

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

IN REPLY REFER TO:

AIR-PM 26.0037

**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
AIRPORTS**
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

February 12, 2026

DOT Land Matters
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF A DIRECT LEASE FOR THE DEVELOPMENT,
CONSTRUCTION AND MAINTENANCE OF A VIP AIRLINE LOUNGE
AND LOUNGE SUPPORT SPACES
ALASKA AIRLINES, INC.
DANIEL K. INOUYE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-003: (PORTION)

OAHU

APPLICANT:

Alaska Airlines, Inc. (Alaska Airlines), whose business address is
19300 International Boulevard, Seattle, Washington 98188.

LEGAL REFERENCE:

Hawaii Revised Statutes (HRS), Sections 261-7, 171, and any applicable successor
statute, including Section 26-19.

LOCATION AND TAX MAP KEY:

Portions of Building 305, Mauka Extension of the Inter-Island Terminal, Second Level at
the Daniel K. Inouye International Airport (Airport), Island of Oahu, State of Hawaii, as
shown on the attached map labeled Exhibit A, and identified by Tax Map Key:
1st Division, 1-1-003: (portion).

AREA:

Building/Room No. 305-215, containing an area of approximately 11,058 square feet,
as shown and delineated on the attached map labeled Exhibits B;

Building/Room No. 305-109, containing an area of approximately 1,816 square feet,
as shown and delineated on the attached map labeled Exhibit C; and

ISSUANCE OF A DIRECT LEASE FOR THE DEVELOPMENT, CONSTRUCTION AND
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ALASKA AIRLINES, INC.

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Area/Space No. 545-130, containing an area of approximately 1,148 square feet, as shown and delineated on the attached map labeled Exhibit D.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: I-2 (Industrial)

LAND TITLE STATUS:

Non-ceded - Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to Hawaii State Constitution YES NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as the Airport under the control and management of the State of Hawaii Department of Transportation, for Airport purposes.

CHARACTER OF USE:

To develop, construct, operate, and maintain a VIP Airline Lounge and Lounge Support Spaces (offices and breakroom), for its Signatory Airline Carrier Operations at the Airport.

TERM OF LEASE:

Twenty (20) years

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL LEASE RENTAL:

Annual Lease Rental for Fiscal Year 2026: Beginning upon the commencement date of the Lease, the annual rental shall be Two Million One Hundred Eighty-Nine Thousand, Three Hundred Ninety-Five Dollars and Eight Cents (\$2,189,395.08), based upon a rate of One Hundred Fifty-Six Dollars and Fourteen Cents (\$156.14) published in the Airports Signatory Carrier Rates and Charges, Hawaii Airports System.

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Annual Rental for the Remaining Lease Term: For each fiscal year of the remaining Lease term, the annual rental shall be the product of the square footage, and the prevailing signatory airline terminal rate for the Airport, as published in the Airports Signatory Carriers Rates and Charges, Hawaii Airports System.

PERFORMANCE BOND:

The sum equal to one quarter of the annual rental in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

Fifteen Million Dollars (\$15,000,000).

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 environmental impacts of the proposed action to the subject land area are covered by the Final Environmental Assessment dated January 2013, Proposed Airport Modernization Program, Honolulu International Airport. The Environmental Assessment (EA), State Project No. AO1030-13, is a joint State and Federal document, published in the October 23, 2012, and November 11, 2012, issues of the OEQC Bulletin. Accordingly, relevant mitigation from the EA and Department of Transportation, Airports environmental best management practice will address minimal impacts from this action.

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, Airports proposes to issue a direct lease to Alaska Airlines for the development, construction, operation and maintenance of a VIP Airline Lounge and Lounge Support Spaces (offices and breakroom), for its Signatory Airline Operations at the Airport.

Airports recognize Alaska Airlines investment, and commitment to the State of Hawaii, and believe that the issuance of a direct lease to Alaska Airlines is in the best interest of the State. The proposed lease is in accordance with the underlying intent of Section 171-59(b), HRS, since this will allow Alaska Airlines to compete with other Signatory Airline Carriers, at the Airport.

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MAINTENANCE OF A VIP AIRLINE LOUNGE AND LOUNGE SUPPORT SPACES
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RECOMMENDATION:

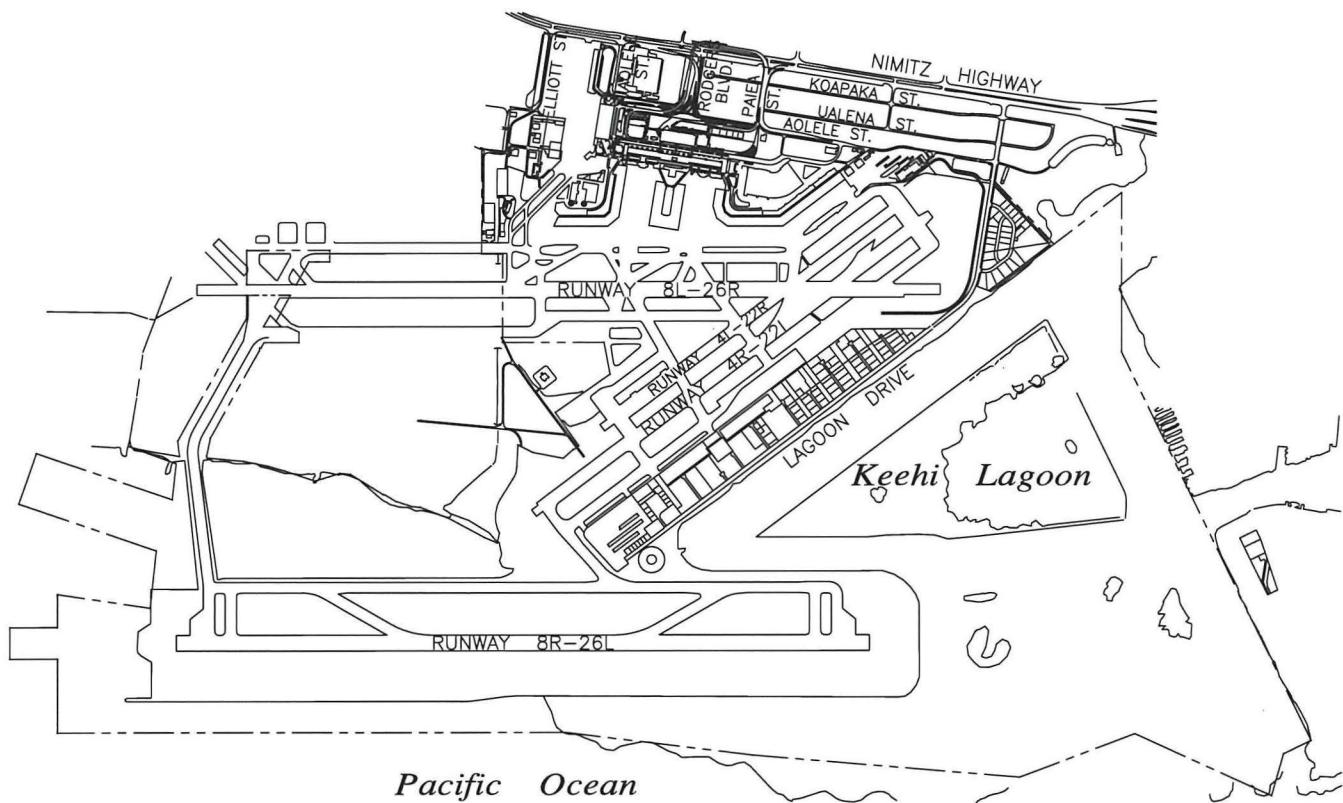
That the Board authorize the Department of Transportation to issue a direct lease to Alaska Airlines, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve 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

Attachments



DATE : January 2026

EXHIBIT: A



Airports

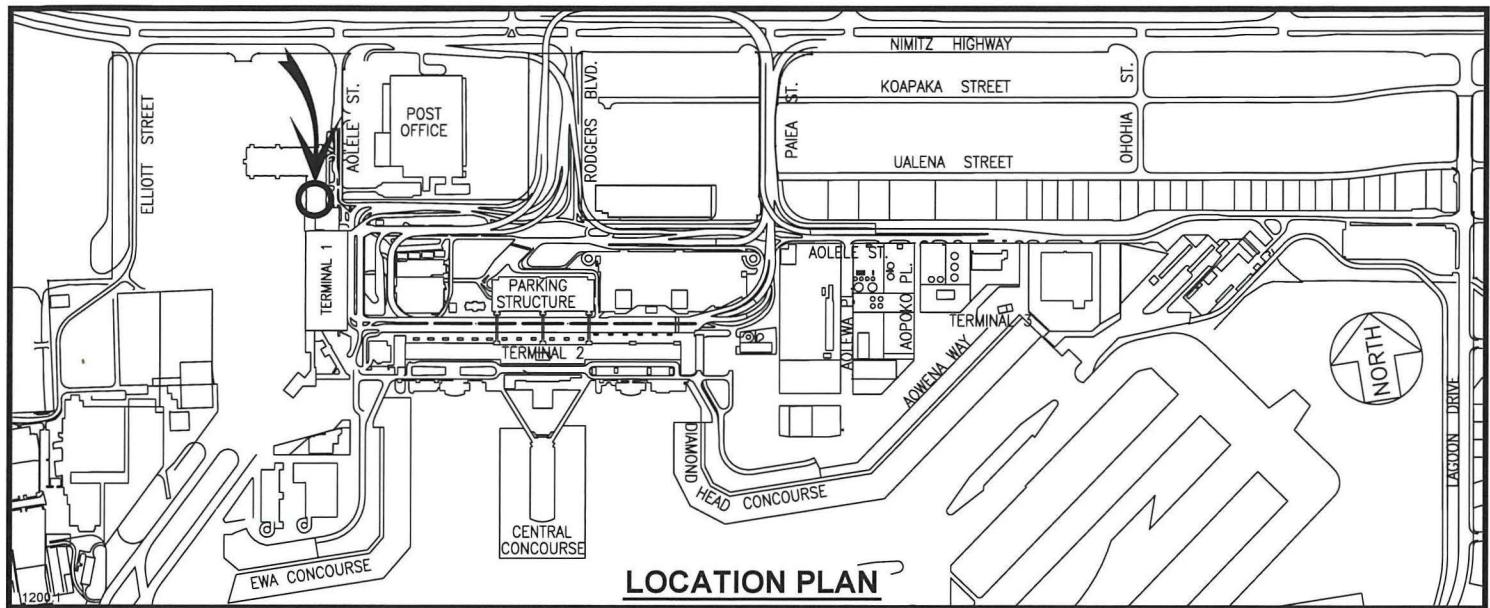
ALASKA
AIRLINES, INC

"AIRPORT"

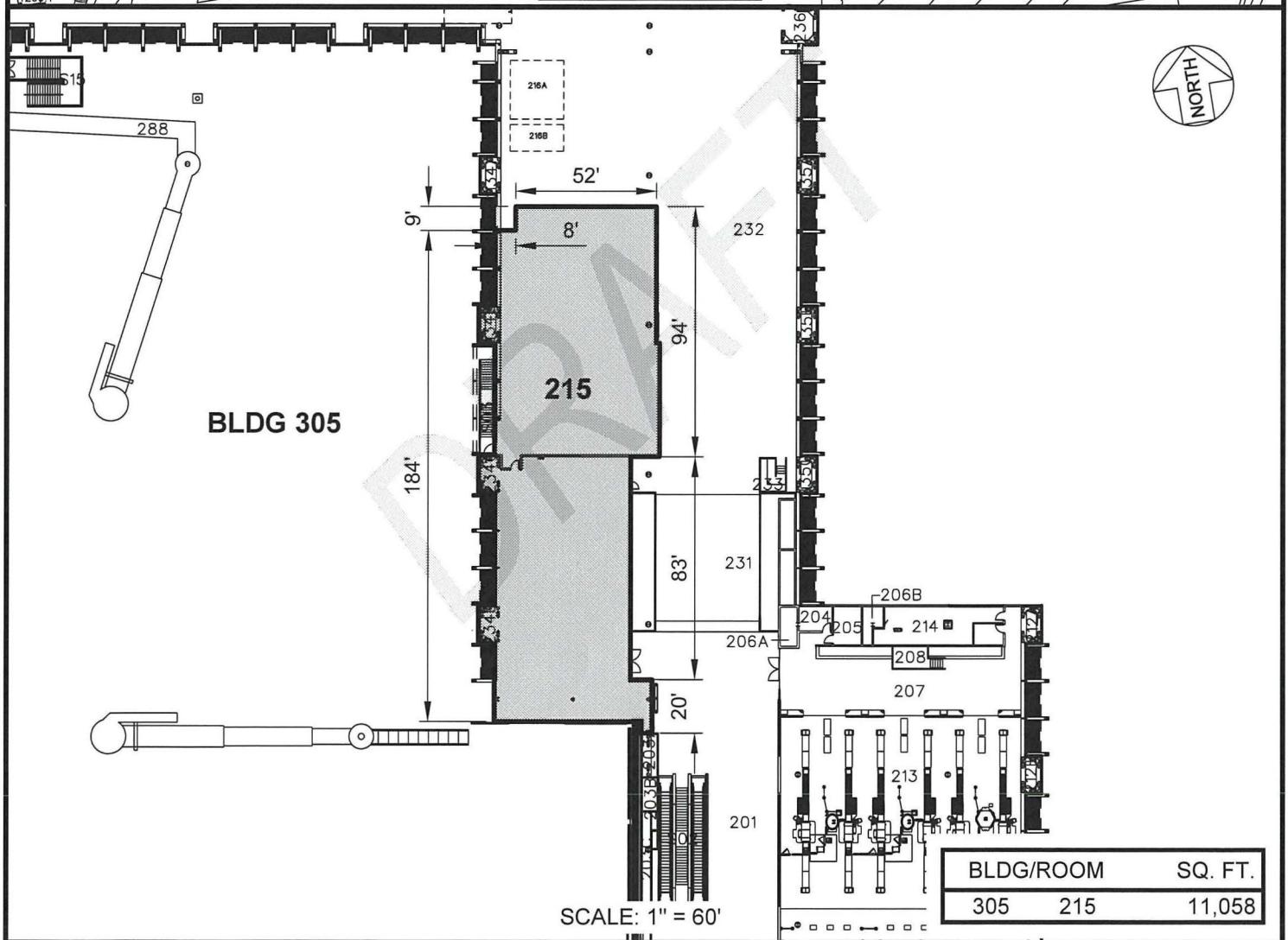
PLAT 01

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DANIEL K. INOUYE INTERNATIONAL AIRPORT



LOCATION PLAN



DATE : JANUARY 2026

EXHIBIT:

B

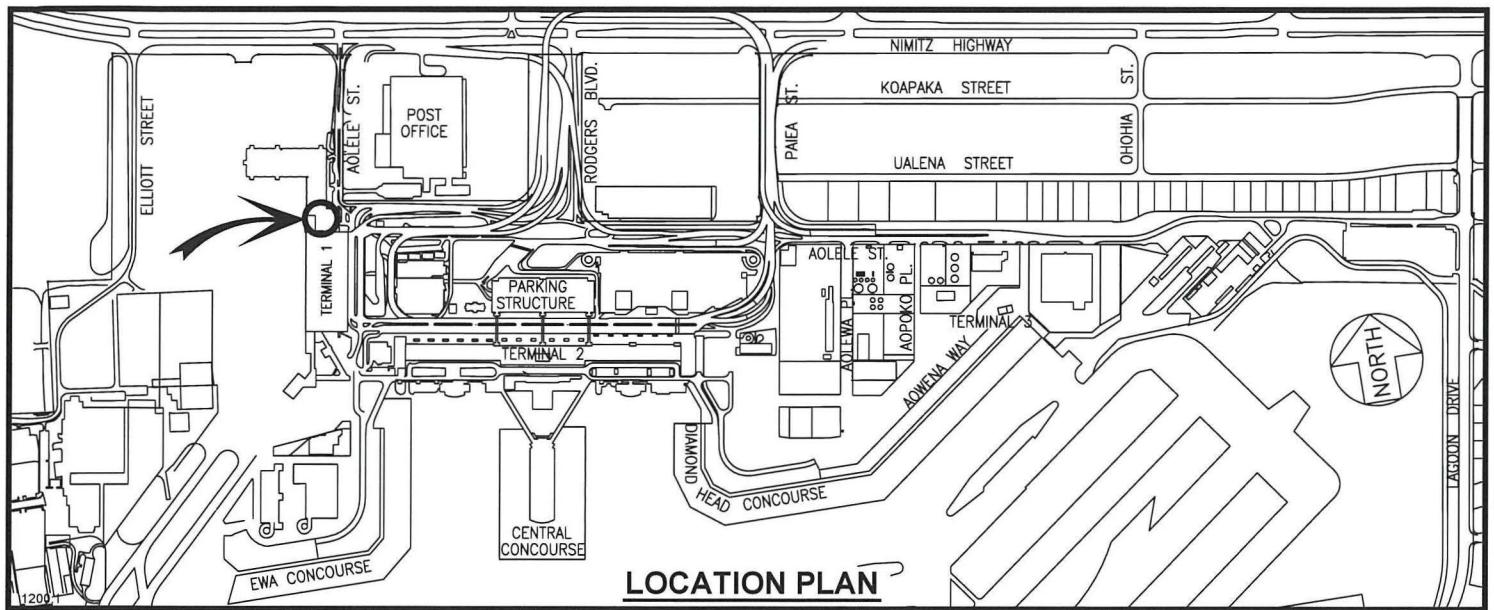


AIRPORTS

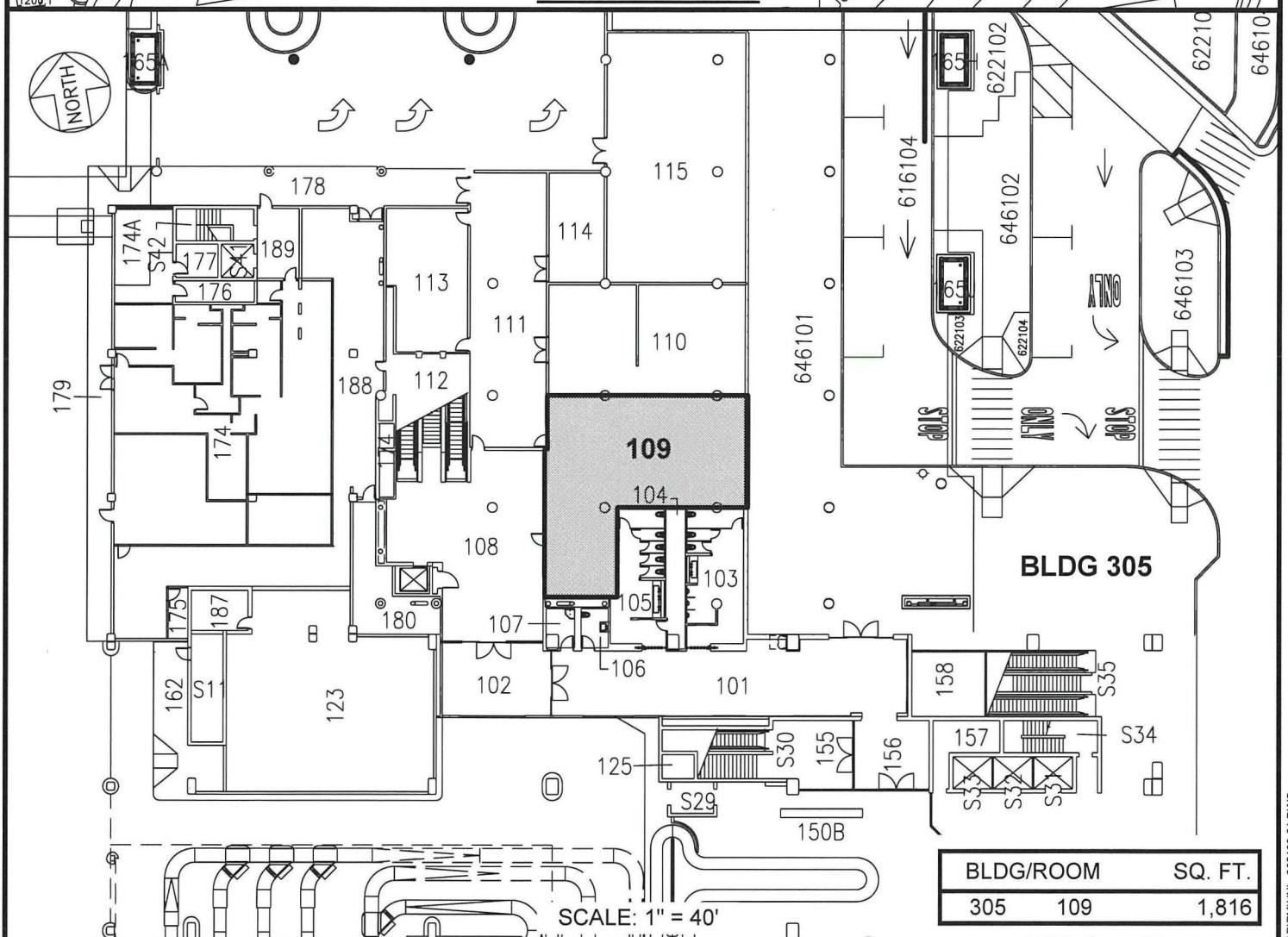
ALASKA AIRLINES,
INC

BUILDING 305
MAUKA EXTENSION
SECOND LEVEL

305215



LOCATION PLAN

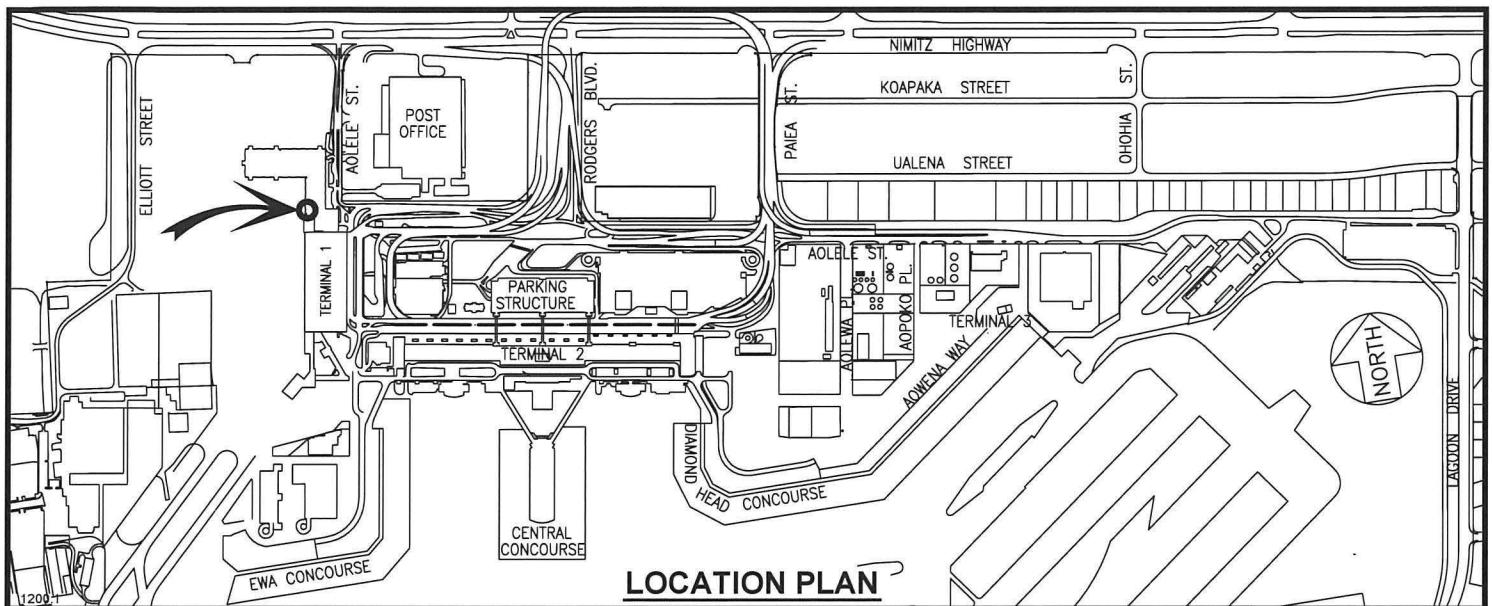


DATE : JANUARY 2026

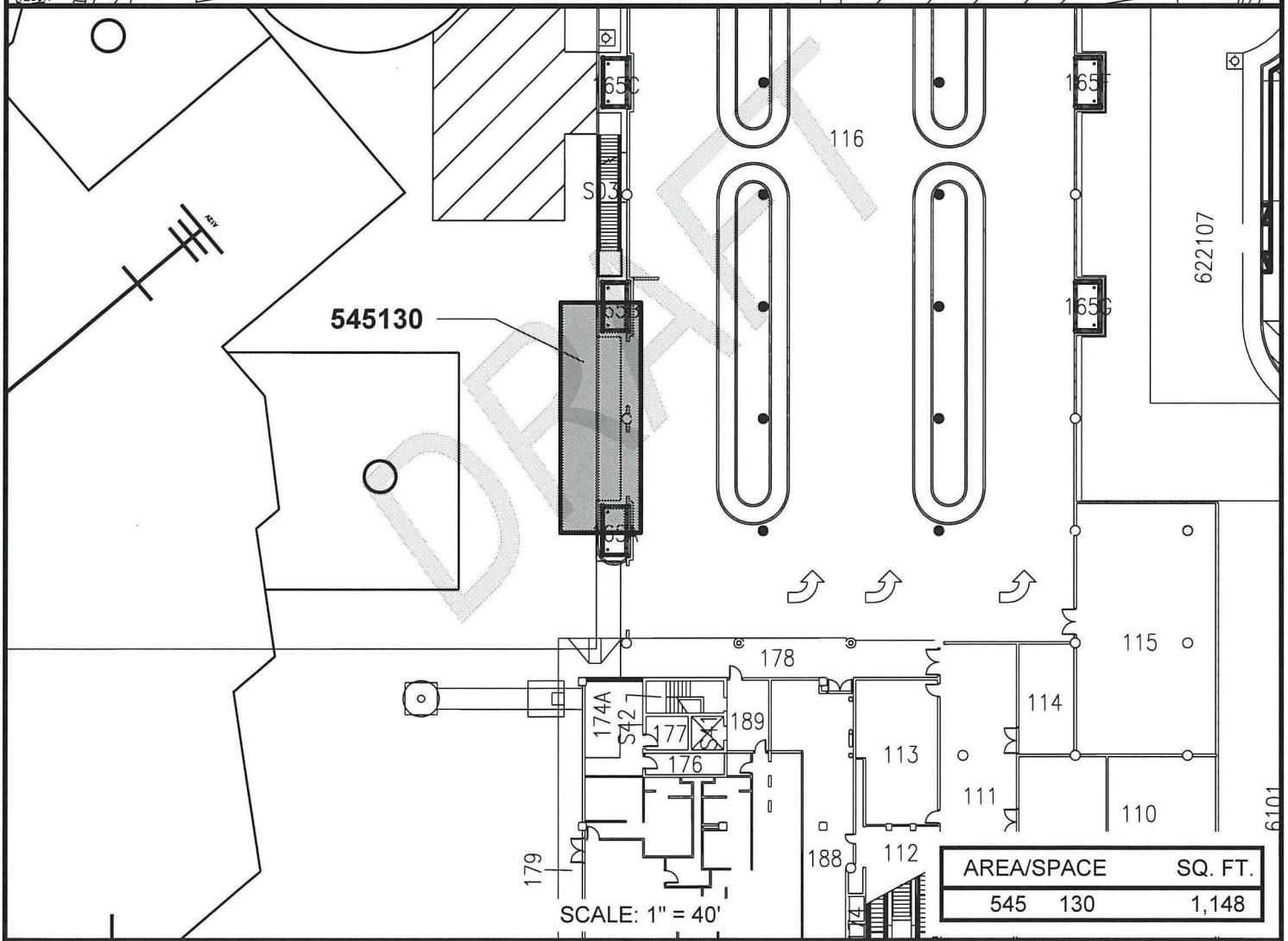
EXHIBIT: C

| | | | |
|--------------|----------------------|---|--------|
| AIRPORTS | ALASKA AIRLINES, INC | TERMINAL 1 MAUKA EXTENSION GROUND LEVEL | 305109 |
|--------------|----------------------|---|--------|

DANIEL K. INOUYE INTERNATIONAL AIRPORT



LOCATION PLAN



SCALE: 1" = 40'

DATE : JANUARY 2026

EXHIBIT: D

| | | | |
|--------------|----------------------|---|--------|
| AIRPORTS | ALASKA AIRLINES, INC | TERMINAL 1 MAUKA EXTENSION GROUND LEVEL | 545130 |
|--------------|----------------------|---|--------|

DANIEL K. INOUYE INTERNATIONAL AIRPORT