



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

IN REPLY REFER TO:

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

ISSUANCE OF FUEL FACILITY LEASE
ABOVE IT ALL, INC.
KONA INTERNATIONAL AIRPORT AT KEAHOLE

HAWAII

REQUEST:

Issuance of a fuel facility lease to Above It All, Inc. for the development, construction, operation, use and maintenance of a fueling service facility for aircraft in connection with and on land located at the Kona International Airport at Keahole, Island of Hawaii, State of Hawaii.

APPLICANT / LESSEE:

ABOVE IT ALL, INC., a Hawaii company authorized to do business in the State of Hawaii, whose business and post office address is 73-300 U'u Street, Kailua-Kona, Hawaii 96740.

LEGAL REFERENCE:

Section 261-7, Hawaii Revised Statutes

LOCATION AND TAX MAP KEY:

Portion of Kona International Airport at Keahole, County of Hawaii, Island of Hawaii, identified by Tax Map Key: 3rd Division, 7-03-43 (portion) and shown on the attached map labeled Exhibit A.

AREA:

Space No. 006-113, containing a land area of approximately 2,075 square feet of improved land as shown and delineated on the attached map labeled Exhibit B.

ZONING:

State Land Use District: Urban
County of Hawaii: Industrial (MG1a)

LAND TITLE STATUS:

Section 5(b) lands of the Hawaii Admissions Act: Ceded
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a fueling service facility for aircraft in connection with and on the Airport.

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

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

RENT COMMENCEMENT DATE:

The rental payment shall commence on the day Lessee physically occupies the Premises or six months from the commencement date of the lease, whichever occurs sooner.

ANNUAL RENTAL:

For the first five (5) year period beginning on the commencement date, the rent shall be \$1,679.00 per annum based on a land rental rate of \$0.52 per sq. ft. per year, and \$50.00 per month for use of the designated non-exclusive fueling operational area referred to as the Operational Area and identified as Space No. 600-136.

For the second five (5)-year period beginning on the first day of the sixth (6) year of the lease term, the rent shall be \$1,930.85 per annum based on the product of the annual rent for the fifth (5) year of the least term and 115%.

For the final five (5)-year period of the lease term, beginning on the first day of the eleventh (11) year of the lease term, the annual rent shall be determined in accordance with Article VI (Reopening Rent), provided the annual rent for each year shall not be less than 115% of the annual rental for the last year of the immediately preceding five-year period.

ADDITIONAL FEES:

A fuel flowage fee of \$0.04 per gallon for the first 100,000 gallons of aviation fuel received annually from commercial distributors, and \$0.06 per gallon thereafter.

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect.

ACCEPTANCE OF PREMISES:

Lessee has examined and knows the condition of the Premises and takes the Premises in its existing form, content and state of condition without any representation by or on behalf of the State.

Lessee shall, at Lessee's sole cost and expense, prepare the ground surface of the demised Premises, construct, erect, and install structures, utility lines, and other improvements on the Premises for the purposes denoted in Article III (Use of Premises). The construction, erection and installation of the Leasehold Improvements must receive State's prior written approval.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: The site is currently vacant

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, HRS, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #3, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated May 22, 2001, as approved by the Environmental Quality Council on November 15, 2000. Exemption #3 covers construction and location of single, new, small facilities or structures.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

REMARKS:

In accordance with Section 171-59(b), 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 direct lease to Above It All, Inc., for the development, construction, operation, use and maintenance of a fueling service facility for aircraft at the Kona International Airport at Keahole, Kailua-Kona, Island of Hawaii.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Above It All Inc., 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,

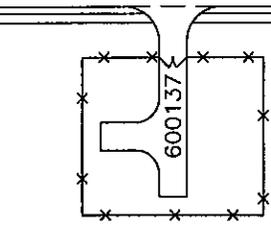
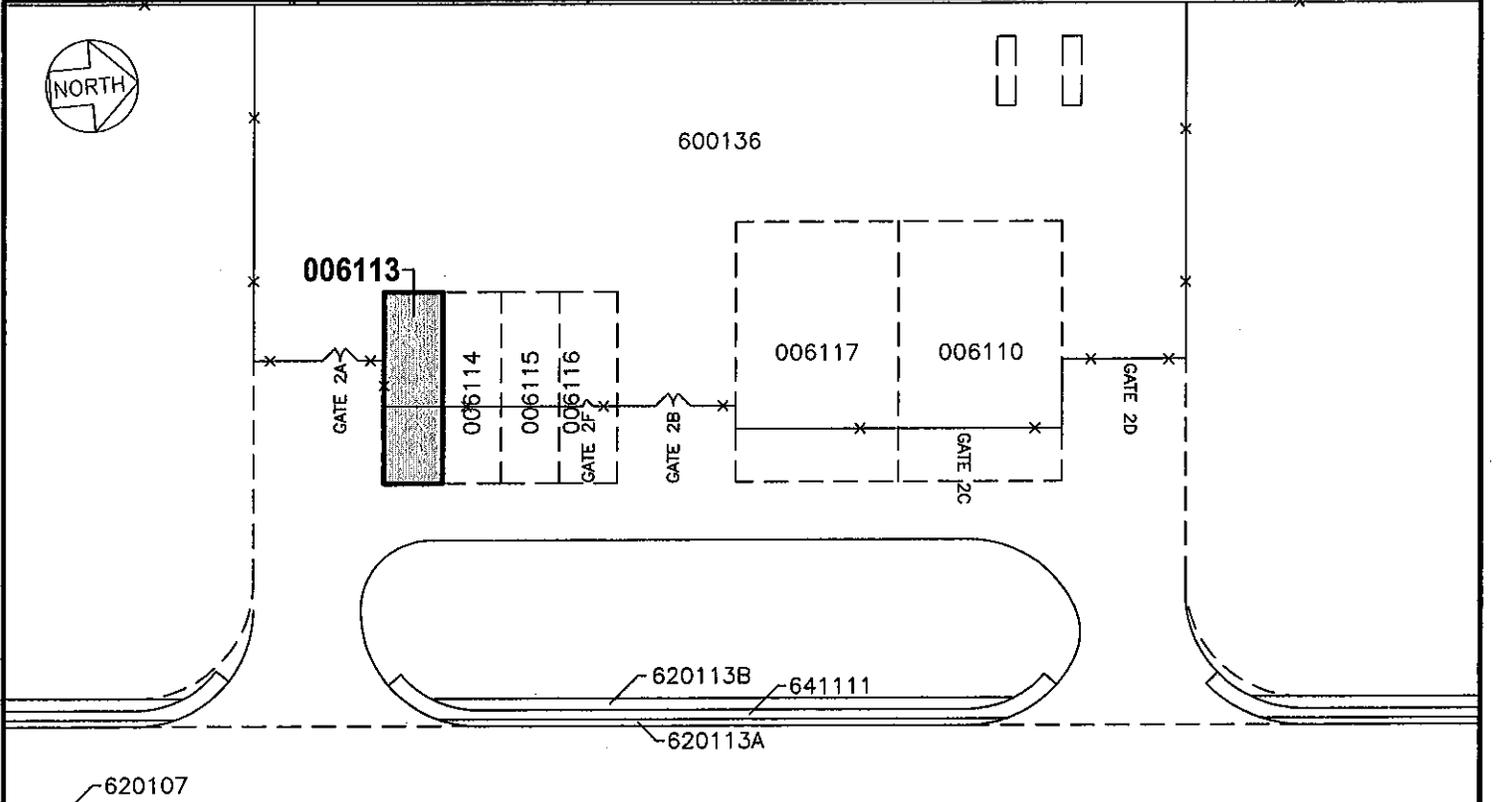
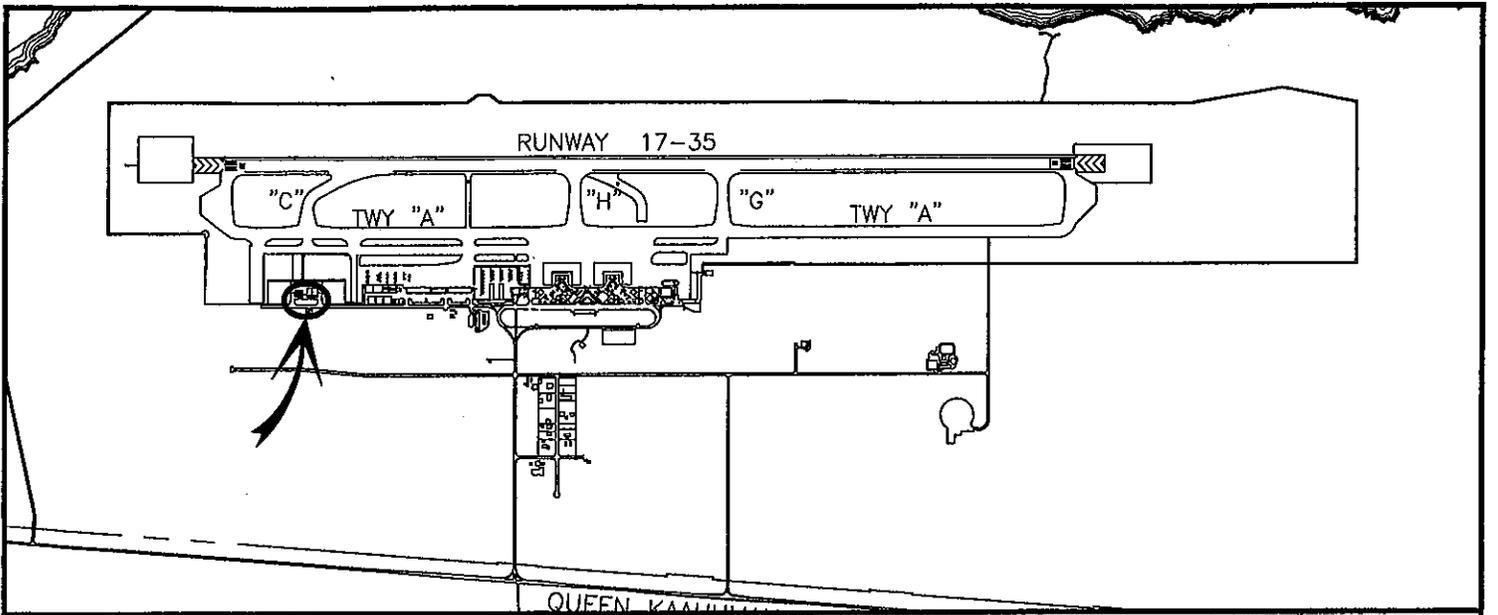


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN
Chairperson and Member



SCALE: 1" = 80'

AREA/SPACE	SQ. FT.
006 113	2,075

DATE : FEBRUARY 2008

EXHIBIT: B



Airports Division

ABOVE IT ALL, INC.

LOT
GROUND LEVEL

006-113

PLAT 40

KONA INTERNATIONAL AIRPORT AT KEAHOLE

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LINDA LINGLE
GOVERNOR



MARK J. BENNETT
ATTORNEY GENERAL

2008 APR 10 P 1:53
M. GNOZA
FIRST DEPUTY ATTORNEY GENERAL
LAND/TRANS. DIV.
DEPARTMENT OF
ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
LAND TRANSPORTATION DIVISION
ROOM 300, KEKUANAO'A BUILDING
465 SOUTH KING STREET
HONOLULU, HAWAII 96813

Date: April 7, 2008

CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGE
ATTORNEY WORK PRODUCT

CEDED LANDS FACTS

TO: Mark J. Bennett
Attorney General

THRU: Sonia Faust *S.F.*
Supervising Deputy Attorney General

FROM: Allan S. Chock *ASCh*
Deputy Attorney General
Land/Transportation Division

SUBJECT:

- () Request for Approval to Process Dispositions of Ceded Lands which have previously received prior Board of Land and Natural Resources approval.
- (X) Request for Approval of Proposed Dispositions which have not yet received approval by the Board of Land and Natural Resources.

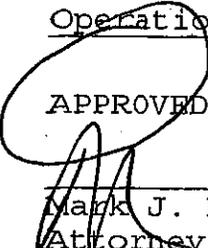
Type of Document	FUEL FACILITY LEASE
Location of Land	KONA - LANDS UNDER CONTROL OF DOT AIRPORTS AT KEAHOLE AIRPORT
Name of Applicant(s)	ABOVE IT ALL, INC.
Duration of land conveyance	15 Year Direct Negotiated Lease
Matter ID No.	08-05659
Land Document No.	None

SPECIAL COMMENTS: This is a proposed lease for 2,075 square feet of land at Keahole Airport, Kona, Hawaii. The proposed rental amount

for the first five years is \$1,679.00 per annum plus an Operational Area use charge of \$50 per month. The second five years rental rate is \$1,930.85 per annum. The Applicant proposes to build an aviation gas fueling facility (a small structure - exempt from a Chapter 343, Haw. Rev. Stat. environmental review) to service aircraft at Keahole Airport. Attached is a draft of the submittal to the Board of Land and Natural Resources and a draft of the proposed lease.

It is recommended that the lease of this ceded land be approved, as the lease will generate revenue and there have been recent leases at Keahole that have been similarly approved, such as a Fixed Based Operation lease to Bradley Aviation Pacific, Inc.

APPROVED/DISAPPROVED:



Mark J. Bennett
Attorney General

Dated APR 10 2000

RECOMMENDATION:

lease of 15 years

duration for airport

(Kea.hole) approve.

J.G.