

# ISLAND SEAPLANE SERVICE INC.



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1. For 22 years we have been charged rent on the basis of "Industrial Property" at \$2,389.00 per month. This actually is not "Industrial Property" which makes this illegal seeing it is actually zoned by the state as P-I, Restricted Preservation District. By DOTA'S Procedure No. 4.5 Schedule of Rates and charges dated September 14, 2017 the only suitable basis for rental charges is listed on Page 7 as "Uncovered, Unpaved Parking" with a charge of \$99.00 per vehicle per month. Island Seaplane Service was not allowed to pave the driveway or a pedestrian sidewalk and no construction allowed. This has made a muddy lot after a rainfall with mud being tracked into the office and all over the dock and eventually into the aircraft and vehicles.

With careful parking we have seen 20 vehicles parked in this lot as maximum making the rental charge of \$1,980.00 monthly. This makes a rental rate of \$409.00 less each month which translates to \$4,908.00 annually or \$103,068.00 over the 21 year period. The past 13 months the rental charges were drastically increased to \$7,553.60 per month making a differential of \$5,573.60 compared to the "Uncovered, Unpaved Parking" or an overcharge of \$72,456.80. The two sums of \$103,068.00 and \$72,456.80 make a total overcharge of \$175,524.30. This is actually more than ISS current arrears.

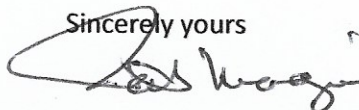
We are proposing a 90 day extension of the October 31, 2018 proposed by DOTA so that these discrepancies can be investigated. These numbers are based on the 9-14-2017 rate for "Uncovered, Unpaved, Parking" which was most likely a much smaller fee 10 or 20 years ago which would increase the overcharge total. ISS would expect these mistakes to be credited to their account.

2. Also enclosed are ISS account statement from late 2016 to 2018. There can be no credit shown for a \$8,000.00 check written on July 9, 2017, sent to the Attorney General's Office and finally cleared the bank on July 31, 2017 – but no credit for the amount shows up. Several phone calls have been made – but no answers. Another check for \$500.00 was sent to DOTA early in March 2018, and a letter sent to Attorney General's Office on June 1, 2018 stating that the check never was cashed. This prompted some action and the check was cashed a few days later. No credit on the billing statement. 22 years of

This - lost checks, checks not cashed or simply telling ISS that certain bills have not been paid. This is usually solved when ISS sends them a copy of a cashier's check. The State of Hawaii does seem to have a cavalier attitude about fiscal matters. We came here 23 years ago when the uproar was about the cost overruns of H3. Now the scandal is the light rail. Every time I see the governor On TV I wonder how much the taxpayers pay for his leis each year. Probably he should have his password hanging around his neck or at least tattooed on his wrist.

3. If the Hawaiian government wants to encourage businesses they should do something about their "30day revocable lease". That probably would work when they own the property and buildings, but it certainly discourages people who are investing their own money. I have never heard of a Corporation that cannot sell its stock anywhere else (Maybe Mexico, they still have 30 day revocable leases).

Sincerely yours

A handwritten signature in black ink, appearing to read "Pat Magie", written over the typed name below.

William (Pat) Magie

Owner, Island Seaplane Service Inc.