

NEIL ABERCROMBIE  
GOVERNOR



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. 11 TO CONCESSION AGREEMENT NO. DOT-A-03-0001  
TRAVELER SERVICES CONCESSION AT HONOLULU INTERNATIONAL  
AIRPORT TO ADJUST THE PERMITTED ACTIVITIES AND EXTEND LEASE  
TERM UNDER PROVISIONS OF ACT 46, SESSION LAWS OF HAWAII 2012,  
AS AMENDED BY ACT 126, SESSION LAWS OF HAWAII 2014  
LENLYN LIMITED DBA ICE CURRENCY SERVICES USA  
TAX MAP KEY: (1) 1-1-03:PORTION OF 1

O'AHU

APPLICANT:

Lenlyn Limited dba Ice Currency Services USA, its mailing address is 6151 West  
Century Boulevard, #1108, Los Angeles, California 90045.

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 (HNL), Island of O'ahu,  
1<sup>st</sup> Division, 1-1-03: Portion of 1.

ZONING:

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

LAND TITLE STATUS:

Section 5 (a) and 5 (b) lands of the Hawaii Admission Act: Ceded and Non-Ceded  
DHHL 30% entitlement lands: Yes \_\_\_ No X

**ITEM M-7**

**CONCESSION TERM:**

The Traveler Services Concession Agreement No. DOT-A-03-0001 (Concession) began on August 22, 2003, and continues through March 31, 2015. 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 extend the lease term to March 31, 2022, a period of seven years, to amortize the cost of the improvements described below.

**IMPROVEMENTS:**

Applicant will construct, install and pay for approximately \$400,000 in concession improvements, including construction of a location, as well as refurbishing an existing location, to provide massage and nails services for travelers, as well as being a minority contributor to improvements to the Central Waiting Lobby at HNL, planned by the Duty Free, Retail, and Food and Beverage concessionaires. The concessionaire will also expand the number of vending machine locations offering technology related products (e.g. noise cancelling headphones, cell phones, cameras, and accessories).

**CONCESSION FEE:**

The existing concession fee is based on a percentage of gross receipts. Since the Traveler Services Concession covers a variety of activities, which are broken down into three broad categories, Foreign Currency Exchange Services, Business Center Services and Merchandise, and Traveler Related Services. Shown below are the current percentage fees that apply to each of the activities.

Foreign Currency Exchange Services

<u>Annual Gross Receipts</u>	<u>Percentage Fee</u>
Less than \$9 million	3%
\$9 million to \$13 million	4%
\$13 million to \$20 million	5%
\$20 million to \$24 million	6%

Business Center Services & Merchandise

<u>Annual Gross Receipts</u>	<u>Percentage Fee</u>
Less than \$45,000	3%
\$45,000 to \$60,000	4%
\$60,000 to \$120,000	5%
\$120,000 to \$165,000	6%
\$165,000 or more	7%

Traveler Related Services

<u>Annual Gross Receipts</u>	<u>Percentage Fee</u>
Less than \$60,000	6%
\$60,000 to \$75,000	8%
\$75,000 to \$135,000	10%
\$135,000 to \$180,000	11%
\$180,000 or more	12%

The proposed amendment would adjust the schedule as follows:

No change to the Foreign Currency Exchange Services

Business Center Services & Merchandise

<u>Annual Gross Receipts</u>	<u>Percentage Fee</u>
Less than \$45,000	3%
\$45,000 to \$60,000	4%
\$60,000 to \$120,000	5%
\$120,000 to \$165,000	6%
\$165,000 to \$220,000	7%
\$220,000 or more	8%

Traveler Related Services

<u>Annual Gross Receipts</u>	<u>Percentage Fee</u>
Less than \$60,000	6%
\$60,000 to \$75,000	8%
\$75,000 to \$135,000	10%
\$135,000 to \$180,000	11%
\$180,000 to \$230,000	12%
\$230,000 or more	13%

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, Hawaii 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.”

The DOT has reviewed the request and determined that the proposed concession improvements within the airport terminal will allow the applicant to better serve the traveling public, the airports will benefit from the increase in concession activity.

**RECOMMENDATION:**

That the Board authorizes the Department of Transportation to amend the existing Concession Agreement No. DOT-A-03-0001 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