



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 FIXED-BASE FACILITY LEASE  
BRADLEY PACIFIC AVIATION, INC., LIHUE AIRPORT KAUAI

REQUEST:

Issuance of a Fixed-Base Facility (FBO) lease to Bradley Pacific Aviation, Inc. for the development, construction, operation, use and maintenance of a FBO for aircraft in connection with and on land located at Lihue Airport.

APPLICANT / LESSEE:

BRADLEY PACIFIC AVIATION, INC., a Hawaii corporation, authorized to do business in the State of Hawaii, whose business and post office address is 100 Kaulele Place, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

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

AREAS:

<u>Space Nos.</u>	<u>Square Feet</u>
004-130	26,663
004-131	26,662
004-132	26,662

of improved, unpaved general aviation land located in the FBO Subdivision area, as shown and delineated on the attached map, labeled Exhibit B.

ZONING:

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

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act (non-ceded)  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES  NO

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a FBO for aircraft.

TERM OF LEASE:

Thirty (30) 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 one year from the effective date of the lease, whichever occurs sooner.

ANNUAL GROUND LEASE RENTAL:

Lease years 1-5:	\$54,391.20
Lease years 6-10:	\$62,549.88
Lease years 11-15:	\$71,932.32
Lease years 16-20:	100% of the fair market rental at the time, except that the rental shall be no less than that of the fifteenth year of the Lease
Lease years 21-25:	100% of the fair market rental at the time, except that the rental shall be no less than that of the twentieth year of the Lease
Lease years 26-30:	100% of the fair market rental at the time, except that the rental shall be no less than that of the twenty-fifth year of the Lease

ADDITIONAL FEES:

- 1) A fuel flowage fee of \$0.04 per gallon for all types of aviation fuel sold as part of the FBO
- 2) A payment of two percent (2%) of Lessee's gross receipts from, related or attributable to, or connected with the FBO

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall, within twelve (12) months of the date of commencement of this Lease, invest the sum of not less than \$500,000 for upgrading and improving the premises and constructing the leasehold improvements. The improvements shall be constructed in accordance with construction plans, drawings, and specifications approved by the Department of Transportation, Airports Division, in writing, prior to the commencement of any construction work.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: The site is currently vacant and unpaved. A FBO for aircraft is planned.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The Applicant/Lessee shall be responsible for compliance with Chapter 343, HRS, as amended.

The subject land area and the proposed use of the land area are covered by the Lihue Airport Improvements Final environmental Impact Statement (FEIS), dated November 2007. The FEIS evaluated the environmental effects of recommended improvements to Lihue Airport identified by the DOT as necessary to address current FAA requirements, accommodate forecast aviation demand, and enhance the long-term productivity of Lihue Airport. The FEIS was prepared for the State of Hawaii, Department of Transportation, Airports Division, by Wilson Okamoto Corporation.

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 Bradley Pacific Aviation, Inc., for the development, construction, operation, use and maintenance of a FBO for aircraft at Lihue Airport. The DOT has determined that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Bradley Pacific Aviation, 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.

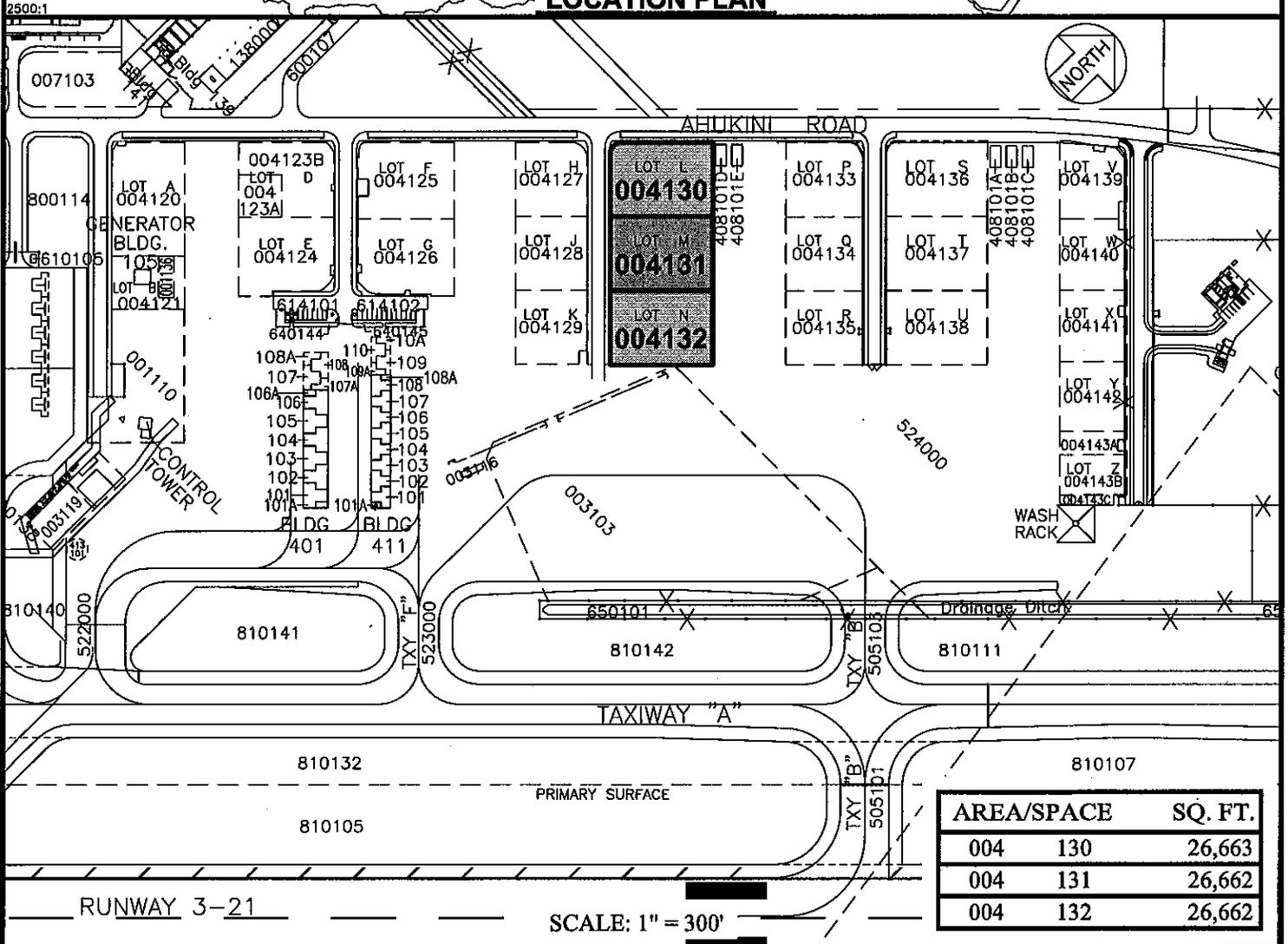
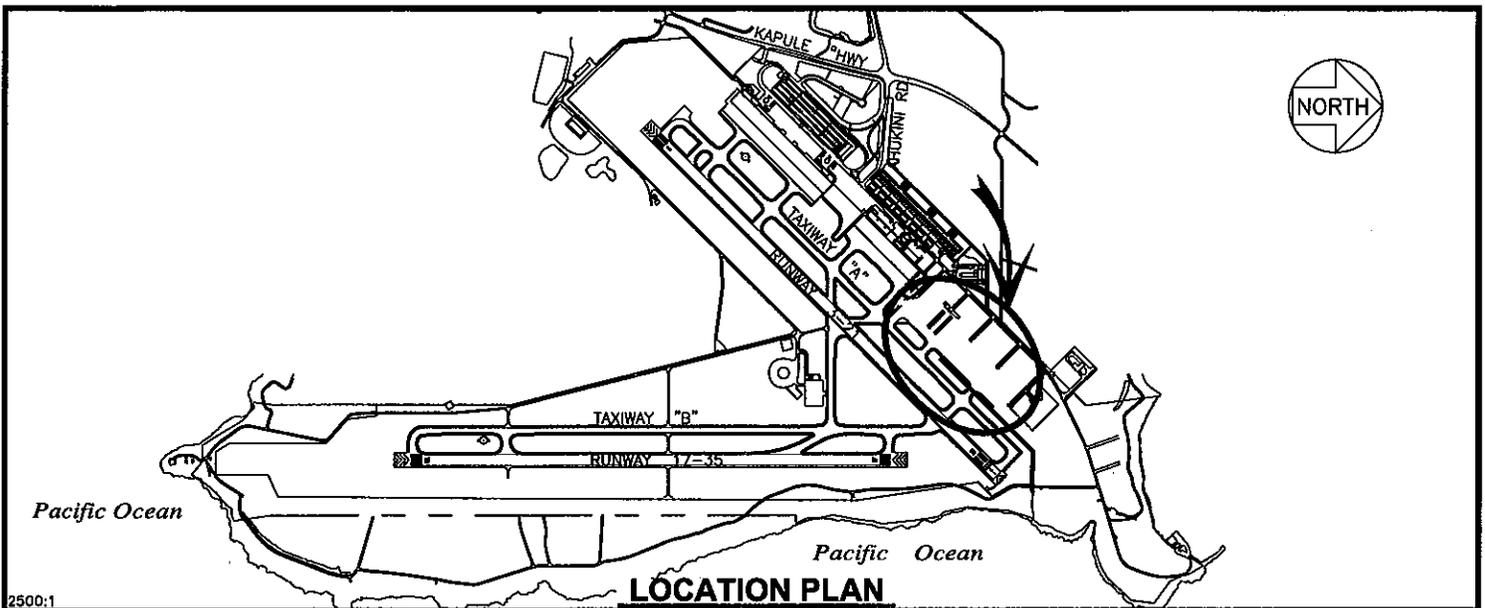
Respectfully submitted,



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

APPROVED FOR SUBMITTAL:

  
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WILLIAM J. AILA, JR.  
Chairperson and Member



AREA/SPACE		SQ. FT.
004	130	26,663
004	131	26,662
004	132	26,662

DATE : SEPTEMBER 2011

EXHIBIT: **B**



**BRADLEY PACIFIC AVIATION INC.**

**LOTS  
FBO SUBDIVISION  
GROUND LEVEL**

**004130  
004131  
004132  
PLATS E1, 35**

**LIHUE AIRPORT**

