

NEIL ABERCROMBIE
GOVERNOR



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

GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
JADE T. BUTAY
FORD N. FUCHIGAMI
RANDY GRUNE
JADINE URASAKI

IN REPLY REFER TO:

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

REQUEST TO RESCIND PRIOR LAND BOARD ACTION UNDER ITEM M-1,
FEBRUARY 10, 2012, AND REQUEST FOR APPROVAL OF REVISED
AMENDMENT NO. 1 TO RESTAURANT AND LOUNGE CONCESSION
AGREEMENT NO. DOT-A-11-0006 AT LIHUE AIRPORT KAUAI

PURPOSE:

Request to rescind prior Land Board action of February 10, 2012, under Item M-1 and approval of revised Amendment No. 1 to the Restaurant and Lounge Concession Agreement (Agreement) at Lihue Airport.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.

APPLICANT:

HOST INTERNATIONAL, INC. (HOST), its mailing address is 6905 Rockledge Drive, Bethesda, Maryland 20817.

LOCATION AND TAX MAP KEY:

Lihue Airport, Tax Map Key: 4th Division: 3-5-01: Portion of 8

ZONING:

State Land Use District: Urban
County of Kauai: Industrial (IG-STP)

ITEM M-2

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act: Non-Ceded
DHHL 30% entitlement lands: No

TEN-YEAR TERM:

The term of this Agreement commenced on October 1, 2011, and will expire on September 30, 2021.

COMMENCEMENT DATE:

Upon execution of Amendment to Concession Agreement.

PREMISES:

LIHUE AIRPORT

A. EXISTING SPACES AT COMMENCEMENT OF THE AGREEMENT
("Initial Allocation"):

1. Restaurant and Lounge (Sales) Space.
 - a. Space No. 306-218A, Lihue Main Terminal Building, containing approximately 5,177 square feet as shown on Exhibit B dated February 2011;
 - b. Space No. 306-218B, Lihue Main Terminal Building, containing approximately 1,398 square feet as shown on Exhibit B dated February 2011.
2. Storage (Non-Sales) Space.
 - a. Space No. 306-139C, Lihue Main Terminal Building, containing approximately 2,389 square feet as shown on Exhibit C dated February 2011;
 - b. Space No. 306-139D, Lihue Main Terminal Building, containing approximately 595 square feet as shown on Exhibit C dated February 2011.

B. ADDITIONAL (NEW) SPACES FOR FOOD AND BEVERAGE SALES.

1. Space No. 307-104, containing approximately 64 square feet as shown on the attached Exhibit D (Amendment No. 1) dated April 2012, attached hereto.
2. Space No. 307-105, containing approximately 64 square feet as shown on the attached Exhibit D (Amendment No. 1) dated April 2012, attached hereto.
3. Space No. 306-270, containing approximately 54 square feet as shown on the attached Exhibit E (Amendment No. 1) dated April 2012, attached hereto.
4. Space No. 306-271, containing approximately 54 square feet as shown on the attached Exhibit F (Amendment No. 1) dated April 2012, attached hereto.

SPACE RENT:

Floor rent is charged for the initially allocated premises and any additional spaces requested by the Applicant. Applicant requested to add Space Nos. 306-270 and 306-271 and will be charged \$2,527.20 per annum based on \$23.40 per square foot per annum, the rate for restaurant space indicated under Article VI.A.2.a. (Initial Allocation).

The Department of Transportation (DOT) requested that the Applicant operate Space Nos. 307-104 and 307-105 to service pre-security customers. No floor rent will be charged for these two spaces.

ANNUAL CONCESSION FEE:

The Applicant pays the greater of the: (1) Minimum Annual Guaranteed Fee (MAG) for the first year as set forth in its Bid Proposal. The MAG for each succeeding agreement year will be 85% of the actual annual fee paid (either MAG or Percentage) OR (2) Percentage Fee on its annual gross receipts, as provided in Article VI.A.1.b.(Percentage Fee).

The gross receipts received or realized from or otherwise attributable to the additional new spaces shall be included in the percentage fee obligation.

IMPROVEMENTS:

Applicant will construct/install and cover all improvement costs to additional spaces.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8 (a), Hawaii Administrative Rules, this disposition is exempt from the requirement regarding preparation of an environmental assessment, as required by Chapter 343, Hawaii Revised Statutes, as amended, because the proposed action falls within Exemption Class #3, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 15, 2000, Amended, as approved by the Environmental Council. Exemption Class #3 covers construction and location of single, new, small facilities or structures and the alteration and modification of same and installation of new, small, equipment and facilities and the alteration and modification of same.

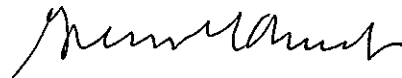
REMARKS:

The DOT and the Applicant entered into that certain Concession Agreement No. DOT-A-11-0006, dated September 8, 2011, for the Restaurant and Lounge Concession at Lihue Airport. The additional spaces will allow the Applicant to offer travelers additional food and beverage service locations within the terminal and at a pre-security location for the general public who are not traveling.

RECOMMENDATION:

That the Board rescind its action of February 10, 2012, under Agenda Item M-1, and approve and authorize the DOT to amend Concession Agreement No. DOT-A-11-0006 as outlined herein, and subject to: 1) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and 2) review and approval by the Department of the Attorney General.

Respectfully submitted,

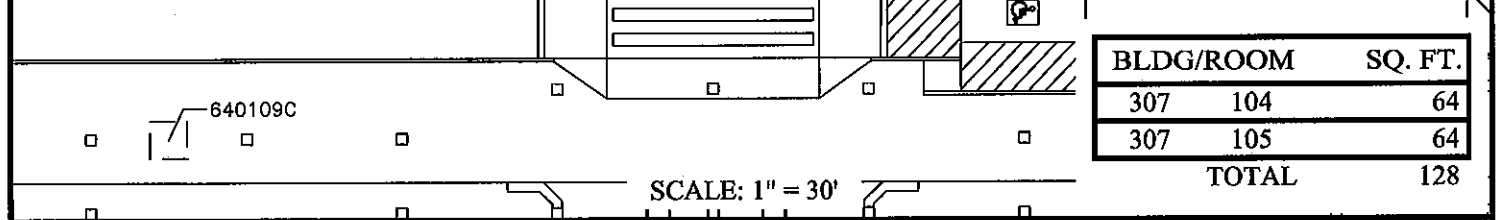
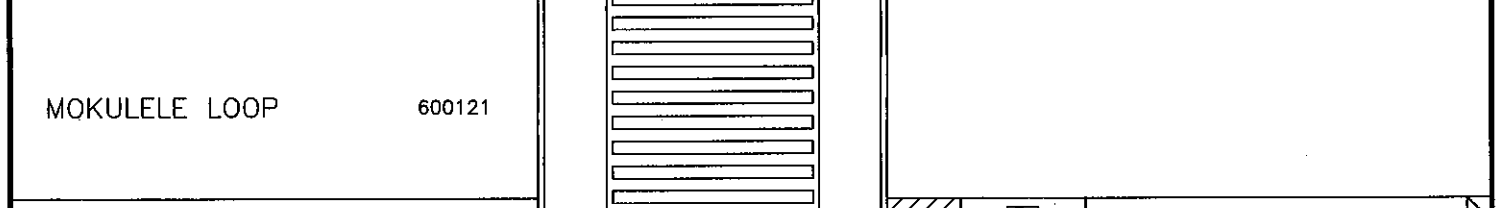
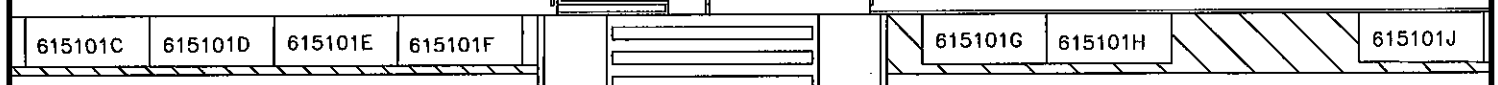
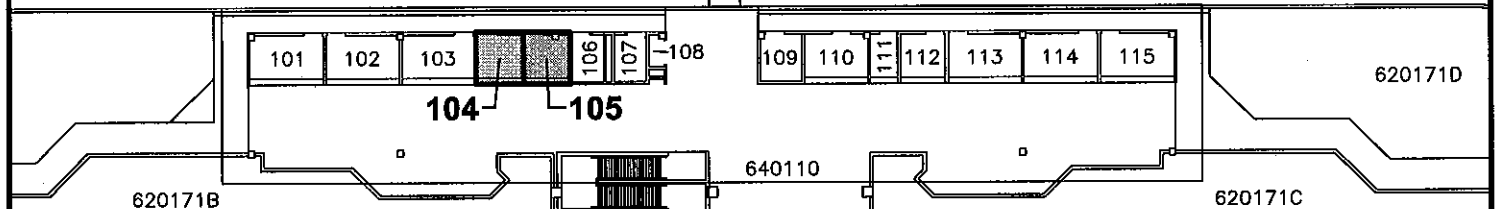
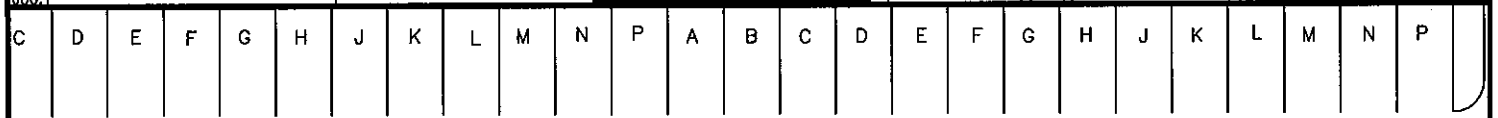
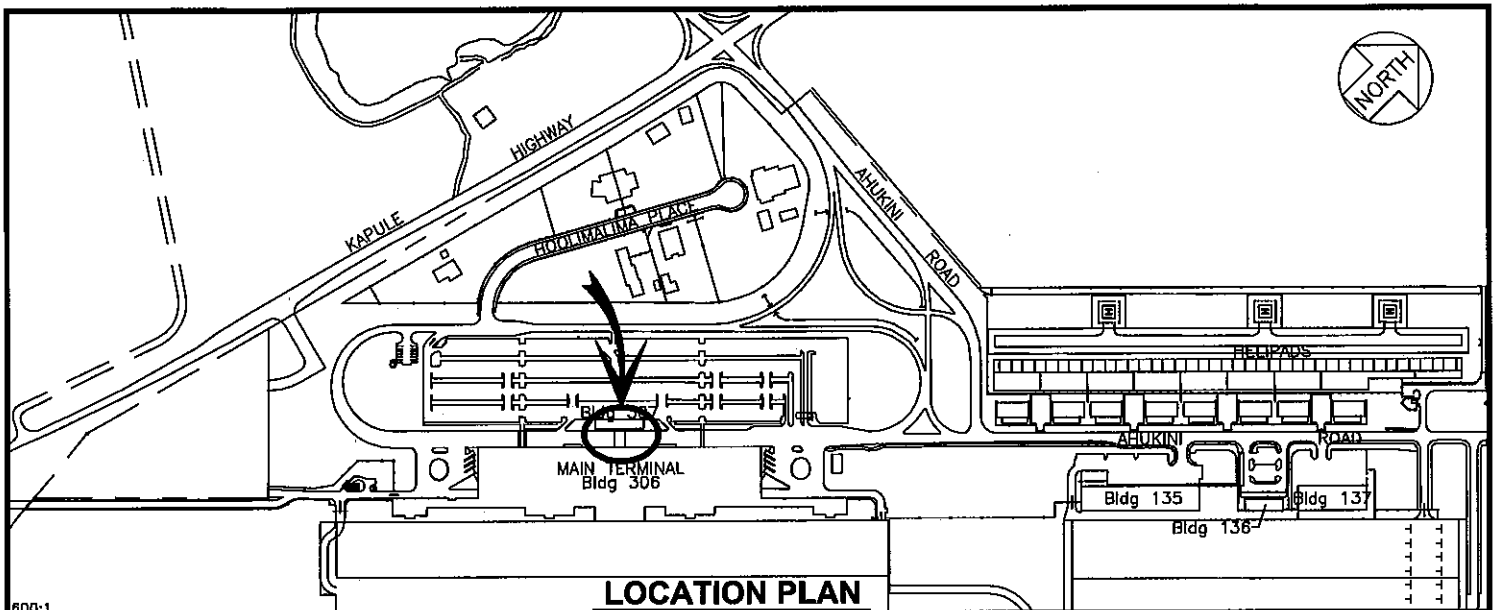


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



BLDG/ROOM	SQ. FT.
307 104	64
307 105	64
TOTAL	128

SCALE: 1" = 30'

Amendment No. 1 to DOT-A-11-0006

DATE : APRIL 2012

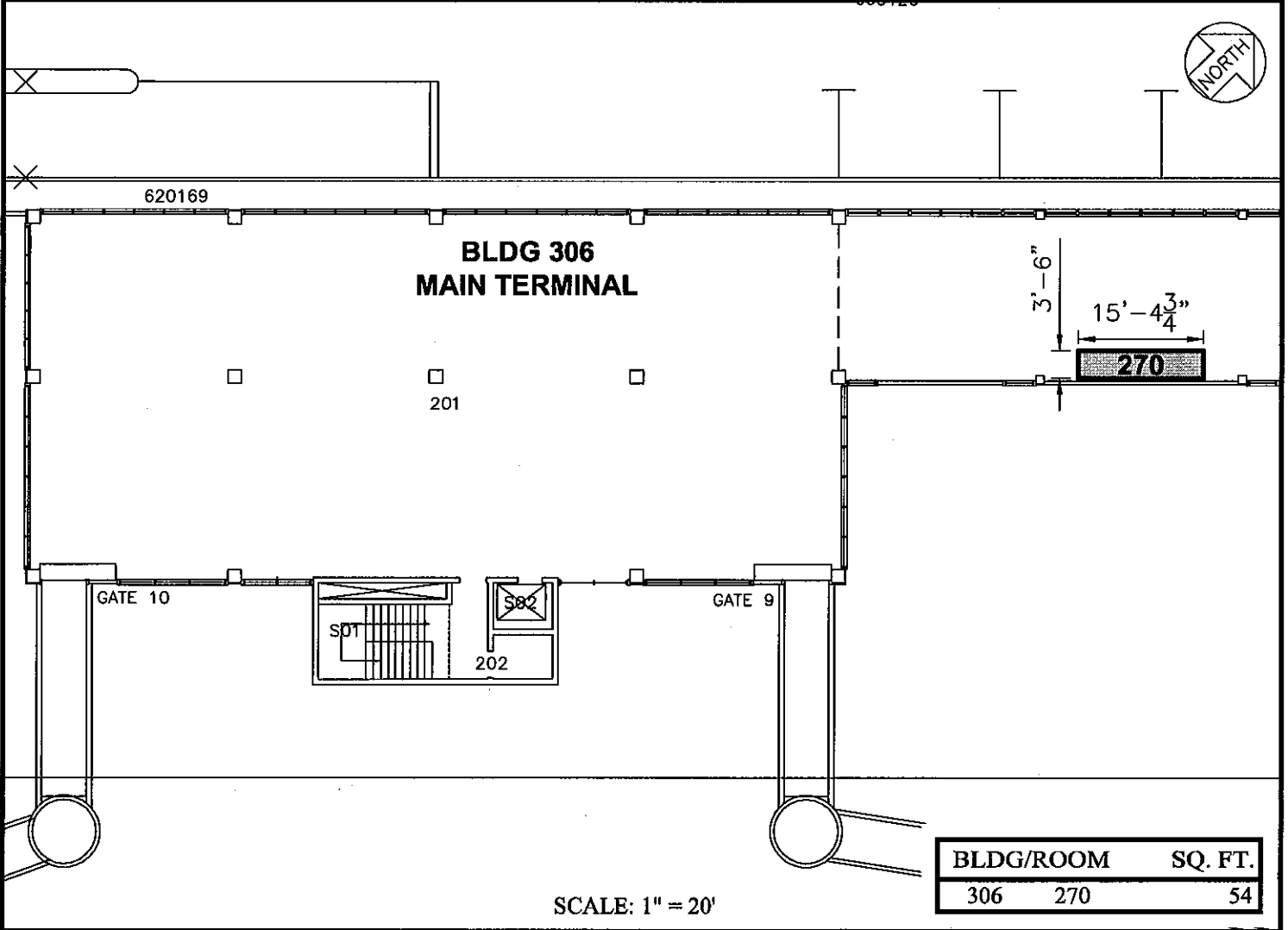
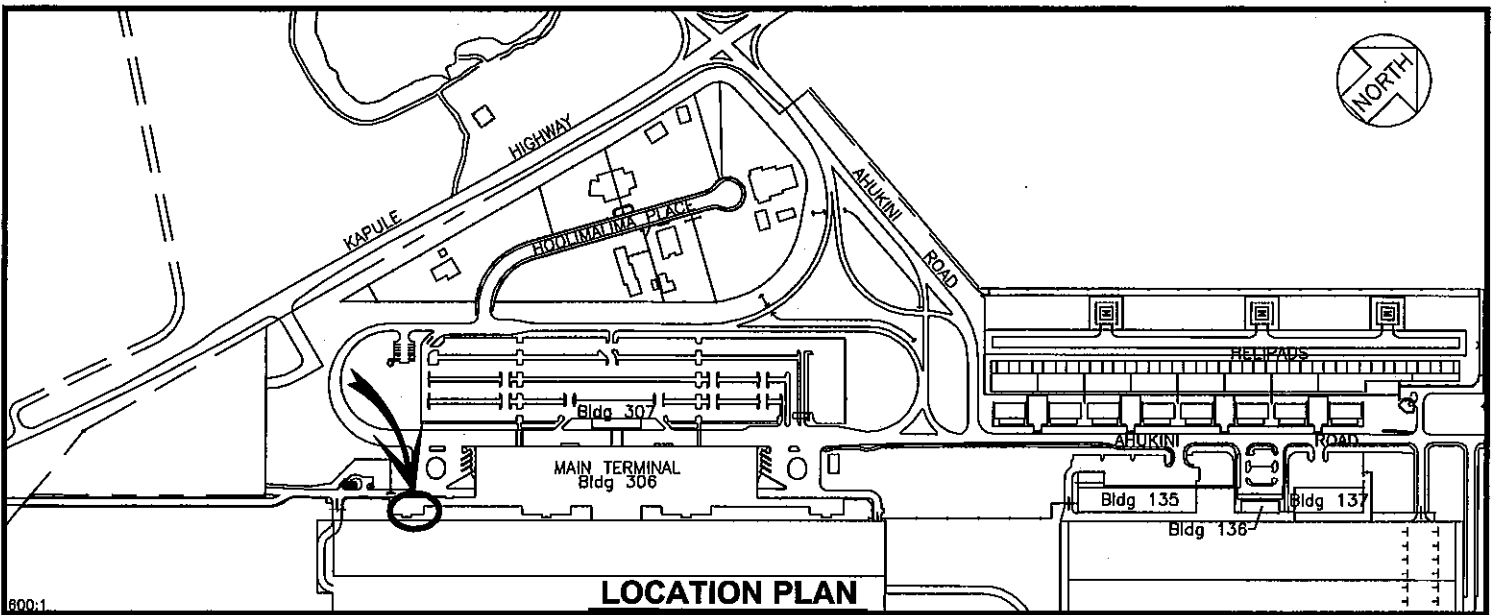
EXHIBIT: **D**



HOST INTERNATIONAL, INC.

**BUILDING 307
CAR RENTAL
GROUND LEVEL**

**307104
307105
PLATS C1, 45**



Amendment No. 1 to DOTA-11-0006

DATE : APRIL 2012

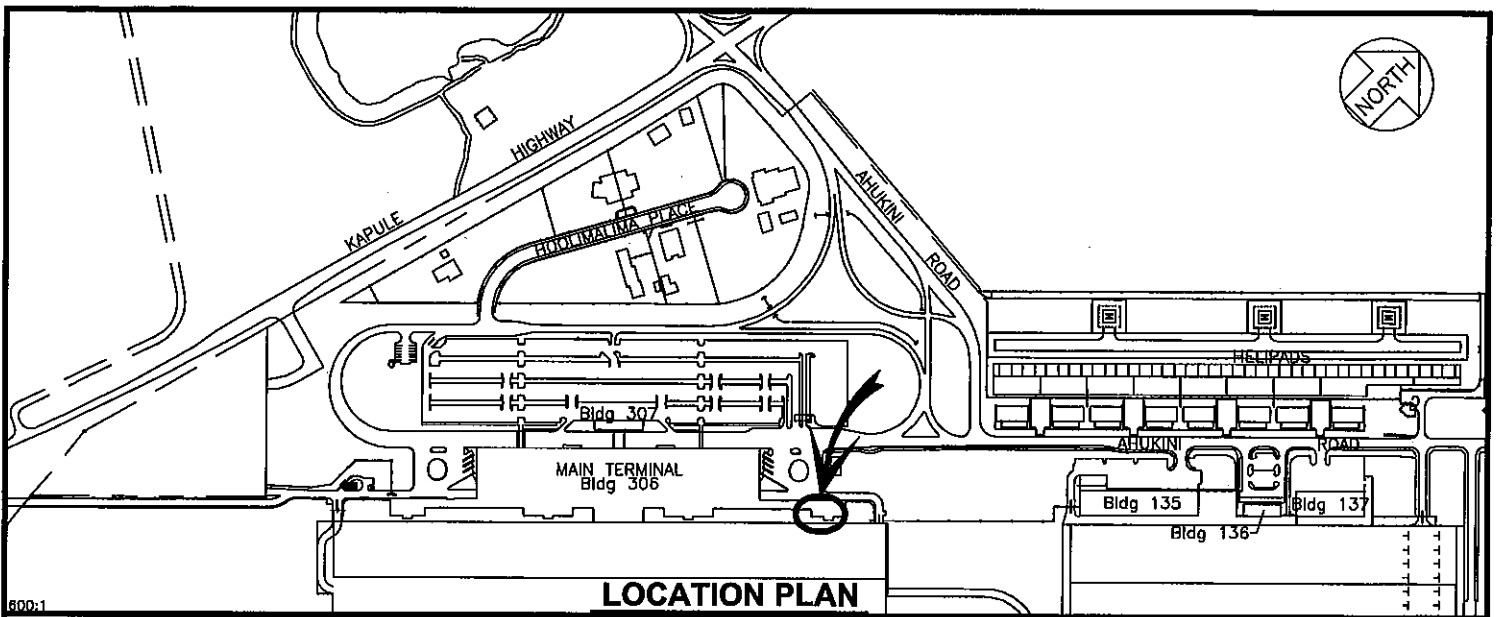
EXHIBIT: **E**



HOST INTERNATIONAL, INC.

**BUILDING 306
MAIN TERMINAL
TERMINAL LEVEL**

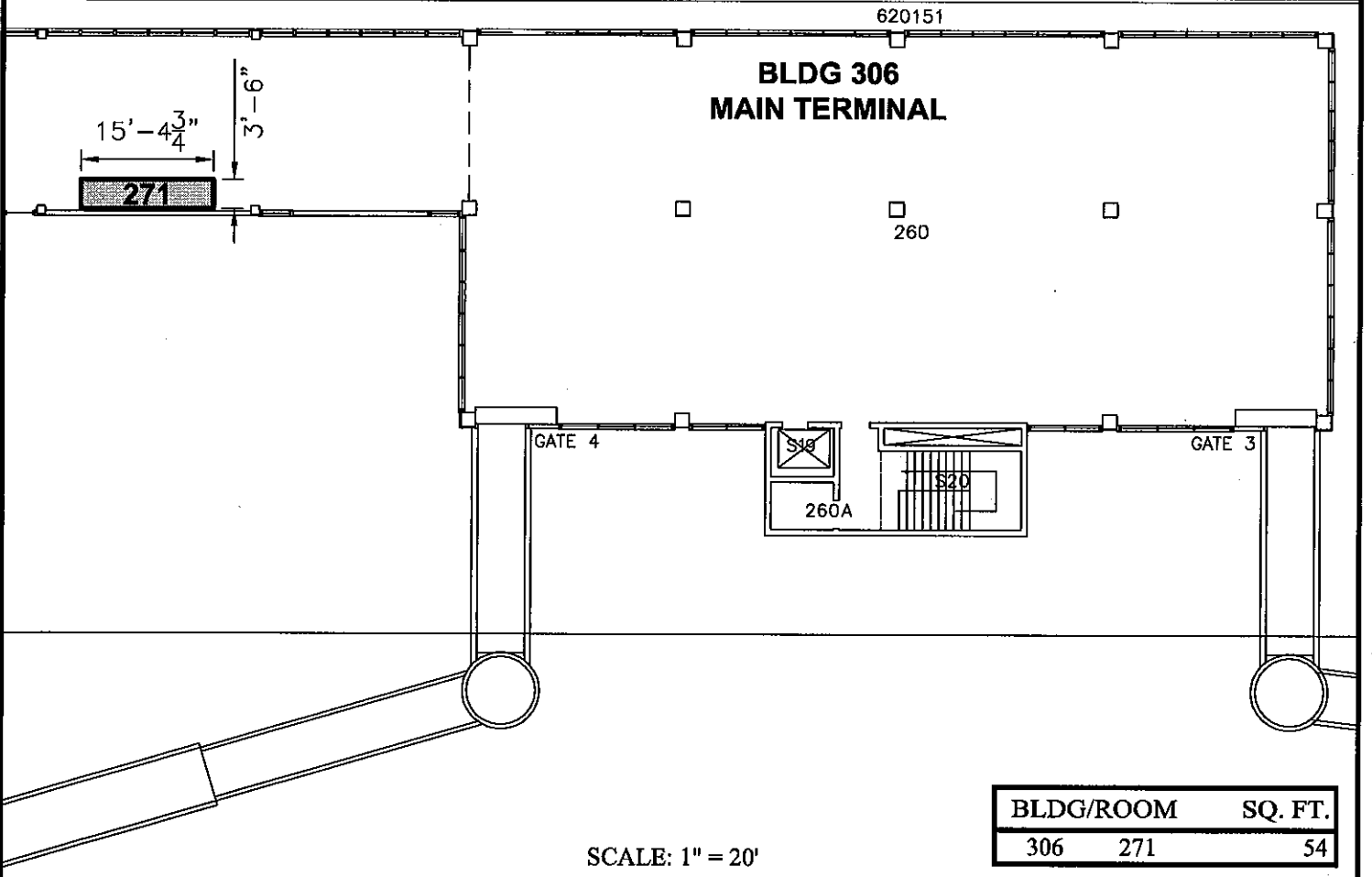
306270
PLATS C2, 44



600:1

600128

NORTH



Amendment No. 1 to DOTA-11-0006

DATE : APRIL 2012

EXHIBIT: **F**



HOST INTERNATIONAL, INC.

**BUILDING 306
MAIN TERMINAL
TERMINAL LEVEL**

306271
PLATS D2, 45