



**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
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JADE T. BUTAY  
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IN REPLY REFER TO:  
**AIR-PM**  
21.0856

September 17, 2021

Attention: Chief, Real Estate Division  
U.S. Army Corps of Engineers  
District Engineer  
Building 230, Room 103  
Fort Shafter, Hawaii 96858-5440

Colonel Daniel Misigoy  
Commander  
U.S. Army Garrison-Hawaii  
Department of the Army  
U.S. Army Installation Management Command-Pacific  
745 Wright Avenue, Building 107, Wheeler Army Airfield  
Schofield Barracks, Hawaii 96857-5000

Dear Chief and Colonel Misigoy:

This letter concerns the State of Hawaii, Department of Transportation's ("DOT"), early termination of the Department of the Army Lease (Dillingham Military Reservation, Honolulu, Hawaii), DACA84-1-09-135, as amended ("Lease"). The DOT hereby revokes its termination of the Lease exercised on January 6, 2020, pursuant to Paragraph 18 (Termination) of the Lease by which the Lease would terminate before its term end date. With this revocation, the termination date of the Lease is now its term end date of July 5, 2024.

As background information, by letter dated January 6, 2020, to the Department of the Army ("Army"), DOT first exercised its right to terminate the Lease pursuant to Paragraph 18 (Termination) and provided an effective date of termination of June 30, 2020. By letter dated April 6, 2020, DOT extended the termination date to June 30, 2021, and reconfirmed that termination date by letter dated February 3, 2021. By letter dated April 27, 2021, DOT further extended the termination date to December 31, 2021. The Army confirmed the December 31, 2021, termination date, by letter dated May 26, 2021.

As you know, DOT agreed to extend the termination date to December 31, 2021, based on an expectation of seeing concrete and substantial progress toward resolving outstanding legal issues concerning the Lease (i.e., the length of the lease, and the obligation to operate and maintain the water system currently at the airfield).

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DOT notes that, at this time, there has been some progress on a Joint Use Agreement (“JUA”) and a long-term lease. DOT’s comments on drafts of both documents are currently under review by the Army. There remains continuing inquiry by interested third parties regarding water users outside the boundaries of the current leasehold. However, as between the Army and DOT, we restate DOT’s understanding that DOT will not be obligated to operate the water system outside the boundaries of the leasehold. Further, as an item of the JUA and/or the long-term lease, DOT requires appropriate and necessary control of the airfield and its improvements in order to comply with its Federal Aviation Administration grant assurances.

In light of the progress to date, **DOT is hereby revoking its notice of termination.** Nevertheless, DOT reserves its continuing right to early termination under Paragraph 18 (Termination). If the advancement on a JUA and a long-term lease does not make continued and timely progress, and/or if the parties cannot resolve key issues such as the operation and maintenance of the water system or sufficient rights and powers to satisfy DOT’s federal grant assurances, DOT may find it necessary to exercise such right again.

We appreciate your continued assistance on this matter.

Sincerely,



JADE T. BUTAY  
Director of Transportation

c: Clare E. Connors, Department of the Attorney General  
Ross M. Higashi, Department of Transportation, Airports Division  
Edwin H. Sniffen, Department of Transportation, Highways Division