NEIL ABERCROMBIE
GOVERNOR

GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
FORD N. FUCHIGAMI
JAN S. GOUVEIA
RANDY GRUNE
JADINE URASAKI

IN REPLY REFER TO:

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

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

AMENDMENT NO. 1 TO STATE LEASE NO. DOT-A-09-0003
HELICOPTER CONSULTANTS OF MAUI, INC.
DBA BLUE HAWAIIAN HELICOPTERS
LIHUE AIRPORT KAUAI

The Department of Transportation, Airports Division (DOTA) and HCM entered into State Lease No. DOT-A-09-0003 dated September 15, 2009, to develop, construct, operate and maintain a fixed base facility for Commercial Helicopter Operations at Lihue Airport, Island of Kauai (LIH).

REQUEST:

HCM desires to amend the Lease to include areas adjacent to and in place of the areas previously approved by the Land Board under the Lease to operate a fixed base facility for Commercial Helicopter Operations at LIH

APPLICANT:

HELICOPTER CONSULTANTS OF MAUI, INC. DBA BLUE HAWAIIAN HELICOPTERS, a Hawaii corporation, authorized to do business in the State of Hawaii.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Portion of Lihue Airport, Lihue, Island of Kauai, identified by Tax Map Key: 4th Division, 3-5-01: Portion of 8

ITEM M-2

AREAS:

Original: Area/Space Nos. 011-107A and -107B, containing land areas of approximately 15,000 and 16,877 square feet of improved/paved and improved/unpaved general aviation land, respectively, as shown and delineated on the attached exhibit labeled Exhibit C.

As Amended: **Area/Space No. 011-108A, containing a land area of approximately 12,200 square feet of improved/paved general aviation land, and Area/Space Nos. 011-108B, -108C, -108D and -108E, containing a total land area of approximately 19,677 square feet of improved/unpaved general aviation land as shown and delineated on the attached exhibit labeled Exhibit A dated March 2011.**

ZONING:

State Land Use:	Urban
County:	Industrial (IG-STP)

LAND TITLE STATUS:

Section 5(a), Hawaii Admissions Act

DHHL, 30% entitlement lands Yes____ No__X__

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a fixed base facility for Commercial Helicopter Operations

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

January 1, 2009

ANNUAL LAND RENTALS:

Original:		As Amended:	
Lease years 1-5:	$64,578.60	**Lease years 1-5:**	**$63,234.60**
Lease years 6-10:	$74,265.39	**Lease years 6-10:**	**$72,719.76**
Lease years: 11-15:	$85,405.20	**Lease years: 11-15:**	**$83,627.76**

REOPENING OF ANNUAL LAND RENTALS:

None

PERFORMANCE BOND:

Sum equal to the annual land rentals in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall invest the sum of not less than $150,000.00 for upgrading and improving the leased premises and constructing fixed base facility improvements and other accessory leasehold improvements on the leased premises. The upgraded and improved leased premises and fixed base facility and other accessory improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the DOTA, in writing, prior to the commencement of any construction work.

ANNUAL LAND RENTAL COMMENCEMENT:

Upon execution of the amendment

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: HCM desires to develop, construct, operate, use and maintain a fixed base facility for Commercial Helicopter Operations on the proposed leased premises.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land areas are covered by the Environmental Assessment for Lihue Airport Ahukini Road Realignment and General Aviation Subdivision dated March 6, 1997.

This Environmental Assessment evaluated the environmental effects of the recommended Airport Plan to realign Ahukini Road and the development of a General Aviation Subdivision. The assessment was prepared by the State of Hawaii, DOTA.

DCCA VERIFICATION:

Place of business registration confirmed:	YES__X__	NO____
Registered business name confirmed:	YES__X__	NO____
Good standing confirmed:	YES__X__	NO____

REMARKS:

The DOTA and HCM entered into State Lease No. DOT-A-09-0003 dated September 15, 2009, to develop, construct, operate and maintain a fixed base facility for Commercial Helicopter Operations at LIH. HCM is now requesting areas adjacent to and in place of the areas previously approved by the Land Board under the Lease to operate a fixed base facility for Commercial Helicopter Operations at LIH. The DOTA, in the public interest, has no objection to HCM's request.

REOMMENDATION:

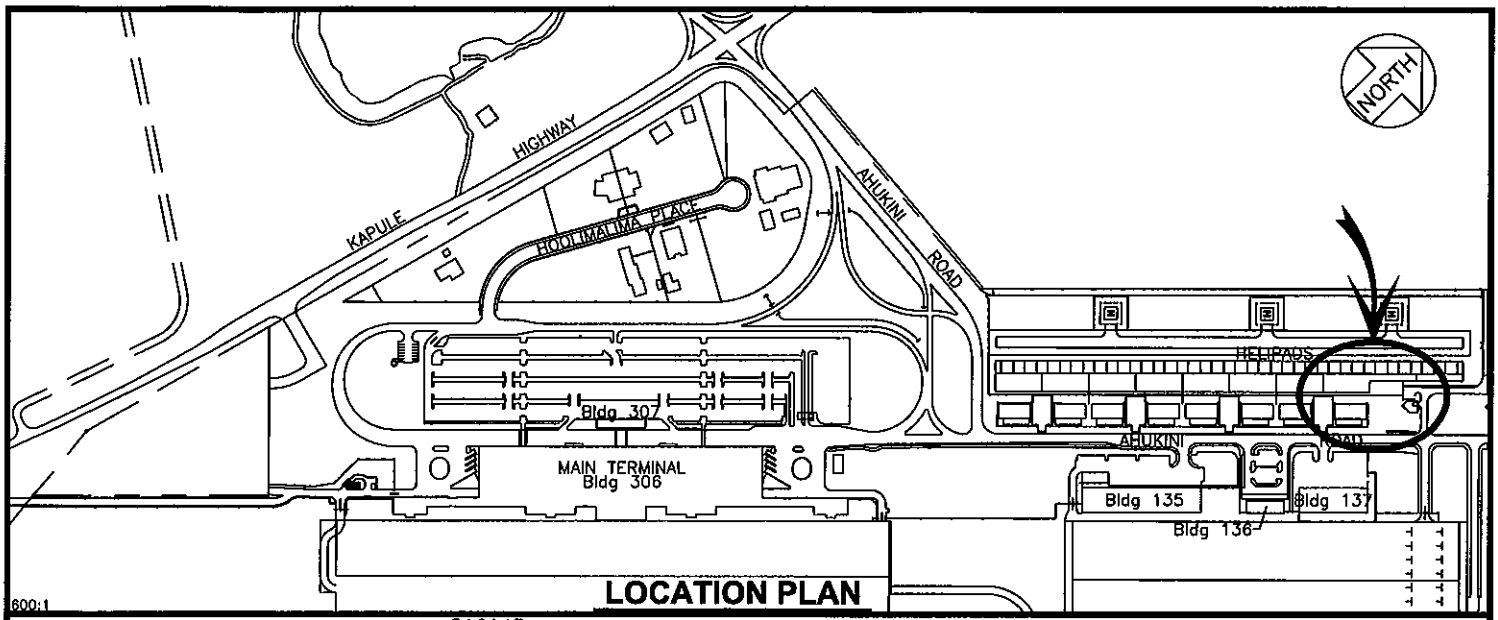
That the Board approves Amendment No. 1 to the Lease subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and, (3) review and approval of the Department of the Attorney General as to the amendment's form and content.

Respectfully submitted,

GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:

WILLIAM J. AILA, JR.
For Chairperson and Member



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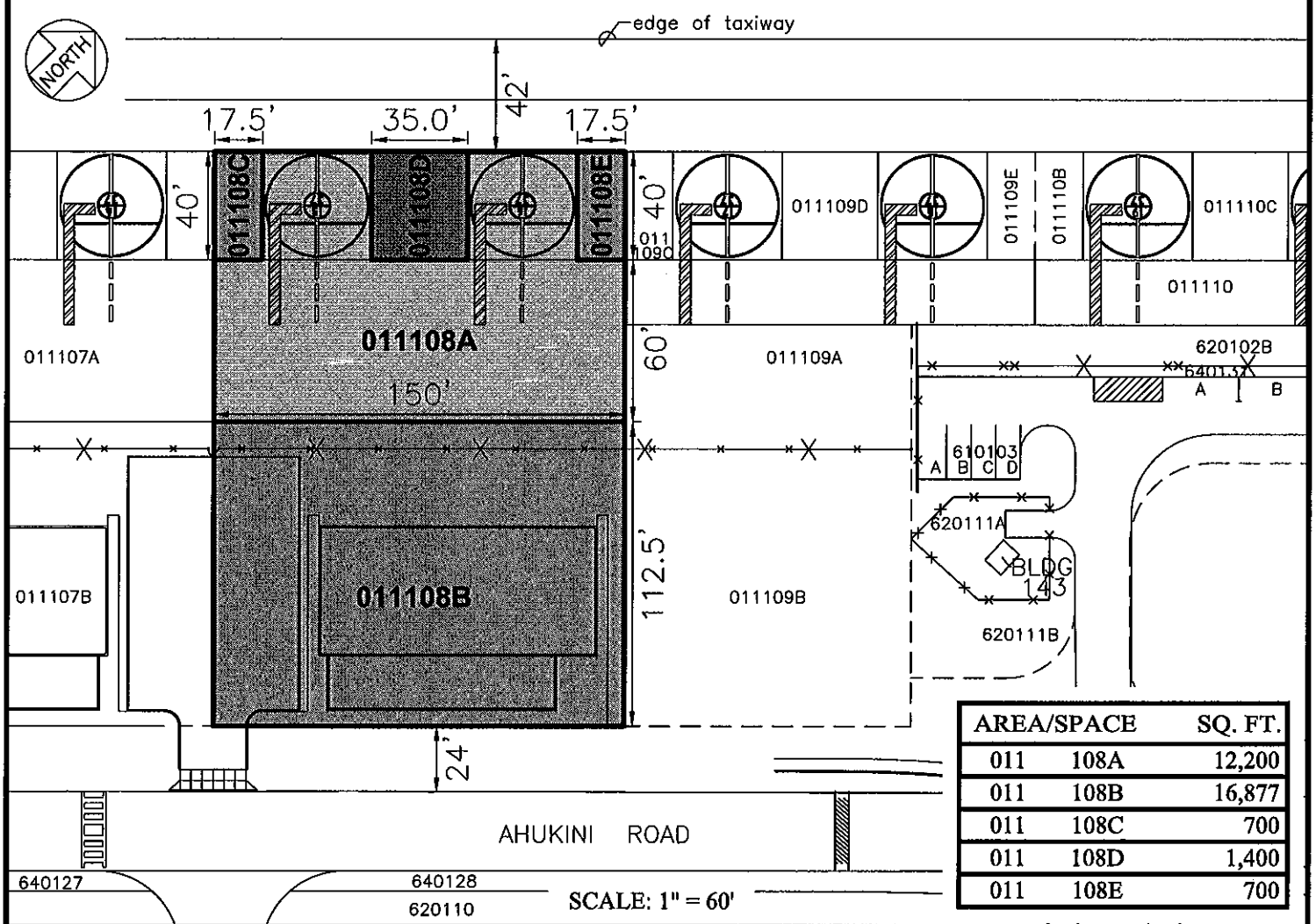

AREA/SPACE		SQ. FT.
011	108A	12,200
011	108B	16,877
011	108C	700
011	108D	1,400
011	108E	700

Amendment No. 1 to DOT-A-09-0003 DATE : MARCH 2011 EXHIBIT: A

DEPARTMENT OF TRANSPORTATION STATE OF HAWAII — Airports Division	HELICOPTER CONSULTANTS OF MAUI, INC.	HELIPORT LOT	011108A-E PLATS B1, 35

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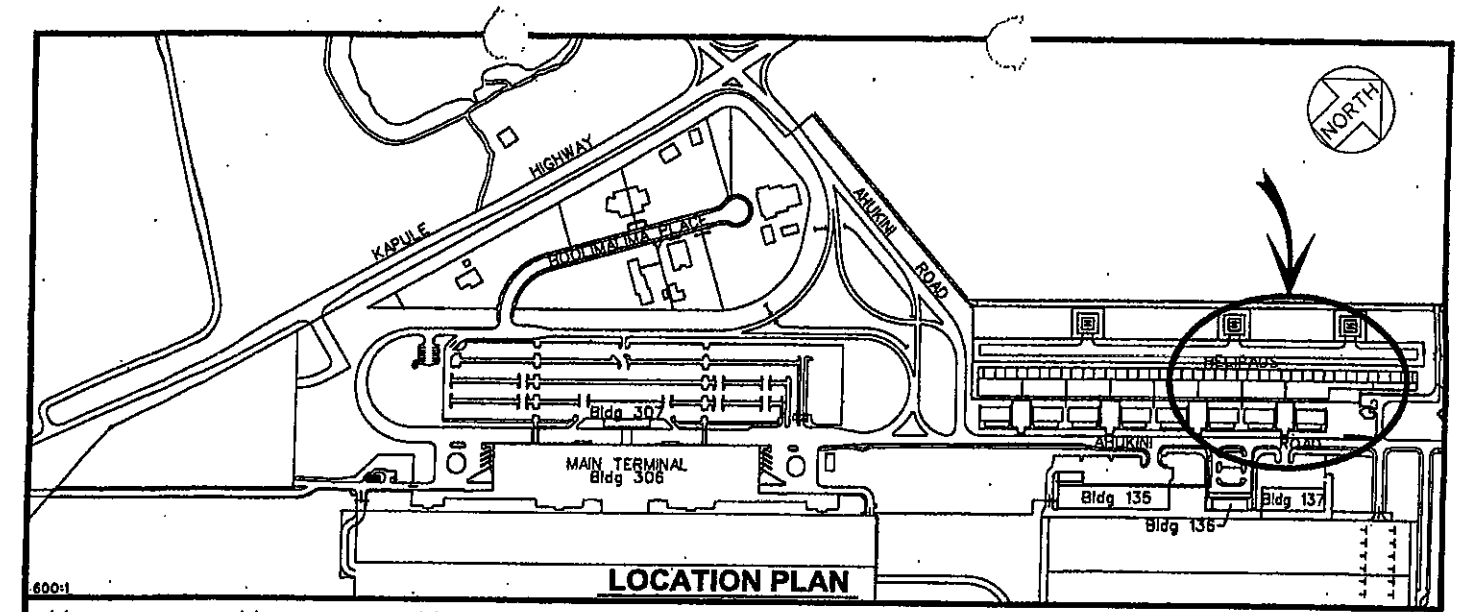
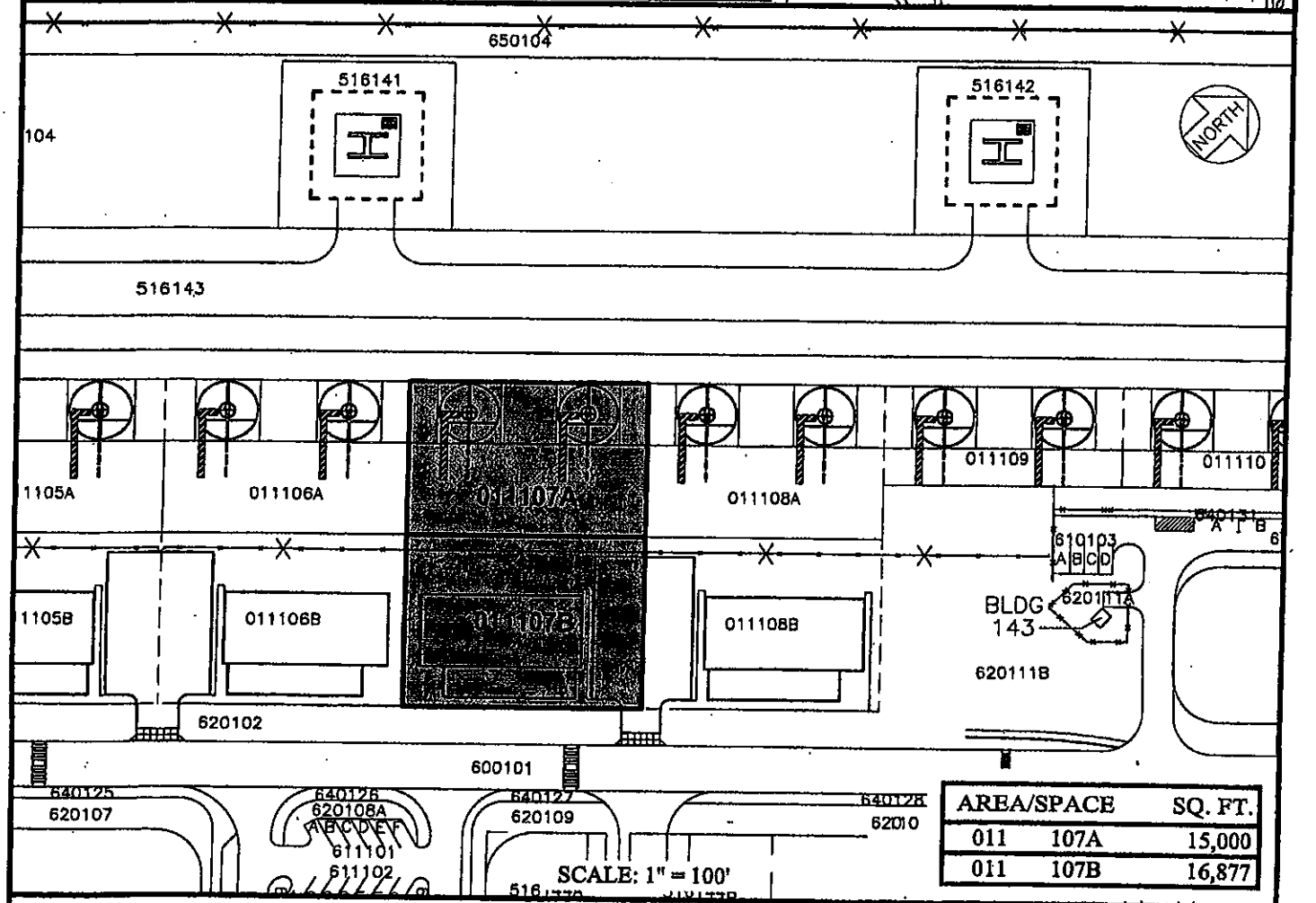
LIHUE AIRPORT





AREA/SPACE		SQ. FT.
011	107A	15,000
011	107B	16,877

DATE : SEPTEMBER 2008 EXHIBIT: C

Airports Division	HELICOPTER CONSULTANTS OF MAUI, INC. dba BLUE HAWAIIAN HELICOPTERS	HELIPORT LOT	011107A 011107B PLATS B1, 35

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LIHUE AIRPORT