

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 Hawai'i
Honolulu, Hawai'i

RESCISSION OF PRIOR BOARD ACTION UNDER ITEM M-3, DECEMBER 9, 2010
AND TO AUTHORIZE THE ISSUANCE OF A HANGAR FACILITIES LEASE BY
PUBLIC AUCTION FOR GENERAL AVIATION PURPOSES
KAWAIHAPAI AIRFIELD, WAIALUA, HAWAI'I
TAX MAP KEY: (1) 6-08-14-23

O'AHU

REQUEST:

Issuance of a Hangar Facilities Lease by notice of public auction for the operation and maintenance of a hangar facility at Kawaihapai Airfield (commonly referred to as Dillingham Aifield), Waialua, Hawai'i.

LEGAL REFERENCE:

Sections 171-14,-16,-17,-41, and other applicable sections of Chapter 171, Hawaii Revised Statutes.

LOCATION:

Portion of Kawaihapai Airfield, Waialua, Island of O'ahu, State of Hawai'i, identified by Tax Map Key: 1st Division, 6-08-14-23.

AREA:

Building Space No. HDH-91A-101, containing an area of approximately 7,500 square feet,

Improved Unpaved Land, Space No. HDH-001-102A, containing an area of approximately 2,850 square feet, and

ITEM M-2

BLNR –RESCISSION OF PRIOR BOARD ACTION UNDER ITEM M-3, DECEMBER 9, 2010, AND TO AUTHORIZE THE ISSUANCE OF A HANGAR FACILITIES LEASE BY PUBLIC AUCTION FOR GENERAL AVIATION PURPOSES

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Improved Unpaved Land, Space No. HDH-001-102B, containing an area of approximately 6,370 square feet, as shown and delineated on the attached map labeled Exhibit A.

ZONING:

State Land Use District: Agriculture
City and County of Honolulu LUO: AG-2

LAND TITLE STATUS:

Ceded land, which the State of Hawaii (State) is currently leasing the land from the United States of America.

CURRENT USE STATUS:

Land used for airport purposes.

TERM OF LEASE:

To be determined by the Director of Transportation at a later date and expiring July 5, 2020.

CHARACTER OF USE:

General Aviation

COMMENCEMENT DATE:

To be determined by the Director of Transportation at a later date.

MINIMUM UPSET ANNUAL RENT:

An independent real estate appraiser has determined the fair market building lease rental amount shall be \$40,500.00 per annum and the ground lease rental amount shall be \$9,957.60. Therefore, the total minimum upset annual rent for the building and land shall be \$50,457.60.

SECURITY DEPOSIT:

Three (3) times the monthly rent in effect.

BLNR –RESCISSION OF PRIOR BOARD ACTION UNDER ITEM M-3, DECEMBER 9, 2010, AND TO AUTHORIZE THE ISSUANCE OF A HANGAR FACILITIES LEASE BY PUBLIC AUCTION FOR GENERAL AVIATION PURPOSES

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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.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site.

Existing Improvements: Maintenance and operation of a hangar facility (100' x 75' dimensions).

REMARKS:

The United States Secretary of the Army (Army) and the State of Hawaii, Department of Transportation (HDOT) entered into a lease for the Dillingham Military Reservation, commonly referred to as Dillingham Airfield, for a term of 25 years effective July 6, 2009. Due to public demand and being the only hangar at the airfield, HDOT decided to auction the hangar in late 2010. However, HDOT later learned that the Army was authorized to lease the airfield for only five (5) years. The prior Board approval, Item M-3, December 9, 2010, stated a hangar lease term of five (5) years which would have extended beyond the expiration date. For this reason, HDOT did not move forward with the auction.

The lease, however, was extended for another year which ended on July 5, 2015. The Army agreed to lease the airfield to HDOT for another five (5)-year lease while they seek authorization to issue HDOT a 25-year lease.

HDOT requests that prior Board approval, Item M-3, December 9, 2010 be rescinded due to the lapse of time and the need for changes to be made to the term, lease rent, airfield name, and performance bond requirement.

BLNR –RESCISSION OF PRIOR BOARD ACTION UNDER ITEM M-3, DECEMBER 9, 2010, AND TO AUTHORIZE THE ISSUANCE OF A HANGAR FACILITIES LEASE BY PUBLIC AUCTION FOR GENERAL AVIATION PURPOSES

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In accordance with Section 171-14, -16, -17, -41 and other applicable sections of Chapter 171, 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 hangar facilities lease through notice of public auction for the purpose of operating, and maintaining a hangar facility for general aviation activities at Kawaihapai Airfield.

RECOMMENDATION:

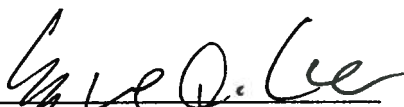
That the Board rescind its prior action under Item M-3, December 9, 2010 and authorize the Department of Transportation to issue a hangar facilities lease through a notice of public auction, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other 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,

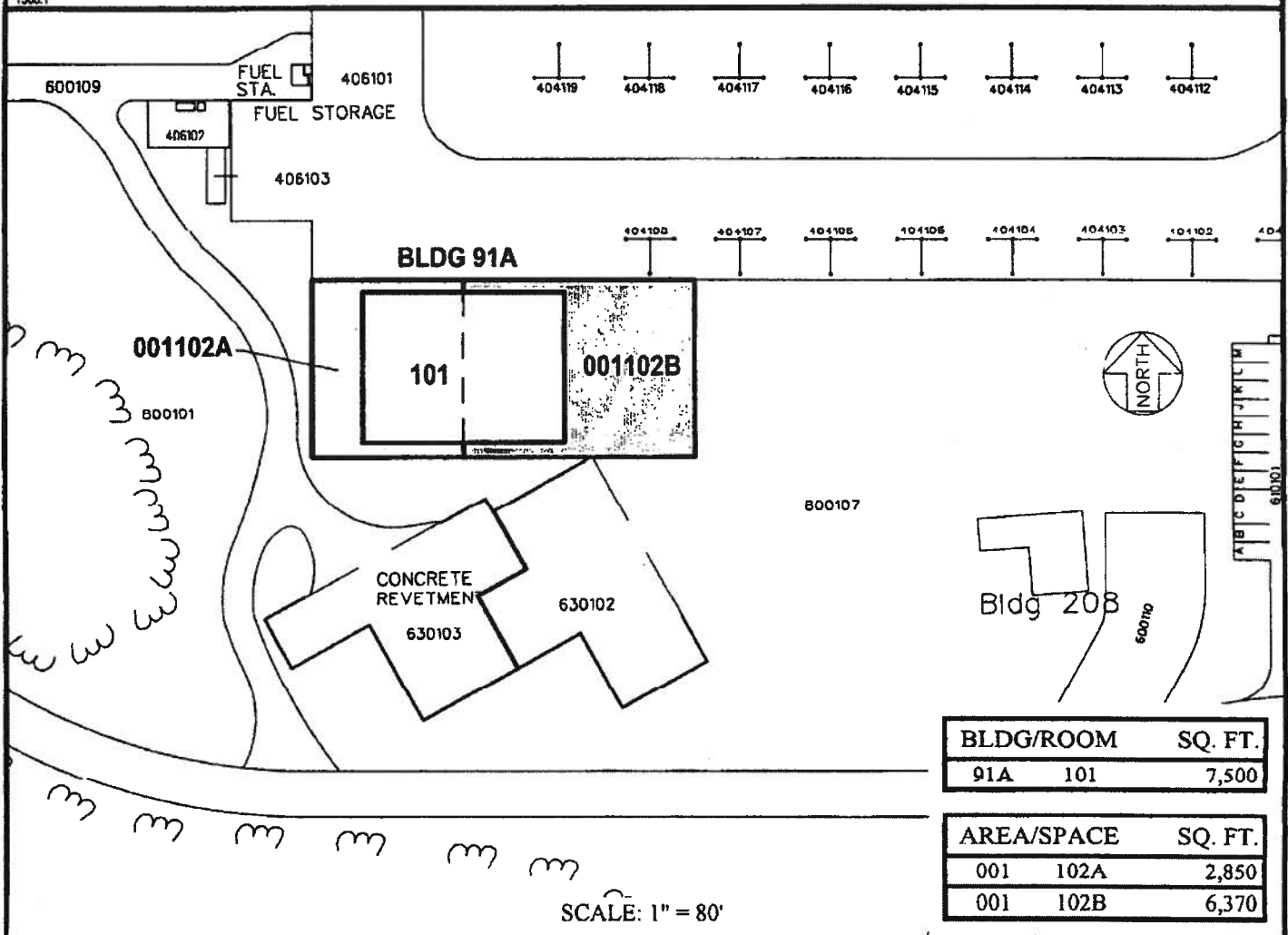
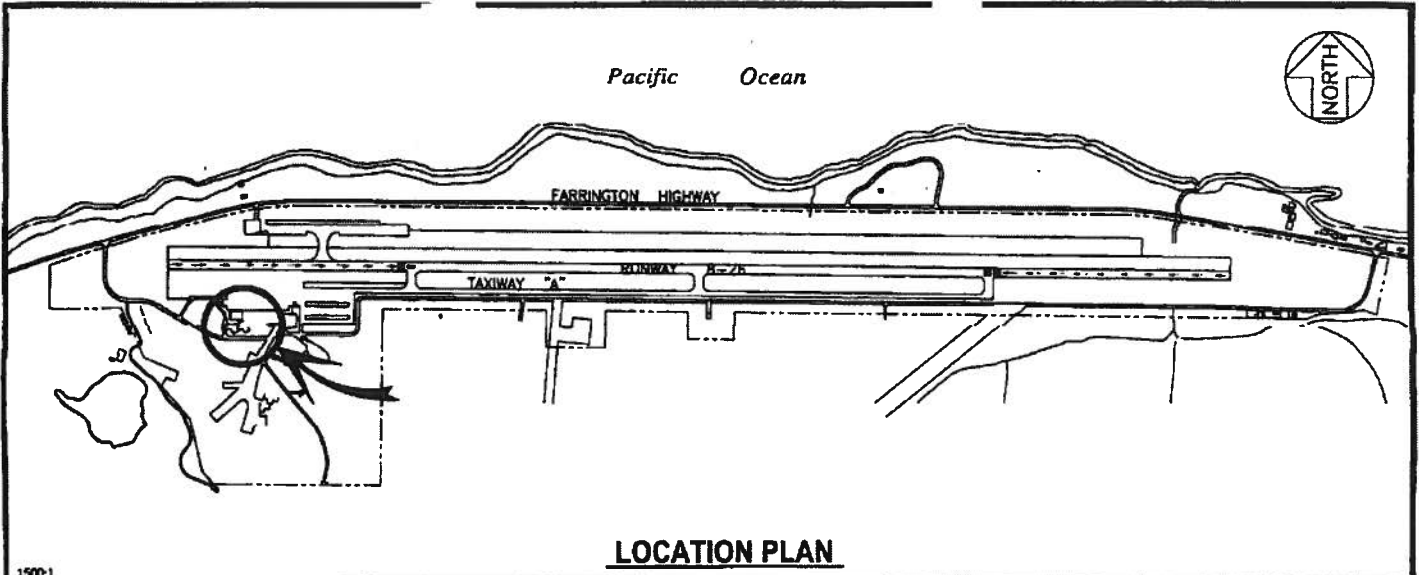


FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member



BLDG/ROOM	SQ. FT.
91A 101	7,500

AREA/SPACE	SQ. FT.
001 102A	2,850
001 102B	6,370

DATE : OCTOBER 2010

EXHIBIT: **B**



**BUILDING 91A
HANGAR**

91A101
001102A
001102B
PLAT B1

LINDA LINGLE
GOVERNOR



MICHAEL D. FORMBY
INTERIM DIRECTOR

Deputy Directors
FRANCIS PAUL KEENO
JIRO A. SUMADA

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

IN REPLY REFER TO:

December 9, 2010

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

**ISSUANCE OF A HANGAR FACILITIES LEASE BY PUBLIC AUCTION
DILLINGHAM AIRFIELD, WAIALUA, HAWAII**

OAHU

REQUEST:

Issuance of a Hangar Facilities Lease by notice of public auction for the operation and maintenance of a hangar facility at Dillingham Airfield, Waialua, Hawaii.

LEGAL REFERENCE:

Sections 171-14, -16, -17, -41, and other applicable section of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Portion of Dillingham Airfield, Waialua, Island of Oahu, identified by
Tax Map Key: 1-6-8-14-23

AREA:

Building Space No. HDH-91A-101, containing an area of approximately 7,500 square feet, Improved Unpaved Land, Space No. HDH-001-102A, containing an area of approximately 3,026 square feet, and Improved Unpaved Land, Space No. HDH-001-102B, containing an area of approximately 6,194 square feet, as shown and delineated on the attached map labeled Exhibit A.

ZONING:

State Land Use District: Agriculture
City and County of Honolulu: AG-2

ITEM M-3

LAND TITLE STATUS:

The fee title to the land is currently vested in the United States of America (USA).
The State of Hawaii (State) is currently leasing the land from the USA.
The State is currently in negotiations with the USA to acquire the fee title to said land.

CURRENT USE STATUS:

Land used for airport purposes

CHARACTER OF USE:

General Aviation

TERM OF LEASE:

Five (5) years

LEASE COMMENCEMENT DATE:

Upon execution of the Lease.

MINIMUM UPSET ANNUAL RENT

An independent real estate appraiser has determined the fair market building lease rental amount shall be \$12,000 per annum and the ground lease rental amount shall be \$4,425.60. Therefore, the total minimum upset annual rent for the building and land shall be \$16,425.60.

PERFORMANCE BOND:

Sum equal to the annual rentals in effect

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Existing Improvements: Maintenance and operation of a hangar facility
(100' x 75' dimensions)

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 1, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operation, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previous existing.

REMARKS:

In accordance with Section 171-14, -16, -17, -41 and other applicable sections of Chapter 171, 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 hangar facilities lease through notice of public auction for the purpose of operating, and maintaining a hangar facility for general aviation activities at Dillingham Airfield.

RECOMMENDATION:

That the Board authorize the Department of Transportation issue a hangar facilities lease through notice of public auction, 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.

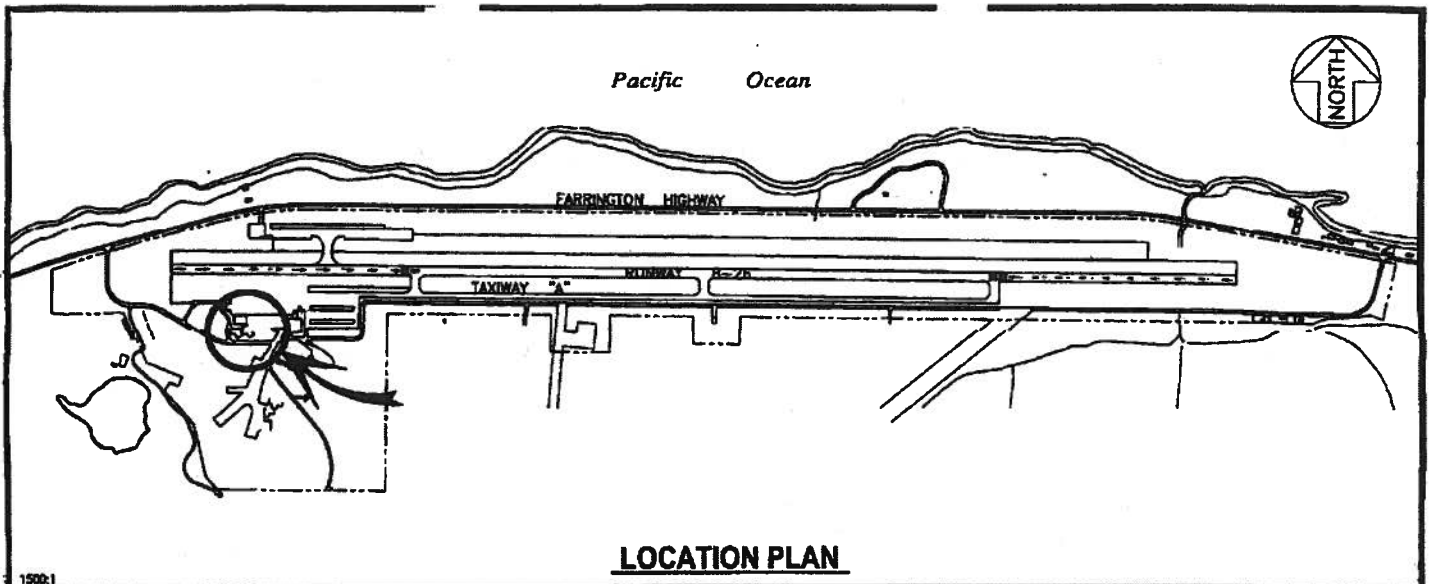
Respectfully submitted,


MICHAEL D. FORMBY
Interim Director of Transportation

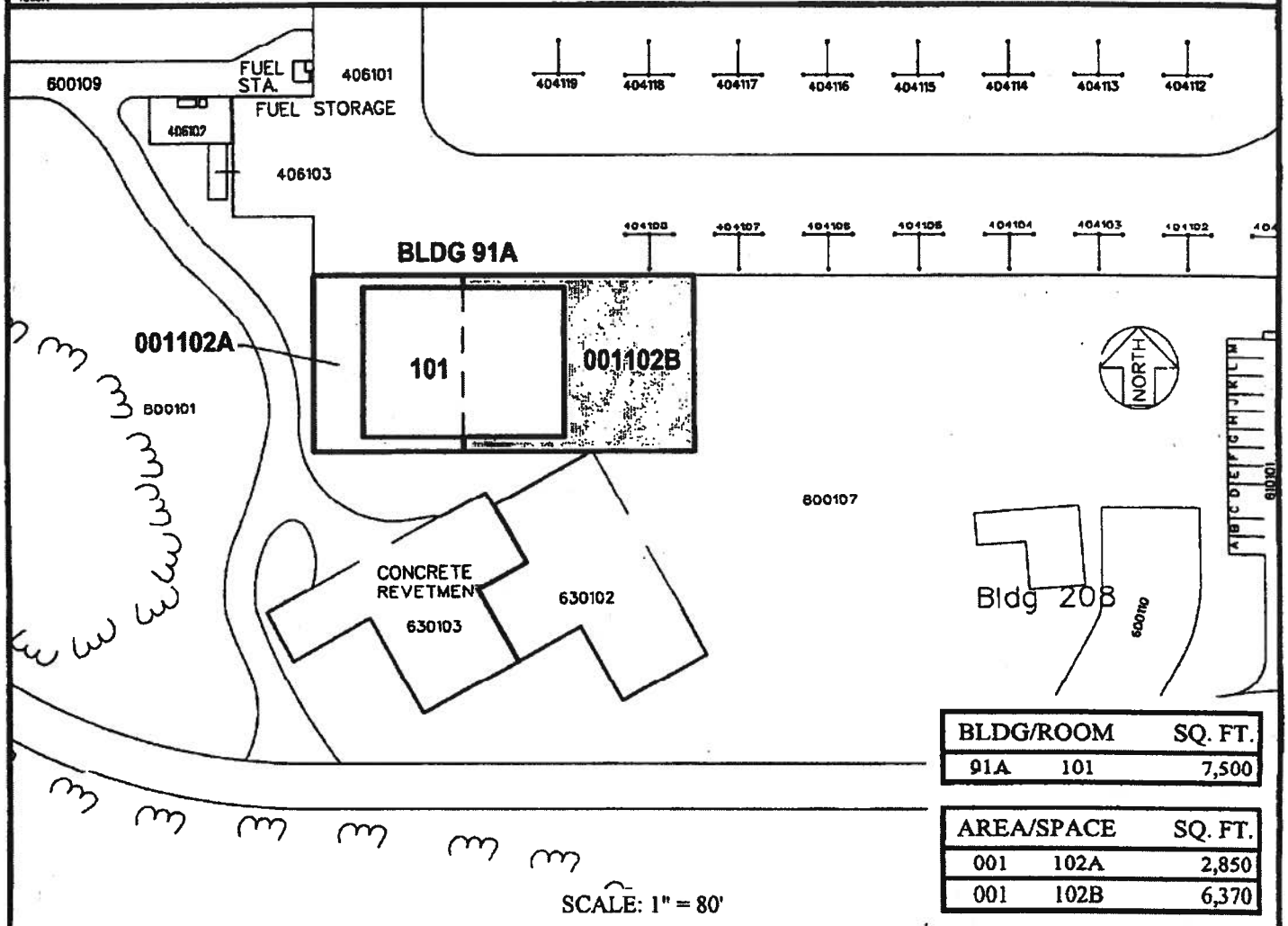
APPROVED FOR SUBMITTAL:



LAURA H. THIELEN
Chairperson and Member



1500:1



DATE : OCTOBER 2010

EXHIBIT: **B**



**BUILDING 91A
HANGAR**

91A101
001102A
001102B
PLAT B1