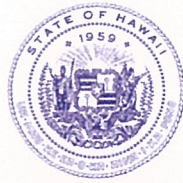


DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
EDWIN H. SNIFFEN

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawai'i
Honolulu, Hawai'i

ISSUANCE OF A REVOCABLE PERMIT FOR FIVE (5) PREFERENTIAL
HOLDROOMS LOCATED AT GATES E1, E3, E5, E7, AND E9, CENTRAL
CONCOURSE OF TERMINAL 2
SOUTHWEST AIRLINES CO.
DANIEL K. INOUYE INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-003: 050 (PORTION)

O'AHU

APPLICANT:

Southwest Airlines Co. (Southwest Airlines), whose business address is 2702 Love Field Drive, Dallas, Texas 75235.

LEGAL REFERENCE:

Section 171-55, Hawai'i Revised Statutes (HRS).

LOCATION AND TAX MAP KEY:

A portion of the Daniel K. Inouye International Airport (Airport), Island of Oahu, State of Hawai'i, identified by Tax Map Key: 1st Division, 1-1-003: 050 (portion).

AREA:

Five (5) Preferential Holdrooms located at Gates E1, E3, E5, E7, and E9, Central Concourse of Terminal 2, containing an average area of approximately 4,215 square feet each, as described on the attached State of Hawai'i, Department of Transportation, Airports Division (DOTA) letter dated June 6, 2022 (DEP-A 22.0035), labeled Exhibit A.

ZONING:

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

ITEM M-4

BLNR – ISSUANCE OF A REVOCABLE PERMIT FOR FIVE (5) PREFERENTIAL
HOLDROOMS AT GATES E1, E3, E5, E7, AND E9, CENTRAL CONCOURSE OF
TERMINAL 2, SOUTHWEST AIRLINES CO., DANIEL K. INOUYE INTERNATIONAL
AIRPORT

Page 2

LAND TITLE STATUS:

Non-Ceded - Section 5(a) lands of the Hawai'i Admission Act
DHHL 30% entitlement lands pursuant to Hawai'i Admission Act 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 DOTA for Airport Purposes.

CHARACTER OF USE:

For the use of five (5) Preferential Holdrooms, Gates E1, E3, E5, E7, and E9 per the First
Amended Lease Extension Agreement of the Airport-Airline Lease.

COMMENCEMENT DATE:

Upon execution of the revocable permit.

MONTHLY RENTAL:

\$172,235.45 (based on a rate of \$98.07 per square foot, per annum, as determined from
the Airports Division Signatory Rates and Charges, Hawai'i Airports System, effective
July 1, 2023.

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 Honolulu International airport Master Plan Update and Noise Compatibility Program
Environmental Assessment (EA), State Project No. AO1011-033. The EA is a joint State
and Federal document, dated September 1989 and published in the October 23, 1989
issue of the OEQC Bulletin. Accordingly, relevant mitigation from the EA and DOTA
environmental best management practice will address minimal impacts from this action.

BLNR – ISSUANCE OF A REVOCABLE PERMIT FOR FIVE (5) PREFERENTIAL HOLDROOMS AT GATES E1, E3, E5, E7, AND E9, CENTRAL CONCOURSE OF TERMINAL 2, SOUTHWEST AIRLINES CO., DANIEL K. INOUE INTERNATIONAL AIRPORT

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REMARKS:

In accordance with Section 171-55, HRS, relating to Permits, the Department of Transportation proposes to issue a month-to-month revocable permit to Southwest Airlines for five (5) Preferential Holdrooms located at Gates E1, E3, E5, E7, and E9, Central Concourse of Terminal 2 at the Airport.

RECOMMENDATION:

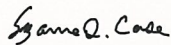
That the Board authorize the Department of Transportation to issue a month-to-month revocable permit to Southwest Airlines, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; and (2) such additional terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,



JADE T. BUTAY
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 RODGERS BOULEVARD, SUITE 700
HONOLULU, HAWAII 96819-1880

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
EDWIN H. SNIFFEN

IN REPLY REFER TO:
DEP-A
22.0035

June 6, 2022

Mr. David Sellers
Southwest Airlines
P. O. Box 36611
Dallas, Texas 75235-1611

Dear Mr. Sellers:

Subject: Preferential Holdrooms/Gates for Fiscal Year 2023

The First Amended Lease Extension Agreement provides airlines the opportunity to qualify for the preferential lease of holdroom(s)/gate(s) if they are able to complete a minimum of six daily turns per holdroom/gate. Due to the pandemic and its adverse impacts to air travel, preferential leasing was suspended for fiscal years 2021 and 2022.

With the demand for air travel quickly rebounding, preferential lease of holdroom(s) will be reinstated for fiscal year 2023. Qualification criteria remains the same for all airports except for Daniel K. Inouye International Airport (HNL), which is revised as follows.

1. Minimum of six daily turns on a single gate, or
2. Minimum of five daily turns on a single gate but less than six, and the total number of seats is greater than six times the average seats per turn for all scheduled commercial flights at HNL, based upon the projected flight schedules for the first month of the qualifying period.

For July 2022, the average number of seats per turn for all scheduled commercial flights at HNL equals 387. Accordingly, to qualify under this criterion, an airline must be able to accommodate five or five and one-half daily turns with greater than 2,322 seats on a single gate.

EXHIBIT A

In accordance with the above, and the Preferential Holdroom Lease Policies agreed to in 2013 between the State of Hawaii, Department of Transportation, Airports Division (DOT-A) and the Airlines Committee of Hawaii, four airlines requested preferential holdrooms/gates for fiscal year 2023 as follows.

Daniel K. Inouye International Airport

- Alaska Airlines – Two preferential holdroom/gate
- Hawaiian Airlines – Thirteen preferential holdrooms/gates
- Southwest Airlines – Six preferential holdrooms/gates
- United Airlines – Three preferential holdrooms/gates

Kahului Airport

- Alaska Airlines – One preferential holdroom/gate
- Hawaiian Airlines – Seven preferential holdrooms/gates
- Southwest Airlines – Four preferential holdrooms/gates
- United Airlines – One Preferential holdroom/gate

Ellison Onizuka Kona International Airport at Keahole

- Alaska Airlines – One preferential holdroom/gate
- Hawaiian Airlines – Three preferential holdrooms/gates
- Southwest Airlines – Two preferential holdrooms/gates

Lihue Airport

- Hawaiian Airlines – Three preferential holdrooms/gates
- Southwest Airlines – Two preferential holdrooms/gates

Hilo International Airport

- Hawaiian Airlines – Two preferential holdrooms/gates
- Southwest Airlines – One preferential holdroom/gate

Based upon a review of the aggregate flight schedules at the respective airports and the most efficient utilization of gates, the following preferential holdroom/gate requests are approved effective July 1, 2022, based upon the conditions outlined below.

Daniel K. Inouye International Airport

- Alaska Airlines – Preferential lease of holdroom/gate E2
- Hawaiian Airlines – Preferential lease of holdrooms/gates A13, A14, A15, A16, A17, A18, A19, A20, B1, B2, B3, B4 and B5
- Southwest Airlines – Preferential lease of holdrooms/gates E1, E3, E5, E7 and E9
- United Airlines – Preferential lease of holdrooms/gates G3, G4 and G5

Kahului Airport

- Hawaiian Airlines – Preferential lease of holdrooms/gates 17, 19, 21, 23, 27 and 29
- Southwest Airlines – Preferential lease of holdrooms/gates 5, 7 and 9

Ellison Onizuka Kona International Airport at Keahole

- Hawaiian Airlines – Preferential lease of holdrooms/gates 9 and 10 (which includes gates 10A, 10B and 10C)
- Southwest Airlines – Preferential lease of holdroom/gate 5 (which includes gates 4 and 6)

Lihue Airport

- Hawaiian Airlines – Preferential lease of holdrooms/gates 3 and 4
- Southwest Airlines – Preferential lease of holdroom/gate 8

Hilo International Airport

- Hawaiian Airlines – Preferential lease of holdrooms/gates 6 and 7

The airlines granted preferential holdrooms/gates understand that the DOT-A has the discretion to gate other airlines' flights on preferential holdrooms when the airline with preferential holdrooms are not utilizing a holdroom. Failure to accommodate other airline flights on preferential holdrooms/gates as directed by the DOT-A will result in the immediate loss of one or more preferential holdroom(s)/gate(s). Further, the DOT-A has the authority to reduce the number of, or eliminate, preferential leasing of holdroom(s)/gate(s) at any time.

All flights by other airlines that are directed by the DOT-A to utilize a preferential holdroom/gate will be assessed the applicable joint use holdroom charge by the DOT-A.

Mr. David Sellers
June 6, 2022
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22.0035

The DOT-A appreciates your continued support and cooperation. If you have any questions, please contact me at (808) 838-8602.

Sincerely,



ROSS M. HIGASHI
Deputy Director - Airports

c: Jade Butay, Director (DOT)
Davis Yogi, Acting ADM (AIR-O)
Marvin Moniz, ADM (AIR-M)
Chauncey Wong Yuen, ADM (AIR-H)
Steven Santiago, ADM (AIR-HL)
Hawaii Airline Liaison Office