



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

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IN REPLY REFER TO:

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

AMENDMENT NO. 6 TO CONCESSION AGREEMENT NO. DOT-A-08-0011
LUGGAGE CART RENTALS AND BAGGAGE LOCKER RENTALS CONCESSION
AGREEMENT AT STATE AIRPORTS WITHIN THE STATE OF HAWAII TO
EXTEND LEASE TERM AND EXPAND SERVICES UNDER PROVISIONS OF
ACT 46, SESSION LAWS OF HAWAII 2012, AS AMENDED BY ACT 126,
SESSION LAWS OF HAWAII 2014, SMARTE CARTE, INC.
TAX MAP KEY: (1) 1-1-03:01 (PORTION)

O'AHU

APPLICANT:

Smarte Carte Inc., its mailing address is 4455 White Bear Parkway, St. Paul, Minnesota,
55110-7641.

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:

Honolulu International Airport
1st Division, 1-1-03: 1 (Portion)

ZONING:

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

LAND TITLE STATUS:

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

CONCESSION TERM:

The Luggage Cart Rentals and Baggage Locker Rentals Concession Agreement No. DOT-A-80-0011 (Concession) began on August 1, 2008, and continues through July 31, 2016.

Applicant, pursuant to Act 46, Session Laws of Hawai‘i 2012, as amended by Act 126 Session Laws of Hawai‘i 2014, is seeking an extension of the concession term through July 31, 2021, a period of five years.

IMPROVEMENTS:

The applicant anticipates spending in excess of \$170,000.00 to outfit an existing space at Honolulu International Airport for storage of baggage. This facility would accept bags for short-term storage. Initially, the facility is intended to be located at the existing Smarte Carte offices, but later would move into the main terminal building on the ground floor level. As part of its program, the applicant will have every item scanned using an explosive detection device before it is accepted for storage.

CONCESSION FEE:

Currently, the concessionaire pays the greater of \$200,000 or 14% of gross receipts from the rental of luggage carts. In addition to the existing fee, the applicant is proposing to pay an annual percentage fee for the baggage storage activity of 10% percent of gross on the first \$300,000 sales and 18% of gross for annual sales in excess of \$300,000.

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.

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 extension of term cited above, the applicant is also requesting the concession agreement be amended to specifically allow for baggage storage other than in electronic lockers as currently required. The applicant intends to store the baggage in a secure holding facility and to scan every item that is to be stored using an explosive detection device. 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 amend the existing Concession Agreement No. DOT-A-08-0011 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

