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

ISSUANCE OF A DIRECT AIR CHARTER TERMINAL FACILITY LEASE
KAISERAIR INC.
KONA INTERNATIONAL AIRPORT AT KEAHOLE
TMK: (3) 7-3-43: PORTION OF 003

REQUEST:

Issuance of a direct lease to Kaiserair Inc. to operate, maintain, and repair an air charter terminal facility at Kona International Airport at Keahole (KOA).

LEGAL REFERENCE:

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

APPLICANT:

Kaiserair Inc. (KAI), a Hawaii corporation

LOCATION AND TAX MAP KEY:

Portion of Kona International Airport at Keahole, Kailua-Kona, Island of Hawaii, identified by Tax Map Key: 3rd Division, 7-3-43: Portion of 003.

PREMISES:

EXHIBIT A
Area/ Space No. 800-101, containing an area of approximately 26,979 square feet of improved, paved land, and Building/ Room Nos. 347-101 thru -104, containing an area of approximately 3,235 square feet of floor space, and 2,828 square feet of office space

TERM OF LEASE:

Ten (10) years
LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation

ANNUAL RENTALS AND RENTAL REOPENING:

Years 1 through 5: $102,822.48

Years 6 through 10: Rental Reopening at Fair Market Rent determined by Independent Appraisal.

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect

ZONING:

State Land Use District: Urban and Conservation
County of Hawaii: Industrial (MG-1a) and Open

LAND TITLE STATUS:

Section 5(a), Hawaii Admission Act Ceded
DHHL 30% entitlement lands Yes No X

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Operation, maintenance and repair of an air charter terminal facility

PROPERTY CHARACTERISTICS:

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

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.

DCCA VERIFICATION:

Place of business registration confirmed: YES ✓ NO __
Registered business name confirmed: YES ✓ NO __
Good standing confirmed: YES ✓ NO __

REMARKS:

In accordance with Subsection 171-59(b), HRS, as amended, relating generally 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 KAI, for the operation, maintenance and repair of an air charter terminal facility. The DOT has determined that the issuance of this direct lease encourages competition and is essential to the aeronautical and airport-related industries at KOA.

RECOMMENDATION:

That the Board authorize the issuance of a direct lease for an air charter terminal facility to KAI at KOA, subject to: (1) terms and conditions herein outlined, 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 lease form and content.

Respectfully submitted,

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member