



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

IN REPLY REFER TO:

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

**ISSUANCE OF A DIRECT LEASE TO SKY-MED, INC.,
DBA PACIFIC INTERNATIONAL SKYDIVING CENTER
DILLINGHAM AIRFIELD, WAIALUA, HAWAII**

OAHU

REQUEST:

Issuance of a direct lease to Sky-Med, Inc., dba Pacific International Skydiving Center, for the development, construction, operation, and maintenance of a hangar facility for general aviation activities located at Dillingham Airfield (HDH), Waialua, Hawaii

APPLICANT / LESSEE:

Sky-Med, Inc., dba Pacific International Skydiving Center whose business and mailing address is 68-760 Farrington Highway, Waialua, Hawaii 96791

LEGAL REFERENCE:

Section 171-59(b), Hawaii Revised Statutes

LOCATION AND TAX MAP KEY:

Portion of Dillingham Airfield, Waialua, Island of Oahu, identified by
Tax Map Key: 1-6-8-02

AREA:

Area/Space No. HDH-001-106, containing an area of approximately 8,860 square feet of improved unpaved land; and

Area/Space No. HDH-001-109, containing an area of approximately 8,999 square feet of improved, unpaved land, as delineated on the attached Exhibit "A".

Zoning:

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

ITEM M-5

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.

CHARACTER OF USE:

Development, construction, operation, and maintenance of a general aviation hangar facility.

TERM OF LEASE:

Twenty (20) years

LEASE COMMENCEMENT DATE:

Upon execution of the lease document

ANNUAL GROUND LEASE RENTAL:

First Five (5) Years (Lease Years 1 through 5): \$8,572.32 per annum, payable in monthly payments of \$714.36, in advance, based upon present ground lease rental rate of \$.48 per square foot, per annum for improved, unpaved land at Dillingham Airfield.

Second Five (5) Years (Lease Years 6 through 10): \$9,858.17 per annum, payable in monthly payments of \$821.51, in advance, based upon the product of the annual rental for the fifth (5th) year of the lease term (\$8,572.32) and 115%.

Fourth Five (5) Years (Lease Years 16 through 20): An annual rental of 115% times the annual rental for the last year of the immediately preceding five-year period (15th year) of the lease term.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

For the third five (5) years of the Lease term, beginning upon the first day of the eleventh (11th) year of the Lease term, the annual land rental shall be determined separately when due in accordance with the provisions of Section 171-17, Hawaii Revised Statutes, relating to Appraisals, by an independent real estate appraiser whose services shall be contracted for and paid by the Department of Transportation.

PERFORMANCE BOND:

Sum equal to the annual land rentals in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by the revised and updated Environmental Assessment for the Dillingham Airfield Master Plan and FAR Part 150 Noise Compatibility Program project, referenced as State Contract No. 26985, State Project No. AO2011-01. This Environmental Assessment evaluated the environmental effects of the recommended Dillingham Airfield Master Plan to meet existing and forecast general aviation demands and was prepared for the State of Hawaii, Department of Transportation, Airports Division.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

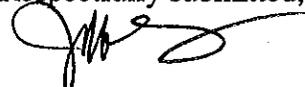
REMARKS:

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 Sky-Med, Inc., for the purpose of developing, constructing, operating, and maintaining a personal hangar facility for general aviation activities at Dillingham Airfield.

RECOMMENDATION:

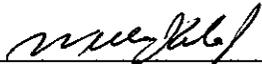
That the Board authorize the Department of Transportation to issue a direct lease to Sky-Med, Inc., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve 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,

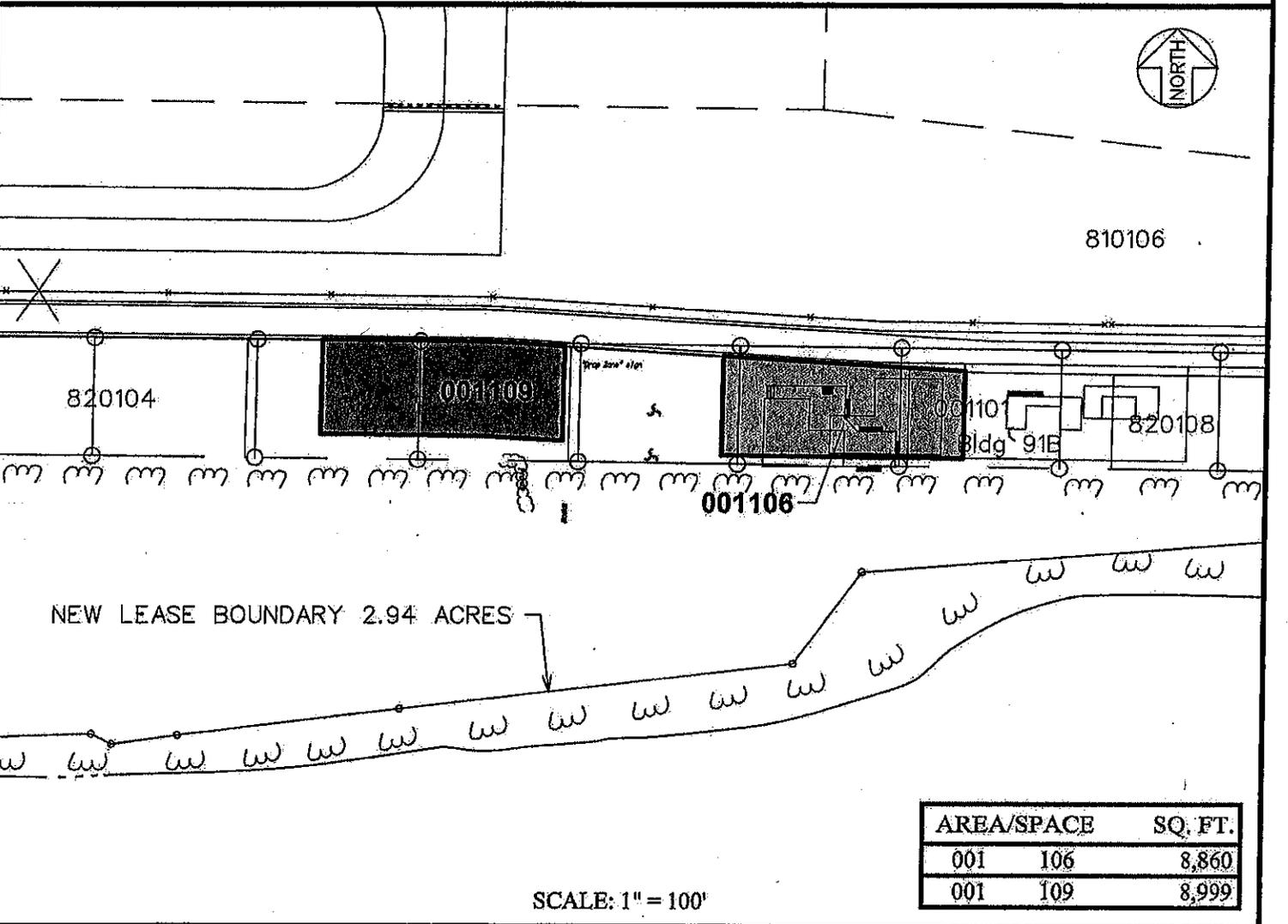
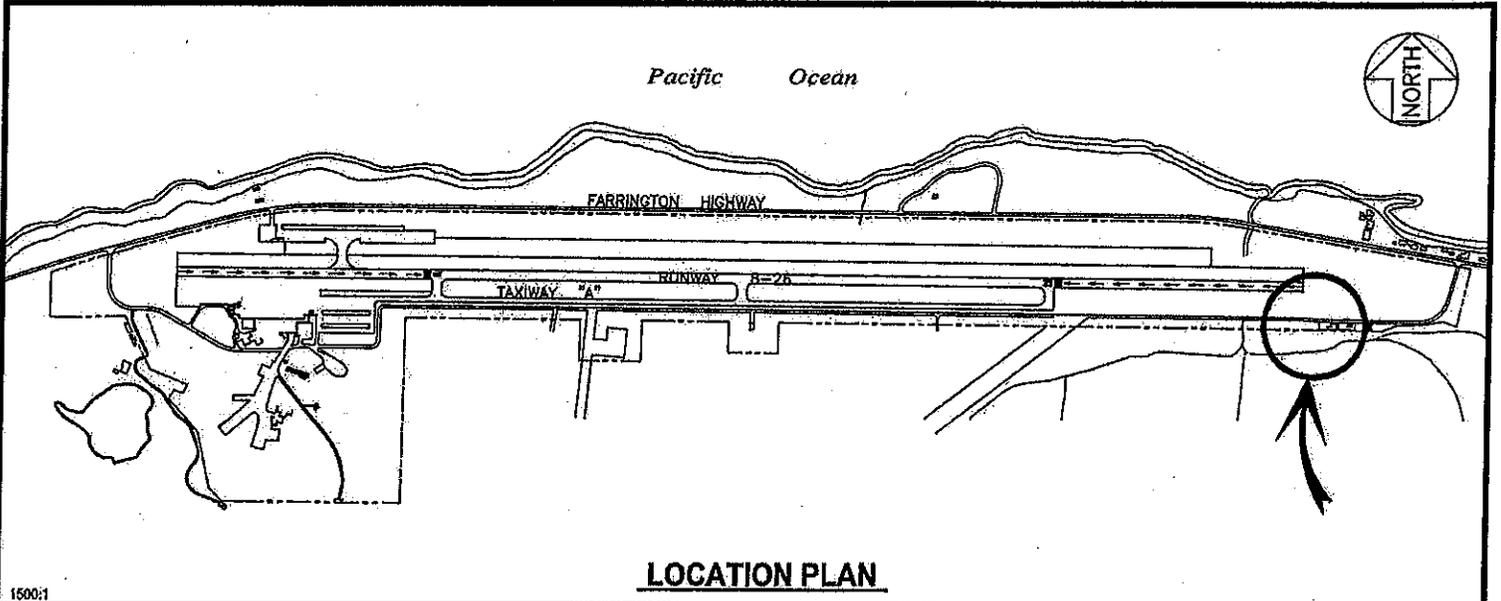


JEFFREY CHANG
Acting Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Interim Chairperson and Member



DATE : NOVEMBER 2010

EXHIBIT: A



Airports Division

SKYMED, INC. DBA
PACIFIC INTERNATIONAL
SKYDIVING CENTER

LOTS
E OF AIRPORT PROPERTY

001106
001109
PLAT 35

DILLINGHAM AIRFIELD

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