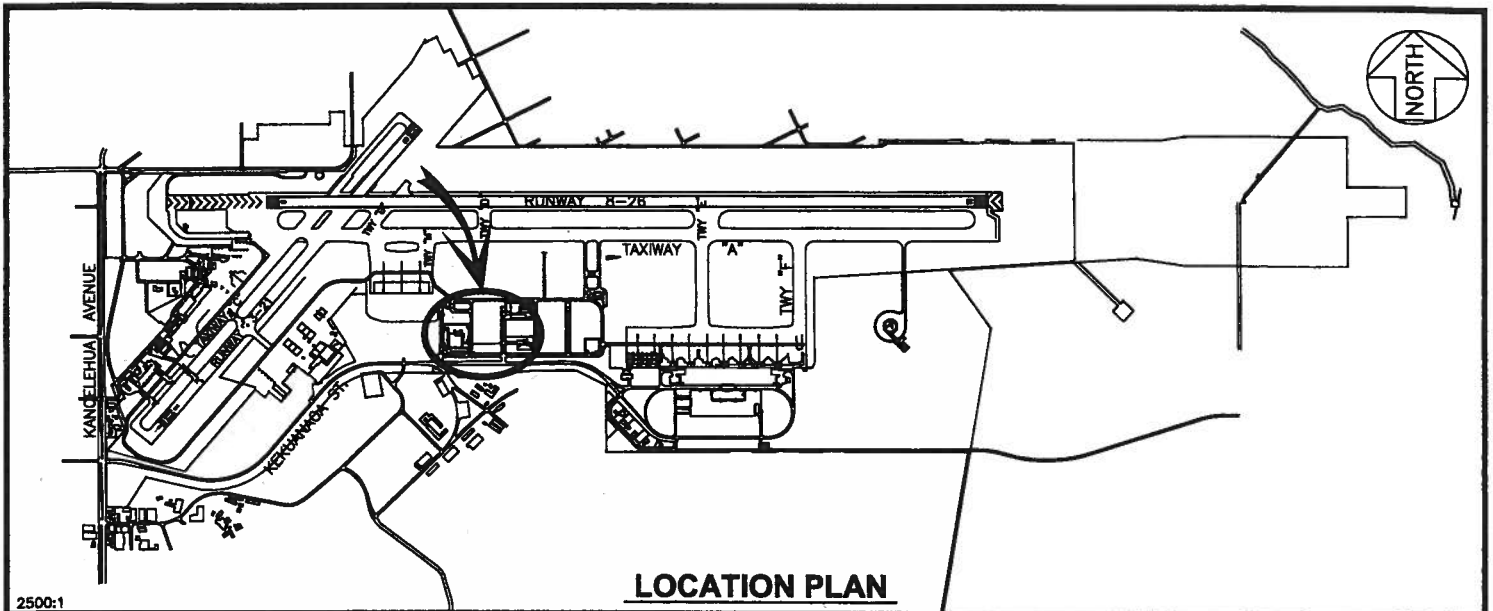
FORD N. FUCHIGAMI  
Director of Transportation

APPROVED FOR SUBMITTAL:



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SUZANNE D. CASE  
Chairperson and member



DATE : MARCH 2015

EXHIBIT: **A**



Airports Division

**HAWAII  
FUELING FACILITIES  
CORPORATION**

LOT

**007121**

**PLAT 31**

**HILO INTERNATIONAL AIRPORT**