

DAVID Y. IGE
GOVERNOR



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

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DIRECTOR

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JADE T. BUTAY
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IN REPLY REFER TO:

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

ISSUANCE OF A HANGAR AND FACILITIES LEASE BY PUBLIC AUCTION
KONA INTERNATIONAL AIRPORT AT KEAHOLE
TMK: (3) 7-3-43: PORTION OF 003

HAWAII

REQUEST:

Issuance of A Hangar and Facilities Lease by notice of public auction for the development, construction, operation, maintenance, and repair of a hangar and related facilities at Kona International Airport at Keahole (KOA)

LEGAL REFERENCE:

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

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.

AREA:

Area/space No. 006-124, containing a total area of approximately 142,195 square feet of unimproved, unpaved land, as shown and delineated on the attached Exhibit B

TERM OF LEASE:

Thirty-five (35) years

COMMENCEMENT DATE:

Upon execution of the Lease

ITEM M-14

BLNR – ISSUANCE OF A HANGAR AND FACILITIES LEASE BY PUBLIC AUCTION
KONA INTERNATIONAL AIRPORT AT KEAHOLE
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MINIMUM UPSET ANNUAL RENT AND RENTAL REOPENINGS:

Years 1 through 5: \$78,207.24 (as determined from the DOTA schedule of rates and charges established by appraisal of Airports' property statewide),
Years 6 through 10: Rental Reopening at fair market rent determined by appraisal
Years 11 through 15: Rental Reopening at fair market rent determined by appraisal
Years 16 through 20: Rental Reopening at fair market rent determined by appraisal
Years 21 through 25: Rental Reopening at fair market rent determined by appraisal
Years 26 through 30: Rental Reopening at fair market rent determined by appraisal
Years 31 through 35: Rental Reopening at fair market rent determined by appraisal

EFFECTIVE RENTAL:

The amount of the successful bid at public auction

PERFORMANCE BOND:

The sum equal to the total annual rental then in effect

ZONING:

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

TRUST LAND STATUS:

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

CURRENT USE STATUS:

Vacant and unencumbered

CHARACTER OF USE:

Development, construction, operation, maintenance and repair of a hangar and related facilities for business and commercial purposes

PROPERTY CHARACTERISTICS:

Utilities: There are no utilities available at the site
Improvements: The requested land area is vacant

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

This project will have no significant impact as stated in the Final Environmental Assessment/Finding of No Significant Impact for the Airfield, Terminal and Facility Improvements for KOA as prepared for the State of Hawaii, Department of Transportation, Airports Division by Wilson Okamoto Corporation, Engineers and Planners under WOC Job No. 8027-01 for State Project No. AH2011-05, and dated March 2013.

REMARKS:

In accordance with Section 171-14, -16, -17, -41 and other applicable sections of Chapter 171, HRS, as amended, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by notice of public auction, the Department of Transportation (DOT) proposes to issue a hangar and facilities lease through notice of public auction for the purpose of developing, constructing, operating, maintaining and repairing a hangar and related facilities at KOA. The DOT has determined that the issuance of this lease through notice of public auction encourages competition and is essential to the aeronautical and airport-related industries at KOA.


RECOMMENDATION:

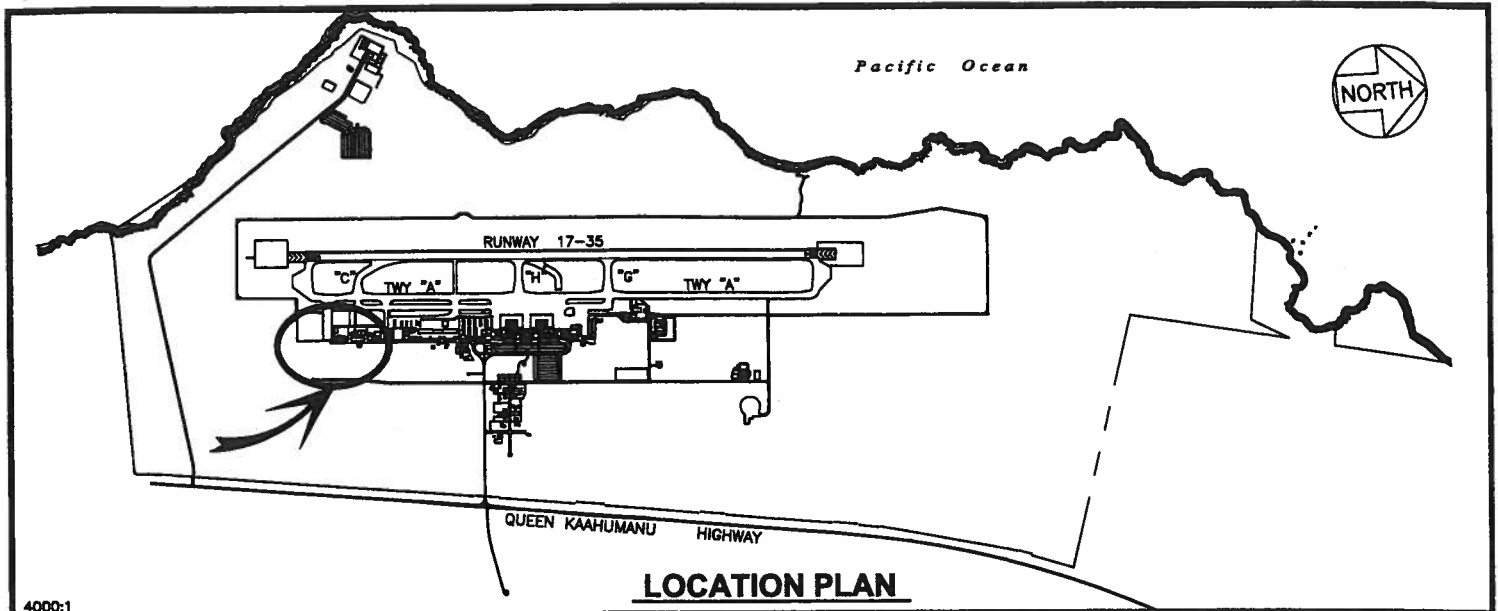
That the Board authorize the DOT to issue a hangar and facilities lease through notice of public auction, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval by the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

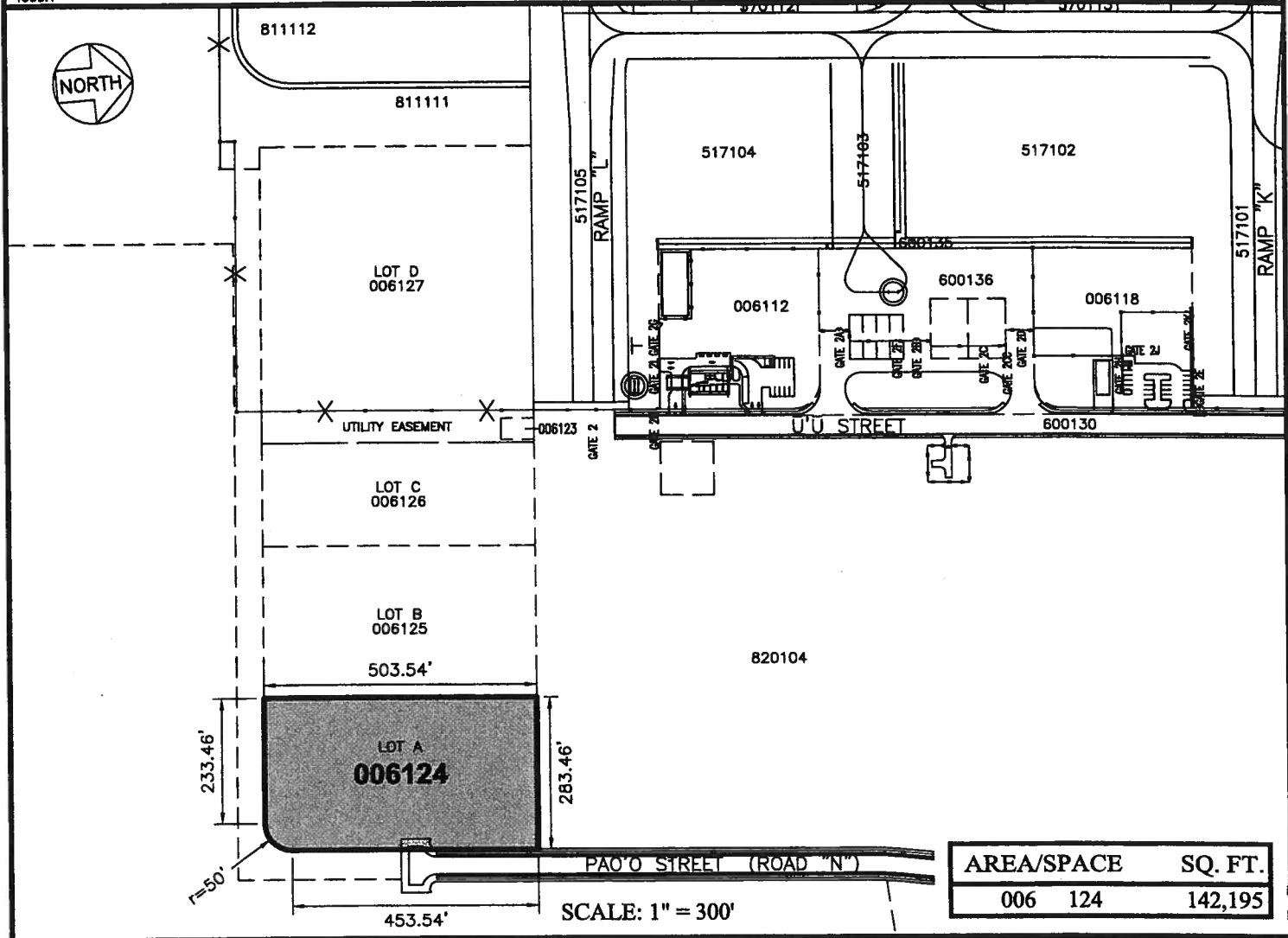

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:


SUZANNE D. CASE
Chairperson and Member



4000:1



DATE : SEPTEMBER 2015

EXHIBIT: **B**



Airports Division

LOT

006124

PLAT 60

KONA INTERNATIONAL AIRPORT AT KEAHOLE