

NEIL ABERCROMBIE
GOVERNOR



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

ROSS M. HIGASHI
INTERIM DIRECTOR

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IN REPLY REFER TO:

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

ROBERTA WONG FITHIAN DBA TIARE ENTERPRISES MODIFICATION OF
REVOCABLE PERMIT NO. 6025 AT LIHU'E AIRPORT (LIH) TO CONVERT
TO A LEASE UNDER THE PROVISIONS OF ACT 46, SESSION
LAWS OF HAWAII'I 2012, AS AMENDED BY ACT 126, SESSION LAWS OF
HAWAII'I 2014

TAX MAP KEY: (4) 3-5-01:8 (PORTION)

KAUA'I

APPLICANT:

Roberta Wong Fithian dba Tiare Enterprises, its mailing address is P.O. Box 29638,
Honolulu, Hawai'i 96819.

LEGAL REFERENCE:

Chapter 102, Hawai'i Revised Statutes, as amended.

Act 46, Session Laws of Hawai'i 2012, as amended by Act 126 Session Laws
of Hawai'i 2014.

LOCATION AND TAX MAP KEY:

Lihu'e Airport, Island of Kaua'i
4th Division, 3-5-01: 8 (Portion)

ZONING:

State Land Use District: Urban
County of Kaua'i : Airport

LAND TITLE STATUS:

Section 5 (a) and 5 (b) lands of the Hawai'i Admission Act: Non-Ceded
DHHL 30% entitlement lands: Yes ___ No X

ITEM M-14

BLNR –ROBERTA WONG FITHIAN DBA TIARE ENTERPRISE
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CONCESSION TERM:

Currently, the Florist Concession is operating under RP-6025.

Applicant, pursuant to Act 46, Session Laws of Hawai'i 2012, as amended by Act 126 Session Laws of Hawai'i 2014, is seeking to convert the revocable permit to a five-year lease.

IMPROVEMENTS:

Applicant is currently operating from a single store location in the terminal building and from carts in each of the baggage claim areas. Applicant is proposing to expend fifty thousand dollars (\$50,000) for improvements to the existing store location, as well as fifteen thousand dollars (\$15,000) on at least one new cart and upgrading of other carts.

CONCESSION FEE:

The existing concession fee is the greater of the minimum annual guarantee (MAG) or percentage fee. The MAG is currently \$33,600 and the percentage fee is 12.5% of gross receipts.

Applicant is proposing the MAG at the commencement of the extension be 110% of the rent paid in 12 months prior to the extension.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawai'i, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawai'i 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 Hawai'i, Department of Transportation dated November 14, 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.

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REMARKS:

Under the Act 46, Session Laws of Hawai'i 2012, as amended by Act 126 Session Laws of Hawai'i 2014, "...the department of transportation is allowed to upon mutual agreement with a concession and in exchange for revenue enhancing improvements that are made or paid for by the concession deemed acceptable by the department of transportation, may extend, modify, alter, or amend the terms of concession contracts, leases and permits."

In addition to the improvements noted above, the Applicant is requesting the concession be allowed to expand its activities to provide products and services that are not currently available at Lihu'e Airport. The DOT reviewed the request and determined that the proposed concession improvements within the airport terminal will allow the applicant to better serve the traveling public and the airports will benefit from the increase in concession activity.

RECOMMENDATION:

The Board authorizes the Department of Transportation to convert the existing Revocable Permit No. 6025 to a five-year concession agreement 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 interest of the State; and 3) review and approval by the Department of the Attorney General.

Respectfully submitted,



ROSS M. HIGASHI
Interim Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member