



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 HANGAR FACILITY LEASE
TO JACK HARTER HELICOPTERS, INC.
LIHUE AIRPORT, ISLAND OF KAUAI, STATE OF HAWAII

KAUAI

REQUEST:

Issuance of a Hanger Facility Lease to JACK HARTER HELICOPTERS, INC. at Lihue Airport to develop, construct, operate, use, and maintain a hangar facility

APPLICANT:

JACK HARTER HELICOPTERS, INC. whose business and post office address is P.O. Box 306, Lihue, Hawaii 96766

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

AREA:

Area/Space No. 004-129, containing a land area of approximately 18,113 square feet of improved/unpaved general aviation land, as shown and delineated on the attached map labeled Exhibit B.

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 and maintenance of a hangar facility

TERM OF LEASE:

Thirty (30) years

LEASE COMMENCEMENT DATE:

Upon execution of the Lease

ANNUAL GROUND RENTALS:

Years 1 thru 5: \$12,316.80

Years 6 thru 10: \$14,164.32

Years 11 thru 15: \$16,288.92

REOPENING OF ANNUAL GROUND LEASE RENTAL:

The annual ground rentals for the three five (5)-year periods beginning with the sixteenth, twenty-first and twenty-sixth years of the remaining Lease term, shall be 100% of the fair market rental at the time of each reopening, except that the rental shall be no less than that of the fifteenth, twentieth and twenty-fifth years, respectively.

The annual ground lease rentals for each of the three remaining five (5)-year periods shall be determined at least six (6) months prior to the time of reopening by an independent appraiser whose services shall be contracted for and paid by the State.

PERFORMANCE BOND:

Sum equal to the annual land rental in effect

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall, within twelve (12) months of the date of commencement of the Lease, invest the sum of not less than \$500,000.00 for upgrading and improving the leased premises and constructing its leasehold improvements. The upgraded and improved leased premises and hangar facility 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.

WAIVER OF RENT:

None

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: The Applicant desires to develop, construct, operate, use, and maintain a hangar facility on the proposed leased premises.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by the Environmental Assessment (EA) for Lihue Airport Ahukini Road Realignment and General Aviation Subdivision dated March 6, 1997. The EA 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, Department of Transportation, Airports Division.

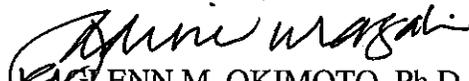
REMARKS:

In accordance with Section 171-59(b), HRS, relating to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation (DOT) proposes to issue a direct lease to JACK HARTER HELICOPTERS, INC. to develop, construct, operate, use, and maintain a hangar facility. The DOT has determined that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

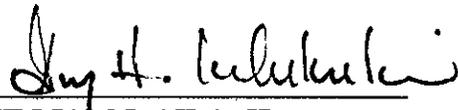
RECOMMENDATION:

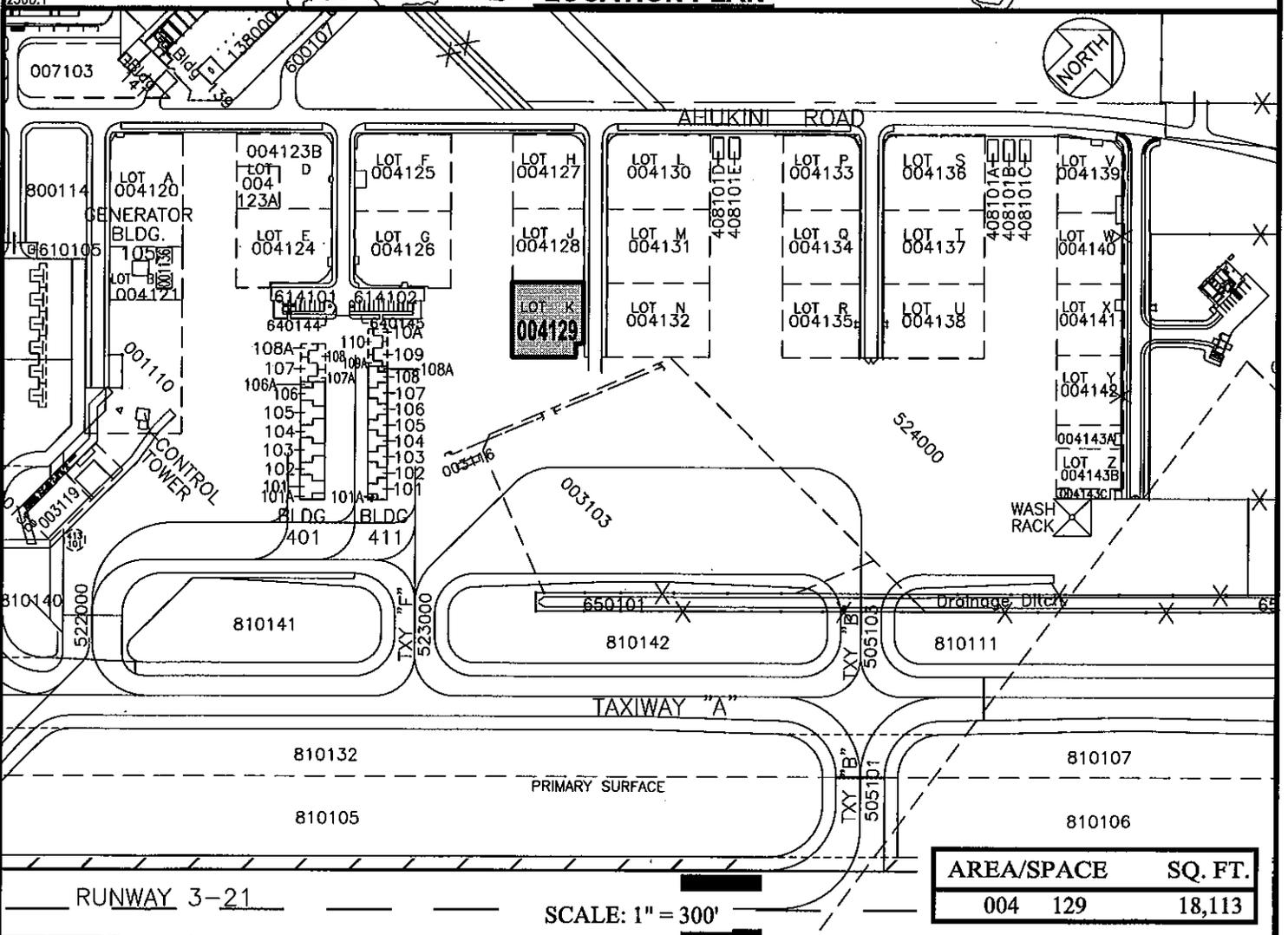
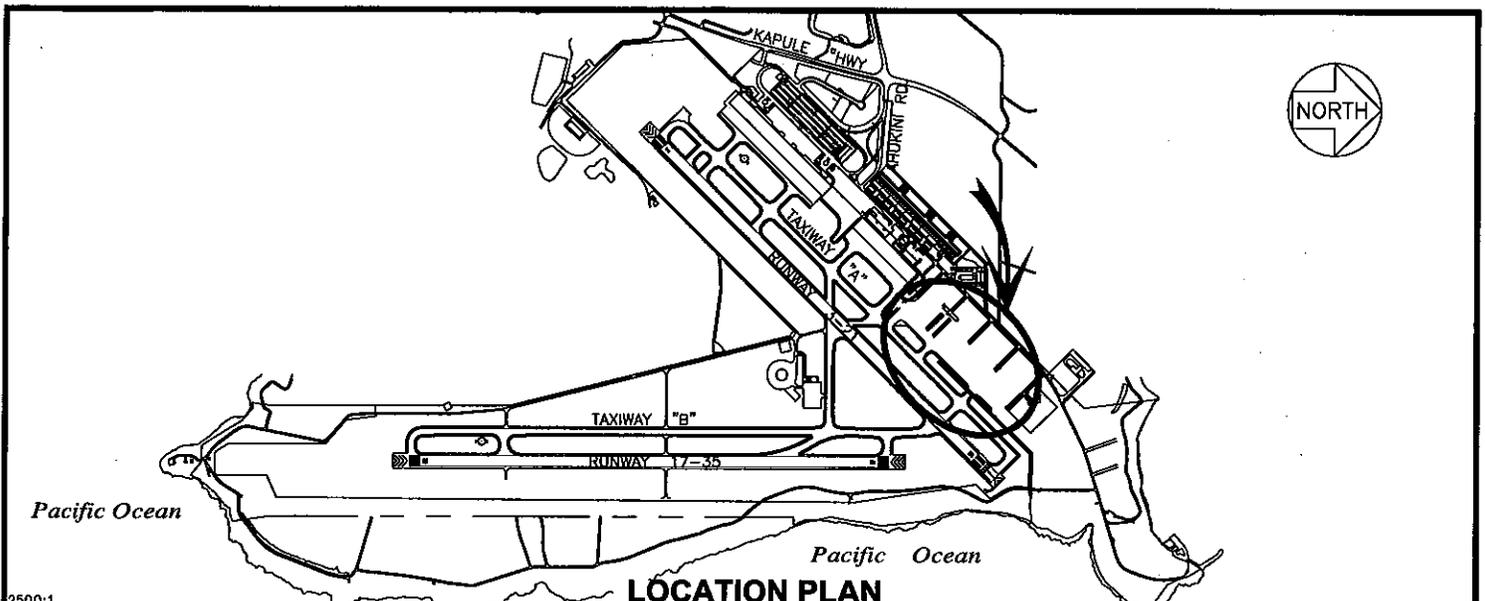
That the Board authorizes the Department of Transportation to issue a direct lease to JACK HARTER HELICOPTERS, INC., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation 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,


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

APPROVED FOR SUBMITTAL:


WILLIAM J. AILA, JR.
Chairperson and Member



AREA/SPACE	SQ. FT.
004 129	18,113

DATE : AUGUST 2011 EXHIBIT: B



**JACK HARTER
HELICOPTERS, INC.**

**LOT
FBO SUBDIVISION
GROUND LEVEL**

**004129
PLATS E1, 35**

LIHUE AIRPORT

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