

LINDA LINGLE
GOVERNOR



BARRY FUKUNAGA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRENNON T. MORIOKA
BRIAN H. SEKIGUCHI

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

ASSUMPTION OF SUBLEASE BY STATE OF HAWAII,
DEPARTMENT OF TRANSPORTATION, 3239 UALENA STREET
HONOLULU INTERNATIONAL AIRPORT

OAHU

LEGAL REFERENCE:

Subsection 171-30, Hawaii Revised Statutes

APPLICANT:

State of Hawaii, Department of Transportation, 869 Punchbowl Street, Honolulu, Hawaii
96813

LOCATION:

Honolulu International Airport, Tax Map Key: 1st Division, 1-1-14:21

AREA:

Lot/Space No. 005-102, containing a land area of approximately 52,203 square feet of improved, unpaved land, as shown and delineated on attached map labeled Exhibit A.

Two buildings containing an area of approximately 29,940 square feet of office space; 19,411 square feet of warehouse area; 3,000 square feet of shop area; 14,768 square feet of roof top parking; and 25,436 square feet of paved yard area

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: Industrial (I2)

BLNR -- DOT Assumption of Sublease
3239 Ualena Street
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LAND TITLE STATUS:

Non-ceded, Section 5(x) lands of the Hawaii Admission Act
DHHL, 30% entitlement lands pursuant to Hawaii Admission Act YES___ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3894, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport purposes.

The Airports Division of the Department of Transportation acquired the land, together with most of the remaining properties (except one) along the ocean (makai) side of Ualena Street between Lagoon Drive and Paiea Street in the mid-1990's from Loyalty Enterprises, Ltd.

The land is leased to Warehousing Company under Lease No. DOT-A-95-0003. It is improved with office buildings, warehouse space, parking and paved yard area.

CHARACTER OF USE:

Office building, warehousing, parking and paved yard area

COMMENCEMENT DATE:

To be determined by the Director of Transportation

MONTHLY LEASE RENTAL:

\$13,703.55

MONTHLY SUBLEASE RENTAL:

\$70,000.00

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 the requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls

within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

The DOT proposes to takeover the sublease of the property from Hawaiian Telcom. The sublease between Hawaiian Telcom and Warehousing Company was last amended January 1, 2003 when the current sublease rent was established. The amendment provides the rent to remain unchanged through the end of the lease and sublease term of December 31, 2012. The current sublease rent is slightly less than what would be charged using the existing DOT building rent for Ualena Street. The takeover of the sublease will enable the DOT to use the property for activities that are more related to the DOT's mission of maintaining the statewide system of airports, allow the DOT to begin the analysis of the environmental condition of some of the Ualena Street property that will revert to the DOT inventory in 2012 and potentially generate more revenue for the airport fund than is presently being realized. A current tenant at Honolulu International Airport has already indicated an interest in renting a small portion of the property for \$20,000.00 per month. Additionally, the DOT intends to headquarters the team heading up the airport modernization program in a portion of the building.

RECOMMENDATION:

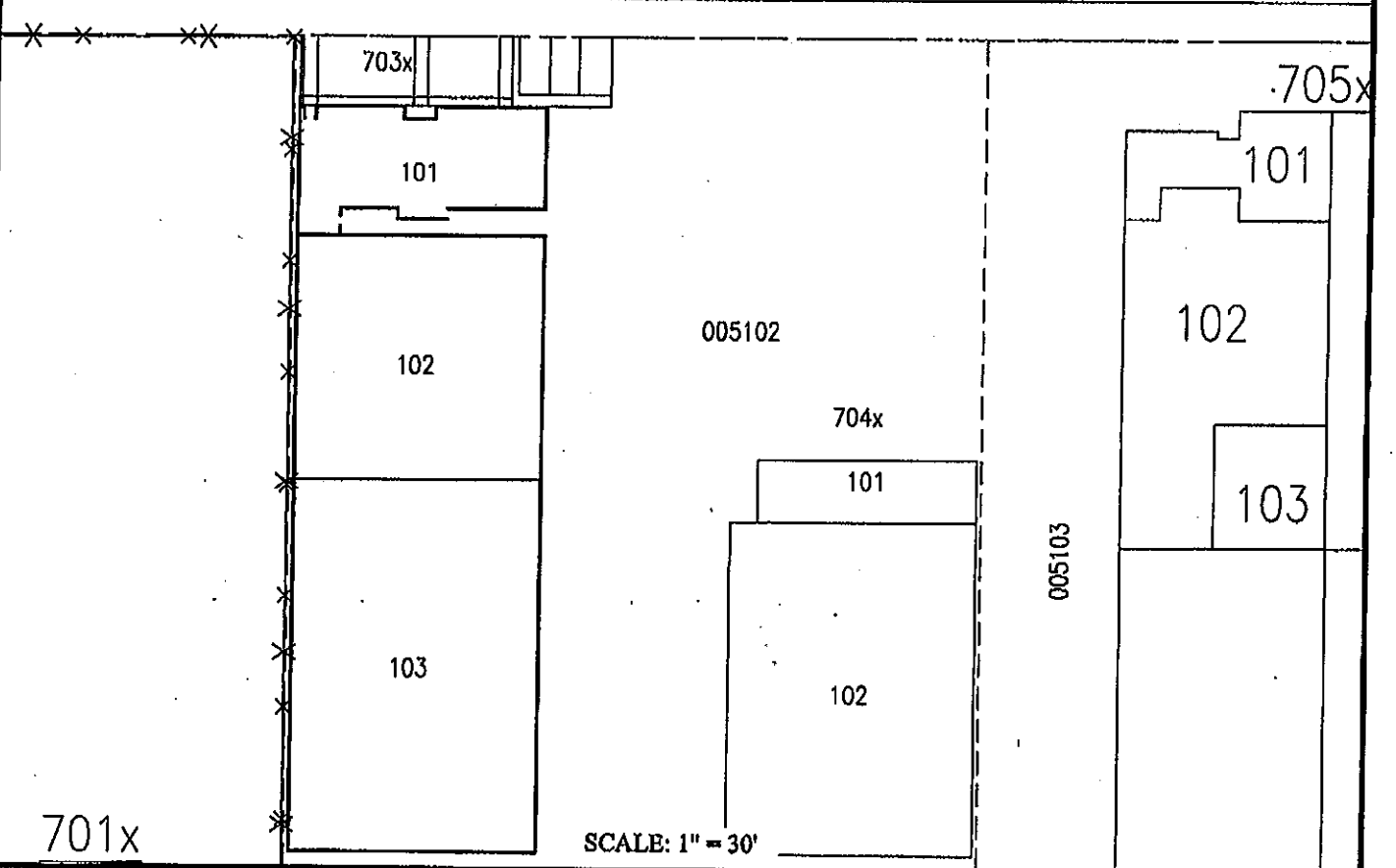
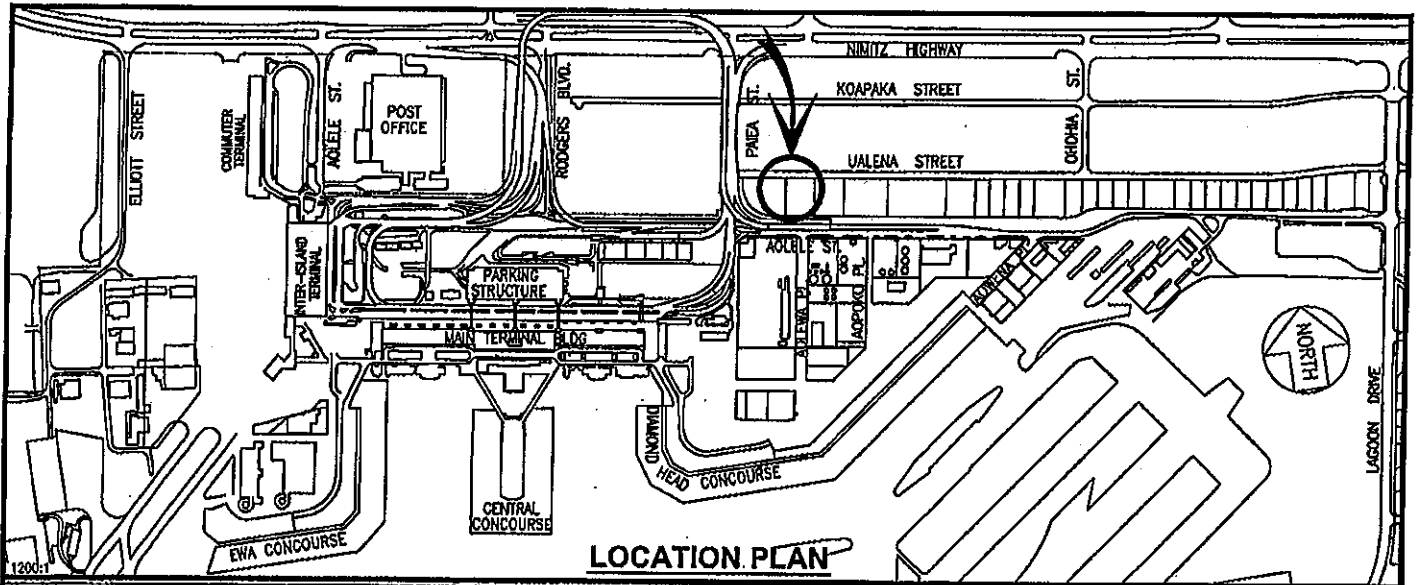
That the Board authorizes the Department of Transportation to assume the sublease with Warehousing Company on the terms and conditions herein outlined, subject to review and approval by the Attorney General.

Respectfully submitted,


BARRY FUKUNAGA
Director of Transportation

APPROVED FOR SUBMITTAL:


for LAURA H. THIELEN
Interim Chairperson



DATE : SEPTEMBER 2007

EXHIBIT: A



Airports Division

BUILDING 703
3239 UALENA STREET
LEVEL

703101
PLAT 16

HONOLULU INTERNATIONAL AIRPORT

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