

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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

EDWIN H. SNIFFEN
DIRECTOR
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Nā Hope Luna Ho'okele
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ROBIN K. SHISHIDO

IN REPLY REFER TO:

AIR-PM 26.0348

June 4, 2026

DOT Land Matters
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF A DIRECTLY-NEGOTIATED LAND LEASE
FOR A GENERAL AVIATION HANGAR FACILITY
SATOYAMA MOLOKAI LLC
MOLOKAI AIRPORT
TAX MAP KEY: (2) 5-2-004: PORTION OF 106

MAUI

APPLICANT:

Satoyama Molokai LLC (Satoyama Molokai), whose mailing address is
P.O. Box 161, Kaunakakai, Hawaii 96748.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Portion of Molokai Airport (MKK), Hoolehua, Island of Molokai, County of Maui,
identified by Tax Map Key: 2nd Division, 5-2-004: Portion of 106.

AREA:

Building/Room No. 403-102, containing an area of approximately 7,500 square feet of
unimproved, unpaved land, as shown and delineated on the attached Exhibit B.

ZONING:

State Land Use District: Agricultural
County of Maui: Interim Zoning Provisions of the Maui County Zoning Code

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LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admission Act: 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. 1611, dated February 1, 1954, setting aside 10.321 acres, being a portion of MKK under the control and management of the Hawaii Aeronautics Commission [subsequently transferred to the State of Hawaii Department of Transportation (HDOT)] for public purposes.

CHARACTER OF USE:

To develop, construct, use, operate and maintain a general aviation hangar facility for aircraft storage.

LEASE TERM:

20 Years.

COMMENCEMENT DATE:

Upon execution of the Lease.

ANNUAL LEASE RENTAL:

Years 1 – 5:	\$3,675.00 per annum [based on a rate of \$0.98 per square foot, per annum, for unimproved, unpaved land discounted to \$0.49 (50% Developmental 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 5 of the Lease.
Years 16 – 20:	Reopening at fair market rent as determined by an independent appraiser and discounted by 25% (Aeronautical Discount).

PERFORMANCE BOND:

The sum equal to the annual rental then in effect.

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MINIMUM IMPROVEMENTS REQUIREMENT:

\$515,000.00

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:

The HDOT has determined that the subject areas are covered by the Molokai Airport Improvements Environmental Assessment (EA), published by the Environmental Quality Commission (EQC) in the December 23, 1981 issue of the EQC Bulletin. Accordingly, all relevant mitigation from the EA and best management practices will be implemented to address the minimum impacts of this action.

REMARKS:

The HDOT proposes to issue a directly-negotiated land lease to Satoyama Molokai to develop, construct, use, operate and maintain a general aviation hangar facility.

RECOMMENDATION:

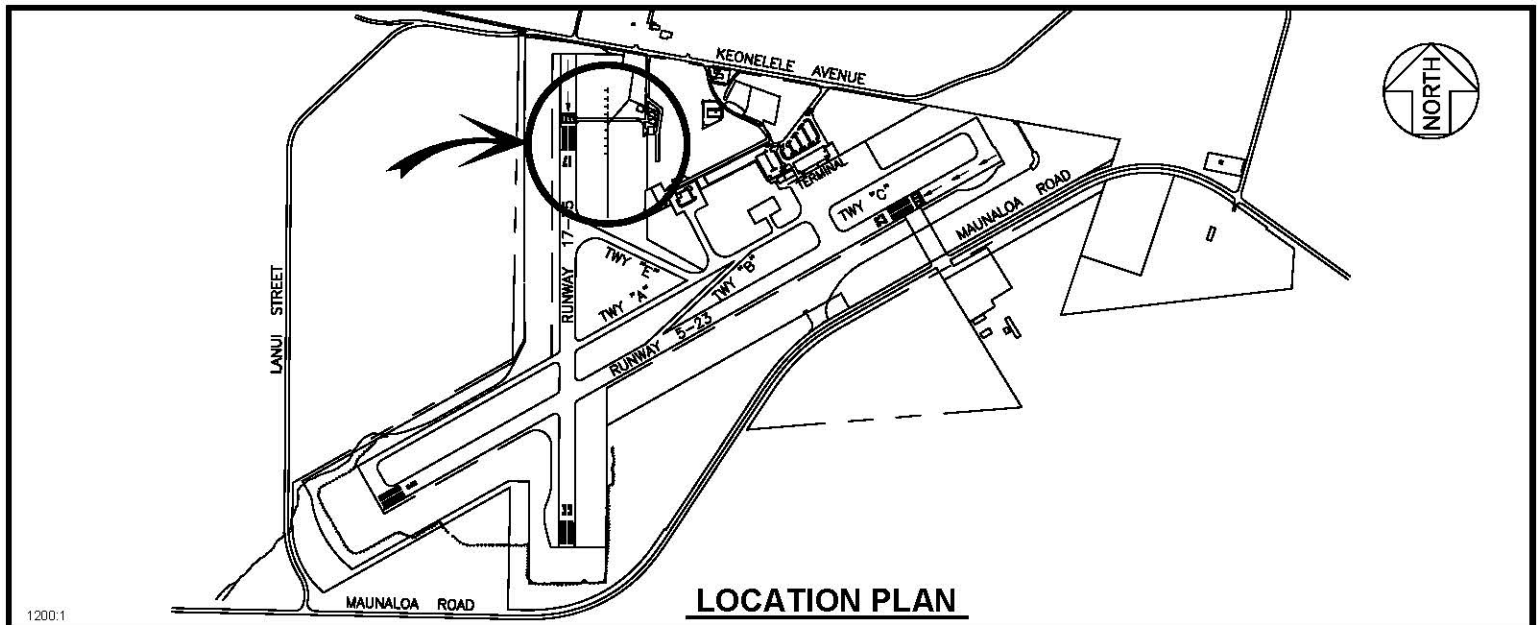
Based on this submittal, and testimony and facts presented, the HDOT recommends the Director of Transportation finds that approving the issuance of a directly-negotiated land lease to Satoyama Molokai, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2)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

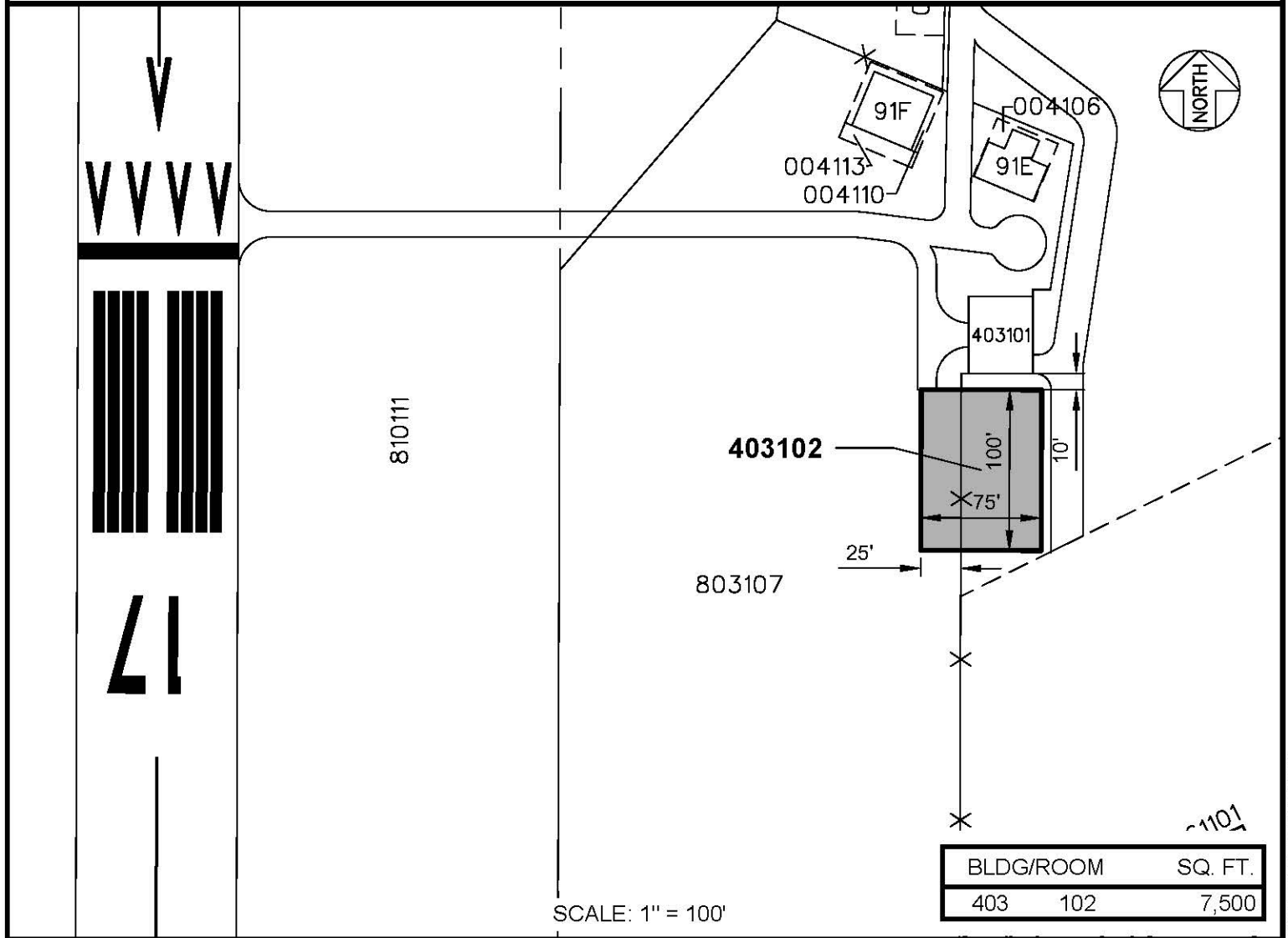


CURT T. OTAGURO
Deputy Director of Transportation for Airports

Attachment



1200.1



BLDG/ROOM	SQ. FT.
403 102	7,500

STATE LEASE NO. DOT-A-26-0009

DATE : APRIL 2026

EXHIBIT: **B**



AIRPORTS

SATOYAMA MOLOKAI LLC

HANGAR

403102

MOLOKA'I AIRPORT

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