

DAVID Y. IGE
GOVERNOR



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

FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL YOUNG

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

AMENDMENT NO. 7 TO CONCESSION AGREEMENT NO. DOT-A-07-0001
IN-BOND (DUTY FREE) CONCESSION
DFS GROUP, L.P.
KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-01:PORTION of 19

MAUI

The Department of Transportation (DOT) proposes to amend the existing Statewide In-Bond (Duty Free) Concession Agreement No. DOT-A-07-0001 to add space at Kahului Airport.

APPLICANT:

DFS GROUP, L.P. whose business and post office address is 330 Royal Hawaiian Avenue, Honolulu, Hawaii 96815.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.

ZONING:

State Land Use District: Urban
County of Maui: Airport

LAND TITLE STATUS:

Section 5 (a) and 5 (b) lands of the Hawaii Admission Act: Non-Ceded
DHHL 30% entitlement lands: YES ___ NO X

DCCA VERIFICATION:

Place of business registration confirmed: YES X
Registered business name confirmed: YES X
Applicant in good standing confirmed: YES X

CONCESSION TERM:

The In-Bond (Duty Free) Concession Agreement No. DOT-A-07-0001 began on June 1, 2007 and continues through May 31, 2027.

IMPROVEMENTS:

Applicant will re-purpose 101 square feet of Space No. 330-204 that is currently held by the Applicant under the retail concession (DOTA-11-0005) to provide for display of In-Bond (Duty Free) merchandise. The In-Bond (Duty Free) merchandise will be available for purchase by travelers departing Kahului and flying directly to a foreign (non-U.S.) destination.

CONCESSION FEE:

The existing concession fee is the greater of minimum annual guaranteed fee of \$32.3 million or a percentage of gross receipts. The existing percentage of gross receipts has a tiered schedule in which the percentage fee increases when gross receipts exceed certain thresholds.

As the In-Bond (Duty Free) Concession is a statewide concession, any sales recorded at Kahului Airport will be added to the sales made at other on-airport locations to determine the actual concession fee.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

The proposed use of airport land was included in the September 1997 Final Federal and State Environmental Impact Statement (EIS) which was prepared in support of: (1) the Federal actions consisting of approval of the Airport Layout Plan and (2) the State of Hawaii actions consisting of state environmental approval and construction of proposed Kahului Airport Improvements. The EIS complied with the requirements of Chapter 343 of the Hawai'i Revised Statutes (HEPA), and Title 11, Chapter 200 of the State of Hawai'i, Department of Health Administrative Rules.

REMARKS:

The In-Bond (Duty Free) Concession (Concession) is a statewide concession. The Concession is limited to selling merchandise to travelers whose immediate destination after leaving Hawai'i is outside of the United States. This availability of In-Bond (Duty Free) merchandise at Kahului Airport will be the first outside of Honolulu International Airport since the end of direct flights to and from Japan and Kona International Airport at Keahole.

BLNR – AMENDMENT NO. 7 TO
CONCESSION AGREEMENT NO. DOT-A-07-0001
DFS GROUP, L.P.
Page 3

Any products purchased at the Concession will be made available to travelers at the gate immediately prior to departure.

RECOMMENDATION:

That the Board authorizes the Department of Transportation to amend the existing Concession Agreement No. DOT-A-07-0001 as described above, 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,

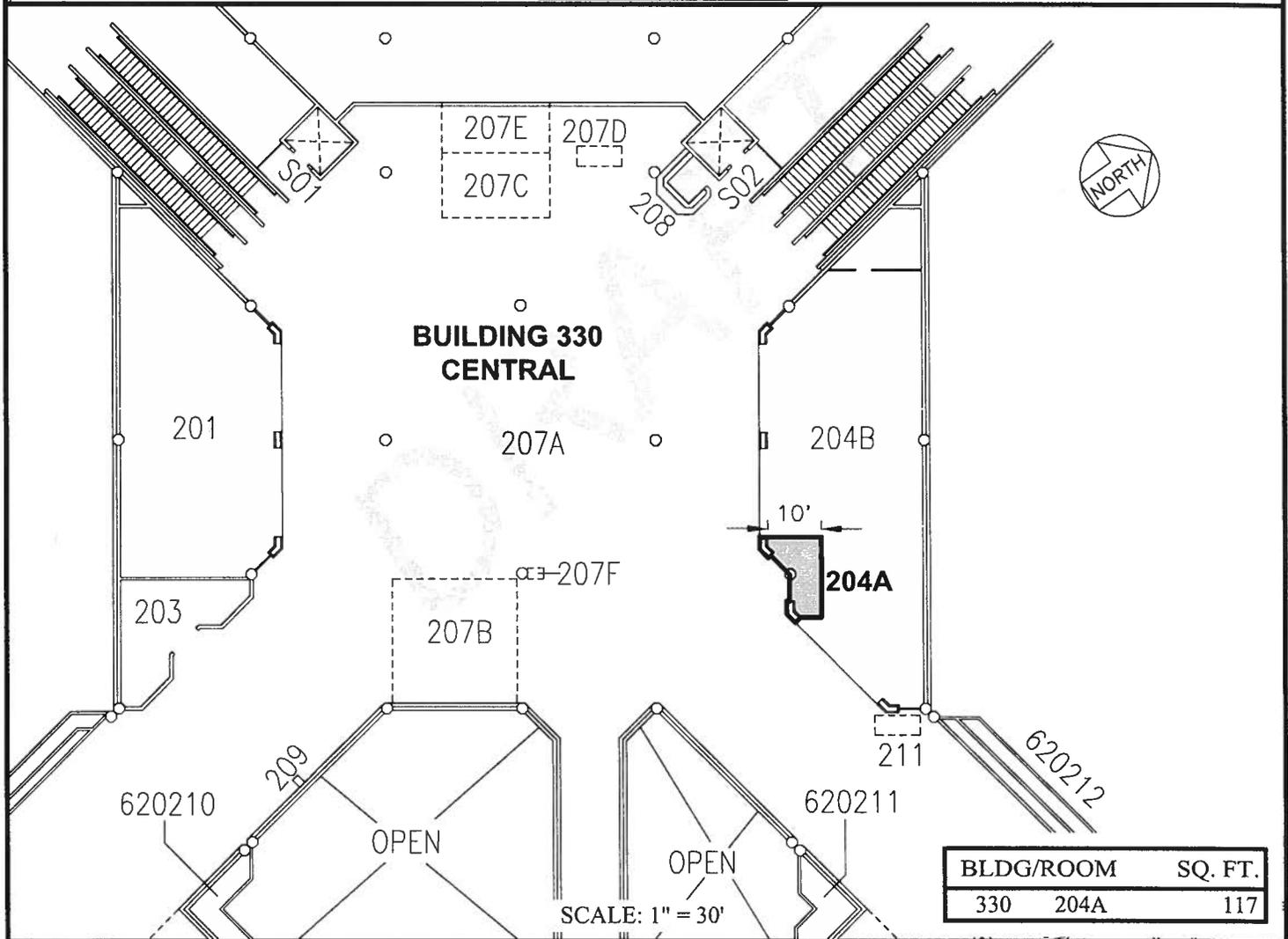
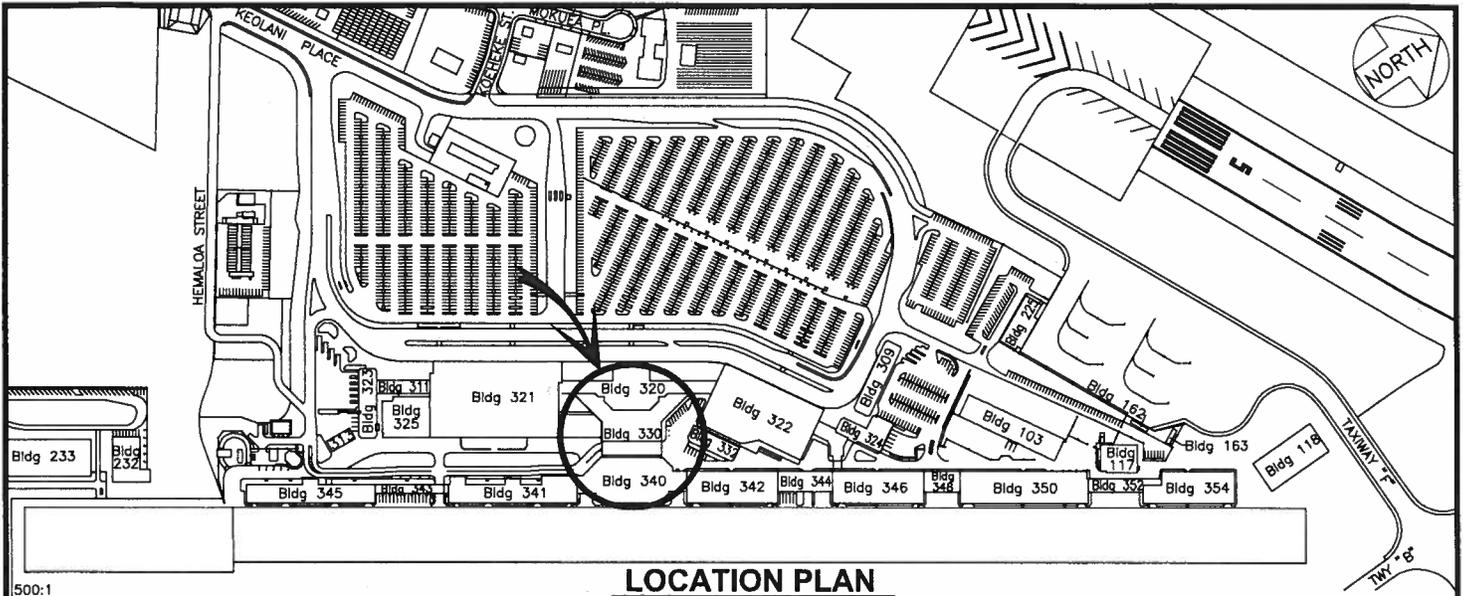


FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member



DRAFT

DATE : SEPTEMBER 2015

EXHIBIT: **H**



DFS GROUP, L.P.

**BUILDING 330
CENTRAL
SECOND LEVEL**

**330204A
PLAT A2**

KAHULUI AIRPORT