

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



EDWIN H. SNIFFEN  
DIRECTOR  
KA LUNA HO'OKELE

Deputy Directors  
Nā Hope Luna Ho'okele  
DREANALEE K. KALILI  
TAMMY L. LEE  
CURT T. OTAGURO  
ROBIN K. SHISHIDO

**STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I  
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU  
AIRPORTS**

400 RODGERS BOULEVARD, SUITE 700  
HONOLULU, HAWAII 96819-1880

IN REPLY REFER TO:

AIR-PM 24.0729

November 7, 2024

DOT Land Matters  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF A DIRECTLY-NEGOTIATED LEASE FOR LAND AND  
BUILDINGS TO SUPPORT ITS FIXED-BASE OPERATIONS  
SIGNATURE FLIGHT SUPPORT LLC

KAHULUI AIRPORT

TAX MAP KEY: (2) 3-8-001: PORTION OF 019, PORTION OF 077 AND  
PORTION OF 168

MAUI

APPLICANT:

Signature Flight Support LLC (Signature), whose mailing address is  
98 Kapalulu Place, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS), Sections 26-19 and 171, as amended.

LOCATION AND TAX MAP KEY:

Portion of Kahului Airport (OGG), Kahului, Island of Maui, identified by  
Tax Map Key: 2nd Division, 3-8-001: Portion of 019, Portion of 077 and Portion of 168.

AREAS:

**Buildings**

Building No. 242-000, containing an area of approximately 1,213 square feet, and  
Building No. 243-000, containing an area of approximately 2,519 square feet.

ISSUANCE OF A DIRECTLY-NEGOTIATED LEASE FOR LAND AND BUILDINGS TO SUPPORT ITS FIXED-BASE OPERATIONS, SIGNATURE FLIGHT SUPPORT LLC

Page 2

**Improved, Paved Land**

Area/Space No. 610-147, containing an area of approximately 4,529 square feet, Area/Space No. 630-120, containing an area of approximately 6,994 square feet, and Area/Space No. 800-106, containing an area of approximately 24,092 square feet, as shown and delineated on the attached map labeled Exhibit A.

**Improved, Unpaved Land**

Area/Space No. 004-107, containing an area of approximately 4,407 square feet, Area/Space No. 004-109, containing an area of approximately 9,094 square feet, Area/Space No. 004-110, containing an area of approximately 10,617 square feet, Area/Space No. 004-148, containing an area of approximately 9,396 square feet, and Area/Space No. 004-149, containing an area of approximately 25,950 square feet, as shown and delineated on the attached map labeled Exhibit A.

ZONING:

State Land Use District: Urban  
County of Maui: Airport

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admission Act: Non-Ceded  
DHHL 30% entitlement lands pursuant to Hawaii Admission Act YES \_\_\_ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 2427, dated February 12, 1969, setting aside 1,268.938 acres designated as Kahului Airport to be under the control and management of the State of Hawaii, Department of Transportation (HDOT) for Airport purposes.

CHARACTER OF USE:

Signature will develop, construct, use, operate and maintain a fixed-base operation (FBO) at OGG.

LEASE TERM:

Thirty-five (35) Years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ISSUANCE OF A DIRECTLY-NEGOTIATED LEASE FOR LAND AND BUILDINGS TO SUPPORT ITS FIXED-BASE OPERATIONS, SIGNATURE FLIGHT SUPPORT LLC

ANNUAL LEASE RENTAL:

- Years 1 – 5: \$316,544.66 per annum [based on a rate of \$26.40 per square foot, per annum, for Building No. 242, \$15.60 per square foot, per annum, for Building No. 243, \$4.57 per square foot, per annum, for improved, paved land discounted to \$3.43 (25% Aeronautical Discount), and \$3.26 per square foot, per annum, for improved, unpaved land discounted to \$2.45 (25% Aeronautical Discount), as determined from the HDOT schedule of rates and charges established by appraisal of Airport property statewide].
- Years 6 – 10: 115% the annual rent for year 5 of the Lease.
- Years 11 – 15: 115% the annual rent for year 10 of the Lease.
- Years 16 – 20: Reopening at fair market rent determined by an independent appraiser.
- Years 21 – 25: 115% the annual rent for year 20 of the Lease.
- Years 26 – 30: 115% the annual rent for year 25 of the Lease.
- Years 31 – 35: Reopening at fair market rent determined by an independent appraiser.

PERFORMANCE BOND:

The sum equal to the annual rental then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

\$8,000,000.00 (Eight Million and No/100 Dollars).

DCCA VERIFICATION:

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

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The HDOT has determined that the environmental impacts for the subject land use is covered by the Kahului Airport Improvements Final Environmental Impact Statement (EIS), published by the Office of Environmental Quality Control (OEQC) in the October 23, 1997, issue of The Environmental Notice. The EIS was accepted by the Governor on February 18, 1998. Accordingly, all relevant mitigation from the EIS and best management practices will be implemented to address the minimum impacts of this action. Additionally, the subject EIS was a joint NEPA-HEPA document, and the Federal Record of Decision (ROD) was adopted on August 26, 1998 and all applicable NEPA mitigations for the subject site will also be implemented.

ISSUANCE OF A DIRECTLY-NEGOTIATED LEASE FOR LAND AND BUILDINGS TO  
SUPPORT ITS FIXED-BASE OPERATIONS, SIGNATURE FLIGHT SUPPORT LLC

Page 4

REMARKS:

The HDOT proposes to issue a directly-negotiated FBO lease to Signature for the development, construction, use, operation and maintenance of a FBO Facility at OGG.

The HDOT has determined that the issuance of this directly-negotiated lease encourages competition within the aeronautical-related activities at OGG. Signature's proposed improvements consisting of renovating Building Nos. 242-000 (Terminal) and 243-000 (Ground Service Equipment Shop), constructing crew barracks, and paving land for vehicle parking, will support its FBO operation.

OGG currently has one other active FBO that provides fueling services to aircraft and one pending FBO lessee that intends to provide a hangar for aircraft storage.

RECOMMENDATION:

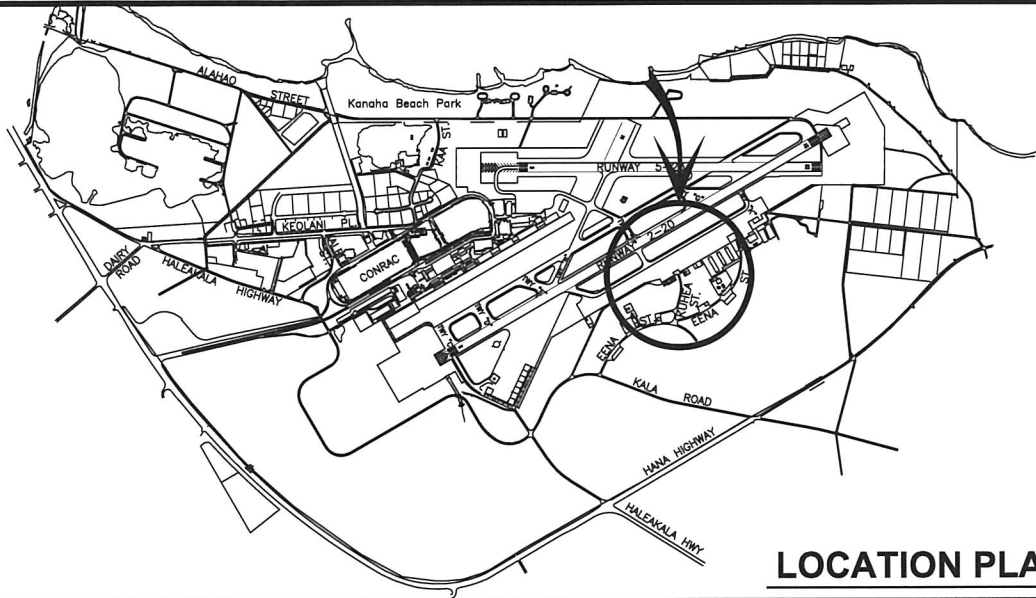
Based on this submittal, and testimony and facts presented, the HDOT recommends the Director of Transportation finds that approving the issuance of directly-negotiated lease to Signature, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other 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,



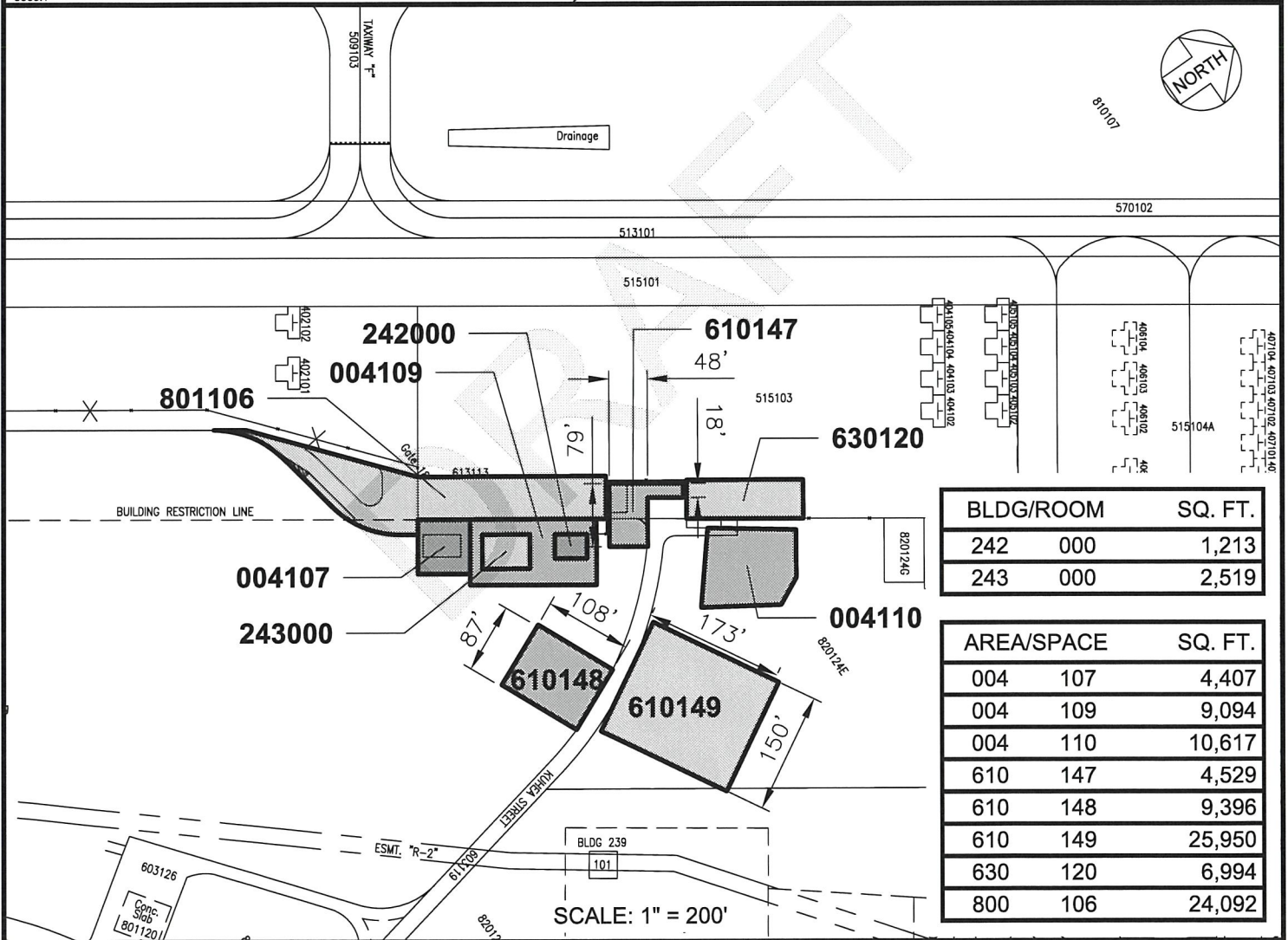
CURT T. OTAGURO  
Deputy Director of Transportation for Airports

Attachment



**LOCATION PLAN**

3000:1



| BLDG/ROOM | SQ. FT. |
|-----------|---------|
| 242 000   | 1,213   |
| 243 000   | 2,519   |

| AREA/SPACE | SQ. FT. |
|------------|---------|
| 004 107    | 4,407   |
| 004 109    | 9,094   |
| 004 110    | 10,617  |
| 610 147    | 4,529   |
| 610 148    | 9,396   |
| 610 149    | 25,950  |
| 630 120    | 6,994   |
| 800 106    | 24,092  |

SCALE: 1" = 200'

DRAFT

DATE : AUGUST 2024

EXHIBIT: **A**



AIRPORTS

SIGNATURE FLIGHT  
SUPPORT LLC

LOT

242000  
243000

**KAHULUI AIRPORT**