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KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
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CURT T. OTAGURO
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STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
AIRPORTS
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

IN REPLY REFER TO:

AIR-PM 26.0159

March 27, 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
DELTA AIR LINES, INC.
DANIEL K. INOUE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-003:042 (PORTION)

OAHU

APPLICANT:

Delta Air Lines, Inc. (Delta), whose business address is CRE Department 877,
P.O. Box 20706, Atlanta, Georgia 30320.

LEGAL REFERENCE:

Sections 261-7 and 171-59 (b), Hawaii Revised Statutes (HRS), as amended.

LOCATION AND TAX MAP KEY:

Portions of Building 341, Diamond Head Domestic Extension, Second Level and
Building 363, Diamond Head Connecting Link, Second Level at Daniel K. Inouye
International Airport (Airport), Island of Oahu, State of Hawaii, identified by
Tax Map Key: 1st Division, 1-1-003:042 (portion).

AREA:

Building/Room No. 341-227, containing an area of approximately 4,989 square feet,
Building/Room No. 341-240D, containing an area of approximately 1,115 square feet,
Building/Room No. 363-239, containing an area of approximately 4,368 square feet, and
Building/Room No. 363-243, containing an area of approximately 1,808 square feet,
as shown and delineated on the attached map labeled Exhibits B, C and D.

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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 (HDOT), for Airport purposes.

CHARACTER OF USE:

To develop, construct, operate, and maintain a VIP Airline Lounge, as part of its Signatory Airline Carrier Operations at the Airport.

TERM OF LEASE:

Ten (10) years

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL LEASE RENTAL:

Annual Lease Rental: Beginning upon the commencement date of the Lease, the rental shall be determined by multiplying the applicable prevailing per square footage signatory airline terminal building rate by the demised square footage (as published in the Airports Signatory Carriers Rates and Charges, Hawaii Airports System) for the Airport.

The Airports Signatory Carriers Rates and Charges, Hawaii Airports System for Fiscal Year 2025 is \$156.14 per square foot, per annum.

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Annual Lease Rental Waiver: The annual rental shall be waived at the commencement date of Lease for a period of twelve (12) months, provided the that the waiver of rent shall be conditioned on “Lessee” making substantial improvements to the spaces.

PERFORMANCE BOND:

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

MINIMUM IMPROVEMENTS REQUIREMENT:

\$8,000,000.00

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:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from 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 15, 2000, 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.

HDOT consulted with the U.S. Federal Aviation Administration (FAA) as to the appropriateness of the citation of the Environmental Exemption Class from the Comprehensive list for the Department of Transportation dated November 15, 2000. The FAA concurred on the appropriateness.

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, HDOT proposes to issue a direct lease to Delta to develop, construct, operate, use and maintain a VIP Airline Lounge, as part of its Signatory Airline Operations at the Airport.

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Delta is a signatory airline carrier with airline operations located mainly within the Overseas Terminal and has been operating in Hawaii since 1984.

To accommodate the increase in passengers to Honolulu, Delta has requested a directly-negotiated lease for the construction and development of a new Airline Lounge. HDOT recognizes Delta's commitment and believes that the new Airline Lounge is in the best interest of the State.

HDOT considers the proposed lease is in accordance with the underlying intent of Section 171-59 (b), HRS, since it will allow Delta to compete with other major Signatory Airline Carriers at the Airport.

RECOMMENDATION:

Based on this submittal, and testimony and facts presented, the HDOT recommends the Director of Transportation finds that approving the issuance of a directly-negotiated lease to Delta, 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.

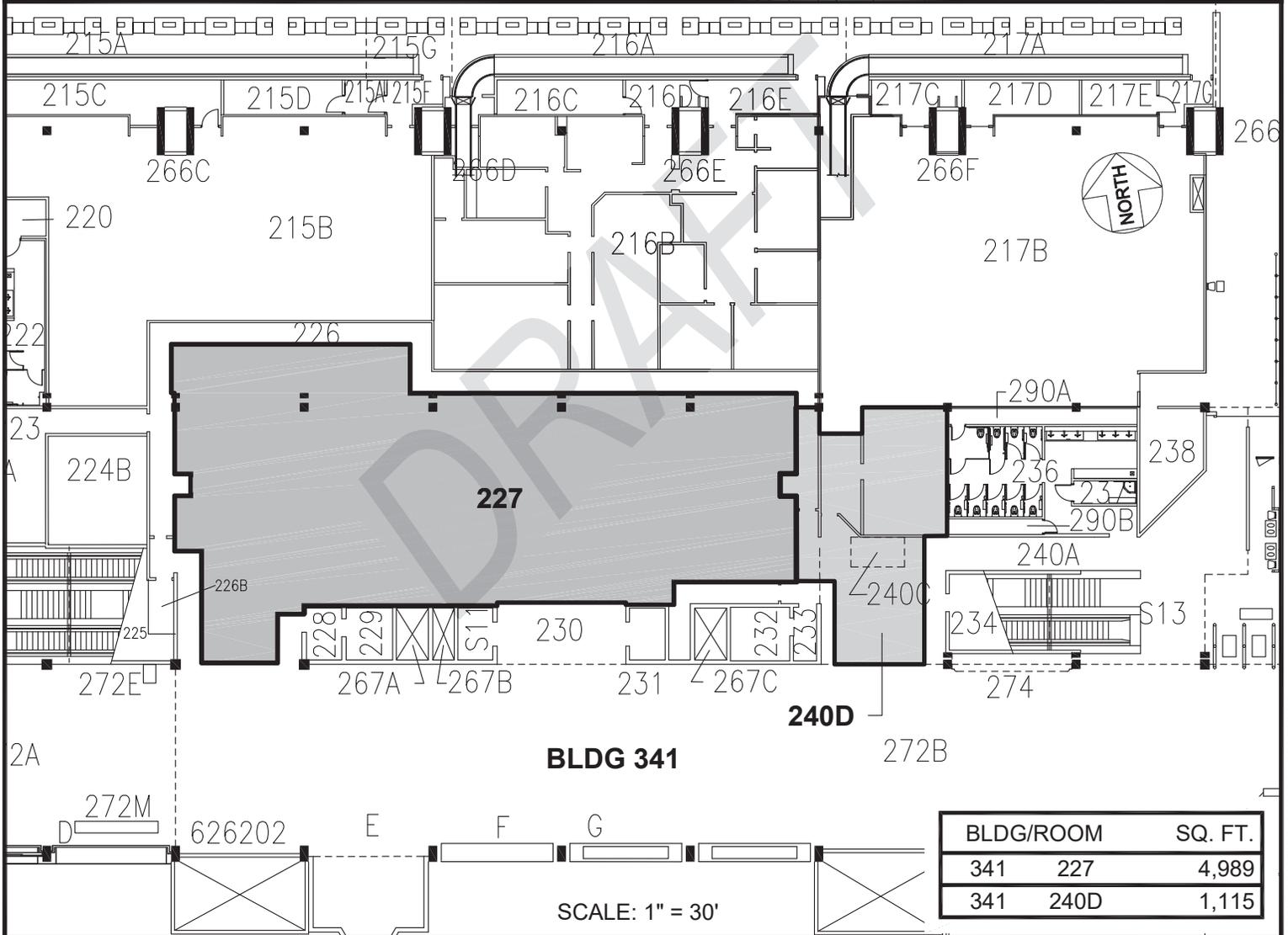
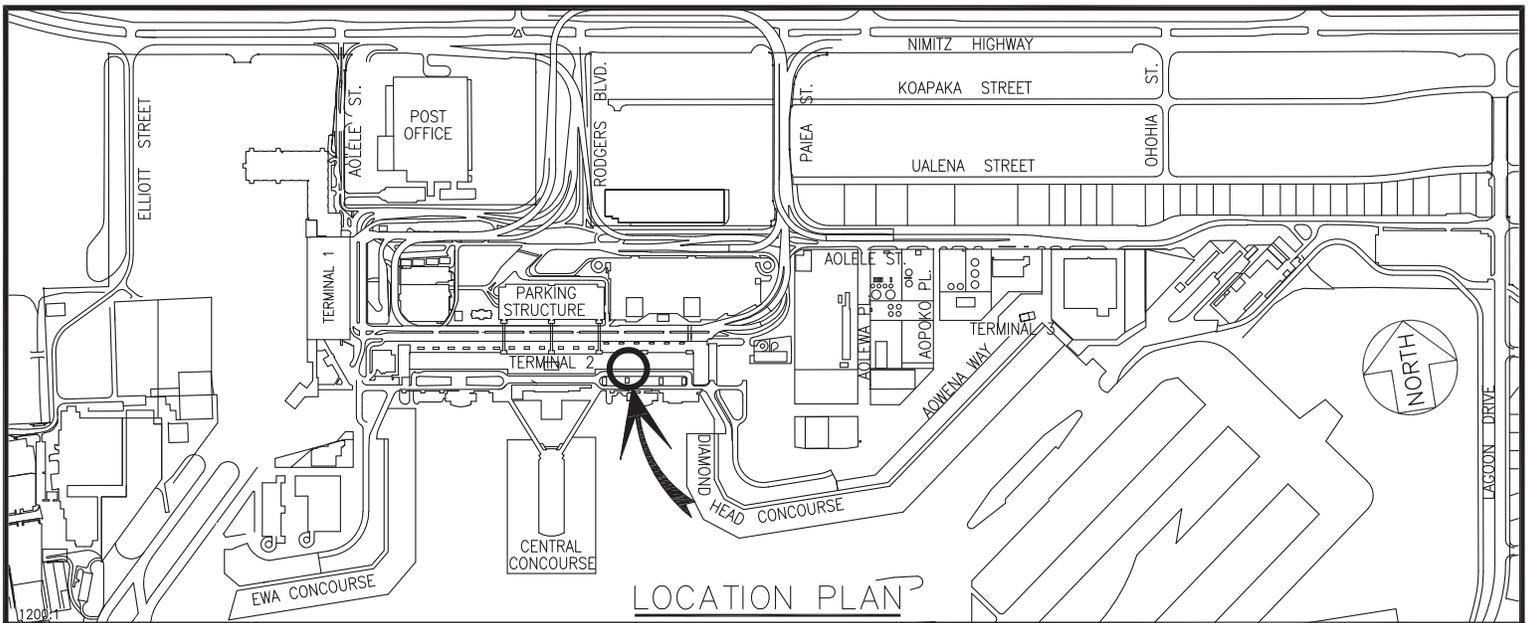
Respectfully submitted,

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CURT T. OTAGURO

Deputy Director of Transportation for Airports

Attachments



BLDG/ROOM	SQ. FT.
341 227	4,989
341 240D	1,115

SCALE: 1" = 30'

DATE : FEBRUARY 2026

EXHIBIT: **B**

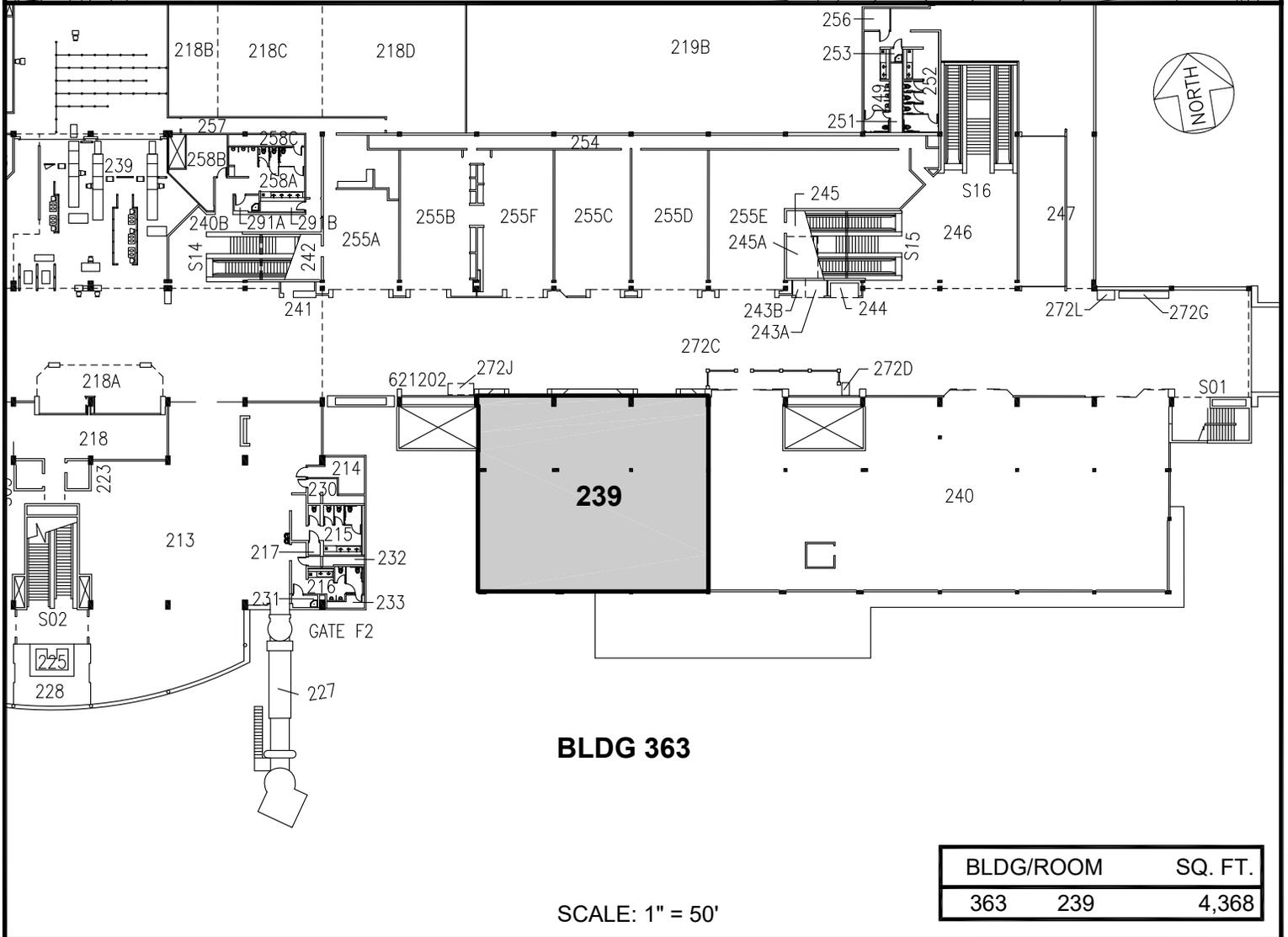
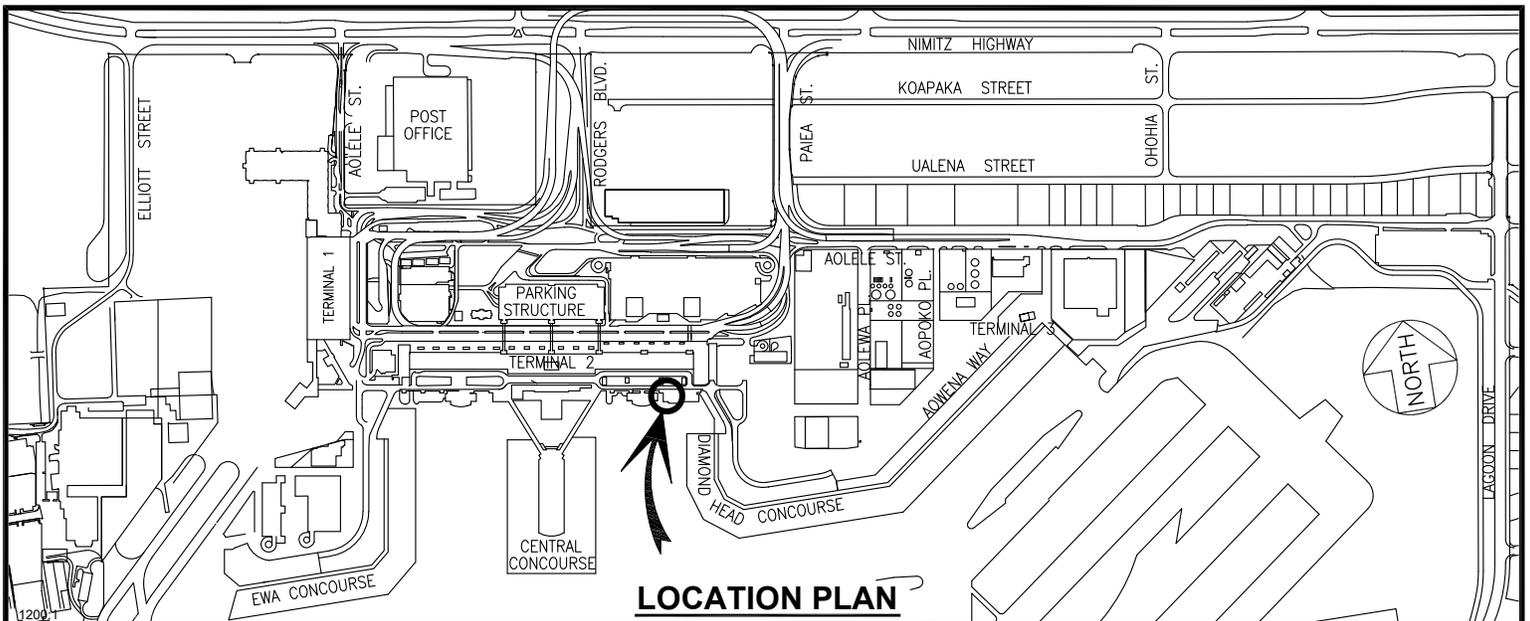


DELTA LOUNGE

**BUILDING 341
D.H. DOMESTIC EXTN.
SECOND LEVEL**

**341227
341240D**

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DATE : FEBRUARY 2026

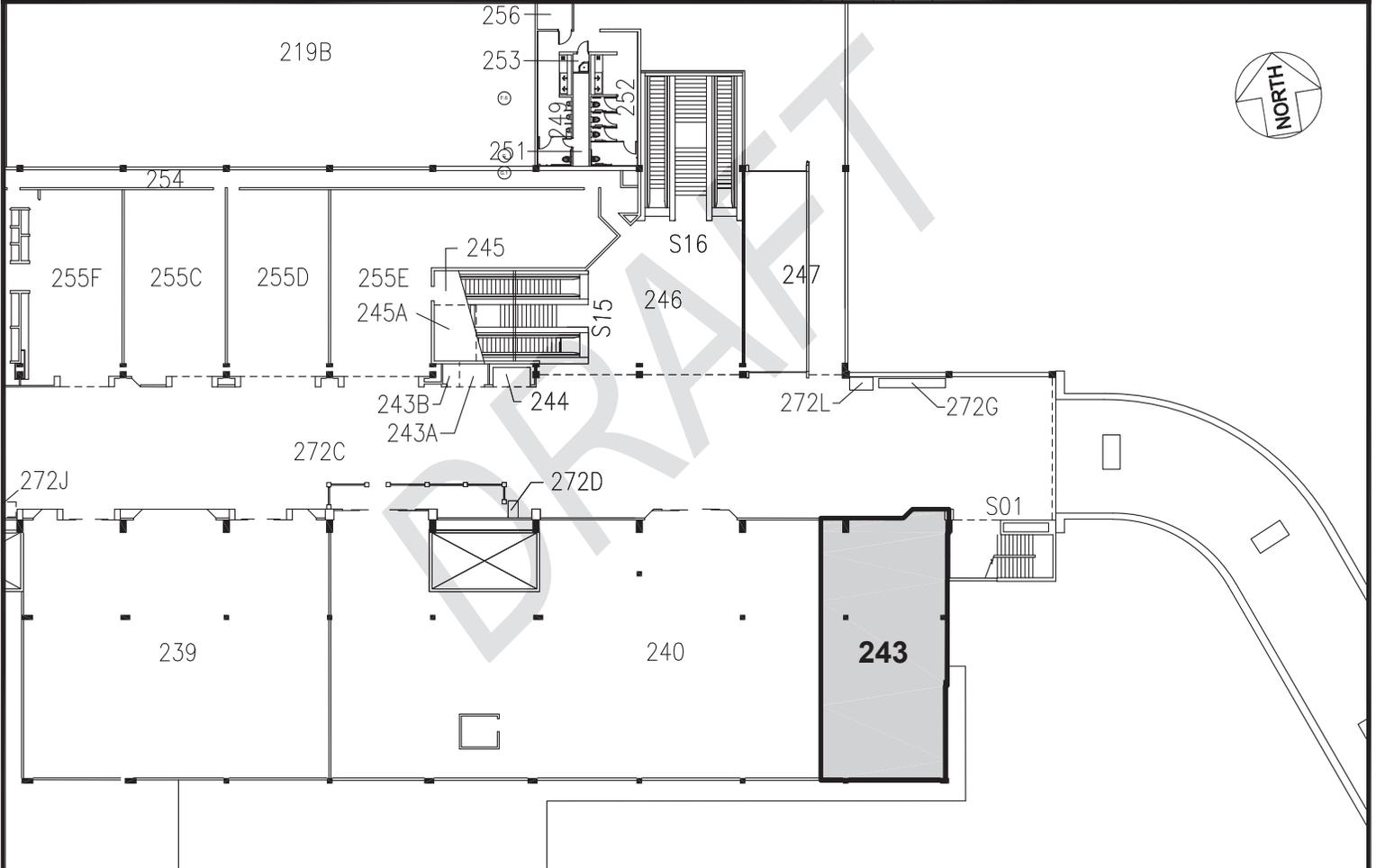
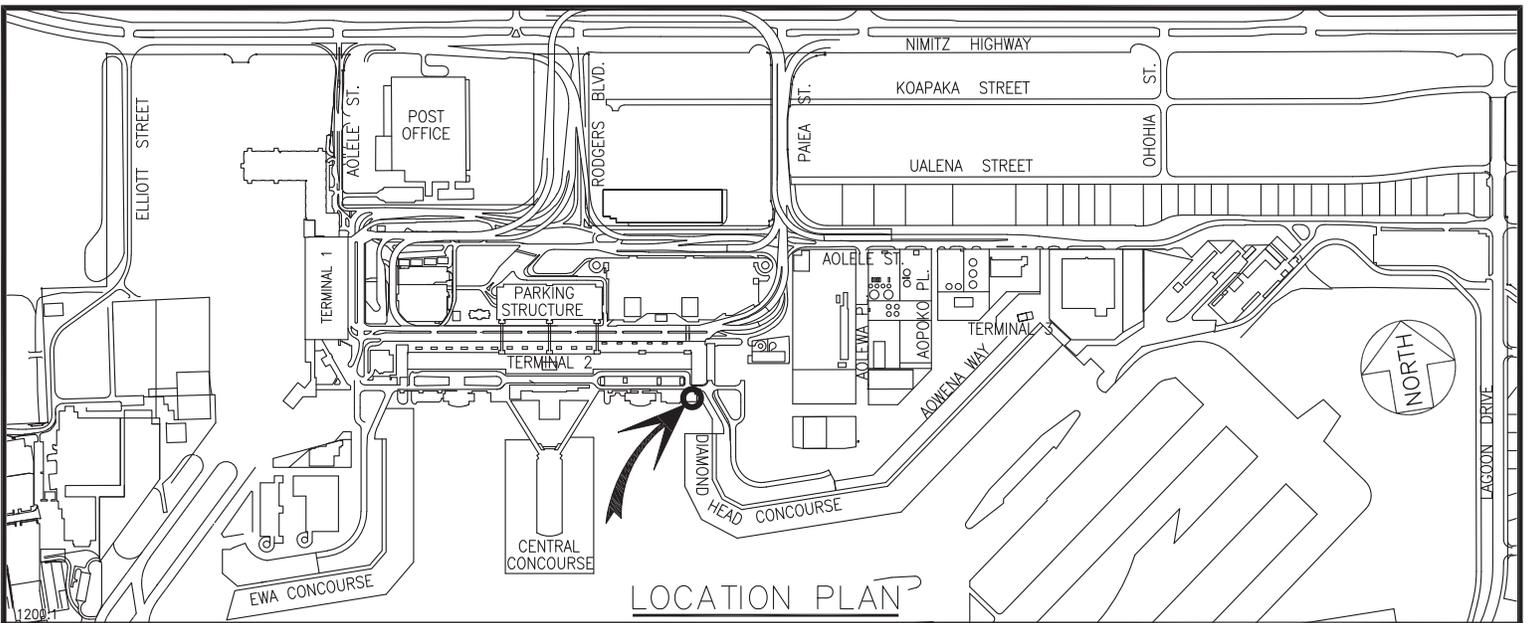
EXHIBIT: **C**



DELTA LOUNGE

**BUILDING 363
D.H. CONNECTING LINK
SECOND LEVEL**

363239



BLDG 363

SCALE: 1" = 40'

BLDG/ROOM	SQ. FT.
363 243	1,808

DATE : FEBRUARY 2026

EXHIBIT: **D**



AIRPORTS

DELTA LOUNGE

**BUILDING 363
D.H. CONNECTING LINK
SECOND LEVEL**

363243

DANIEL K. INOUE INTERNATIONAL AIRPORT