REQUEST TO AMEND PRIOR LAND BOARD ACTION UNDER ITEM M-4, MARCH 23, 2012, AMENDMENT NO. 10 TO CONCESSION AGREEMENT NO. DOT-A-03-0001 TRAVELER SERVICES CONCESSION, LENLYN LIMITED HONOLULU INTERNATIONAL AIRPORT, TMK: (1) 1-1-03:portion of 1 OAHU

PURPOSE:

Amend prior Land Board action of March 23, 2012, under Item M-4 and approval of revised Amendment No. 10 to the Traveler Services Lease at Honolulu International Airport.

APPLICANT:

Lenlyn Limited dba Ice Currency Services USA, whose business address is 6151 West Century Boulevard #1108, Los Angeles, CA 90045.

LEGAL REFERENCE:

Chapter 102, and Section 261-7, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Honolulu International Airport, TMK: (1) 1-1-03:portion of 1

ZONING:

State Land Use District: Urban
County of Honolulu Industrial (I-2)
LAND USE STATUS:

Section 5 (a) lands of the Hawaii Admissions Act: Non-Ceded
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES__ NO X

PREMISES:

New Business Center Space: Building 341, Space No. 247, containing an area of
approximately 1,208 square feet as shown on Exhibit V, dated March 2012.

TERM:

To run for the balance of the term of the existing Concession Lease that expires on
March 31, 2015.

IMPROVEMENTS:

Applicant will construct and install all improvements to Space No. 341-247, at its sole
cost and expense.

RENTAL:

All revenue generated by the additional space shall be reported as Gross Receipts under
the Concession Lease. The current percentage rent rates for the concession are three
percent (3%) of gross receipts from foreign currency exchange services, seven percent
(7%) of gross receipts from business center services and merchandise, and twelve
percent (12%) of gross receipts from traveler related services.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8 (a), Environmental Impact Statement Rules of the
Department of Health, State of Hawaii, 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 Hawaii,
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:

The DOT and the applicant entered into that certain Concession Lease (DOT-A-03-0001) dated August 22, 2003, for the Travelers Services Concession at Honolulu International Airport. The additional space to this concessionaire has been vacant since December 4, 2010, and no other entity has expressed interest in occupying the location. The improvements to the space are extensive and the concessionaire has agreed to expand its service to the travelling public with postal service, collection point for U.S. mail, and package wrapping and shipping since the demise of the USPS drop boxes in the terminal.

In its submittal of March 23, 2012, the DOT had indicated it would impose square footage rent in addition to the concession fee. Upon review, the DOT determined that 1) the additional service to be provided to compensate for the loss of USPS service, 2) keeping the premises in concession use and not subject to other development that could reduce revenue not only from the premises, but the other nearby concession offerings as well, and 3) construction of significant improvements to a space that had not had any upgrading for more than a decade, was sufficient for DOT to utilize its option under the concession agreement to not require square footage floor rent in addition the percentage rent rates cited above.

RECOMMENDATION:

That the Board amend its action of March 23, 2012, under Agenda Item M-4, and authorize the DOT to amend Concession Lease No. DOT-A-03-0001 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
Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

AMENDMENT NO. 10 TO LEASE NO. DOT-A-03-0001
TRAVELERS SERVICES CONCESSION LEASE
LENLYN LIMITED, HONOLULU INTERNATIONAL AIRPORT

OAHU

The Department of Transportation (DOT) proposes to amend the existing Concession Lease (DOT-A-03-0001) at Honolulu International Airport. The following contains a description and summary of the terms that DOT anticipates incorporating into the Amendment:

PURPOSE:

To amend the existing Concession Lease at Honolulu International Airport, to allow for additional floor space to provide additional business center services to the traveling public. Under Article III of the Lease, additional space over and above the initial allocation may be added to the lease at the sole discretion of the Director of Transportation.

APPLICANT:

Lenlyn Limited dba Ice Currency Services USA, whose business address is 6151 West Century Boulevard #1108, Los Angeles, CA 90045.

LEGAL REFERENCE:

Chapter 102, and Section 261-7, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Honolulu International Airport, Tax Map Key: (1) 1-1-03: Portion of 1 (Honolulu)
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Lease No. DOT-A-03-0001
Honolulu International Airport
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ZONING:

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

LAND USE STATUS:

Section 5 (a) lands of the Hawaii Admissions Act: Non-Ceded
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES___ NO ___X

PREMISES:

New Business Center Space: Building 341, Space No. 247, containing an area of approximately 1,208 square feet as shown on Exhibit V, dated March 2012.

TERM:

To run for the balance of the term of the existing Concession Lease that expires on March 31, 2015.

IMPROVEMENTS:

Applicant will construct and install all improvements to Space No. 341-247, at its sole cost and expense.

RENTAL:

LESSEE shall pay for the Additional Space requested and granted by the STATE, the annual sum of SEVENTY FIVE THOUSAND THREE HUNDRED SEVENTY-NINE AND 20/100 DOLLARS ($75,379.20) based on the applicable rental rate at $62.40 per square foot per annum. All revenue generated by the Additional Space shall be reported as Gross Receipts under the Concession Lease. The current percentage rent rates for the concession are five percent (5%) of gross receipts from foreign currency exchange services, seven percent (7%) of gross receipts from business center services and merchandise, and twelve percent (12%) of gross receipts from traveler related services.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8 (a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or

Approved by the Board
at its meeting held on
03/23/12, Item M-4
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 Hawaii, 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:

The DOT and the applicant entered into that certain Concession Lease (DOT-A-03-0001) dated August 22, 2003, for the Travelers Services Concession at Honolulu International Airport. The additional space will allow the applicant to better serve the traveling public.

RECOMMENDATION:

That the Board authorize the Department of Transportation to amend the existing Concession Lease 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 of 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

Approved by the Board at its meeting held on 03/23/12, Item M-4