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

ISSUANCE OF AN AIRPORT LAND LEASE
TO AEKO KULA, INC., KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-01: 19 (PORTION)

REQUEST:

Issuance of an airport land lease to AEKO KULA, INC., at Kahului Airport to handle
bulk cargo mail for intra-State of Hawaii for the United States Postal Service-Kahului
Airport Processing Center.

APPLICANT:

AEKO KULA, INC. (AKI) dba ALOHA AIR CARGO, a Hawaii corporation, its mailing
address being 371 Aokea Place, Honolulu, Hawaii 96819

LEGAL REFERENCE:

Section 171-59, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Kahului Airport, Tax Map Key 2nd Division - 3-8-01: 19 (Portion)

AREA/SPACE:

Area/Space consisting of unimproved, unpaved land of approximately 43,630 square feet
as delineated on the attached Exhibit A

ZONING:

State Land Use: Urban
County of Maui: Airport

ITEM M-6
TRUST LAND STATUS:

Section 5(a), Hawaii Admission Act: Non-ceded
DHHL 30% entitlement lands: No

CURRENT USE STATUS:

Airport and aeronautical

CHARACTER OF USE:

Handling of bulk cargo mail of the United States Postal Service

LEASE TERM:

Five years commencing on a date to be determined by the
Director of Transportation.

ANNUAL RENTAL:

$115,183.20

PERFORMANCE BOND:

An amount equal to the annual rental then in effect

CHAPTER 343, HRS-ENVIRONMENTAL ASSESSMENT:

The proposed use of airport land was included in the September 1997 Final Federal and
State Environmental Impact Statement (EIS) which was prepared in support of (1) the
Federal actions consisting of approval of the Airport Layout Plan and (2) the State of
Hawaii actions consisting of state environmental approval and construction of proposed
Kahului Airport Improvements. The EIS complied with the requirements of Chapter 343
of the Hawaii Revised Statutes (HEPA), and Title 11, Chapter 200 of the State of Hawaii,
Department of Health Administrative Rules

DCCA VERIFICATION:

Place of business registration confirmed: YES X
Registered business name confirmed: YES X
Applicant in good standing confirmed: YES X
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 (DOT) proposes to issue a direct lease to AKI for the purpose of handling bulk cargo mail for the United States Postal Service. The DOT has determined that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

RECOMMENDATION:

That the Board approve the issuance of a direct lease subject to: (1) the terms and conditions hereinabove outlined; (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) the review and approval of the Department of the Attorney General.

Respectfully submitted,

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member