



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

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

**ISSUANCE OF CONCESSION AGREEMENTS AND FACILITY LEASES
FOR THE NON-EXCLUSIVE ON-AIRPORT CAR RENTAL CONCESSIONS
AT KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-001-019**

MAUI

The Department of Transportation ("DOT") proposes to offer new non-exclusive Concession Agreements and Facility Leases to operate car rental concessions at Kahului Airport. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the Concession Agreements ("Agreement"):

PURPOSE:

To award Agreements to all Rental Car Operators submitting qualifying bids to operate non-exclusive rental car concession from the to-be-built Consolidated Rental Car Facility at Kahului Airport.

LEGAL REFERENCE:

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

LOCATION:

Kahului Airport

PREMISES:

Customer service areas, vehicle storage, quick turn around facilities (car wash and fueling), light maintenance areas in the Consolidated Rental Car Facility will be made available to all successful bidders.

ZONING:

State Land Use District: Urban
County of Maui: Airport

TAX MAP KEY:

2nd Division – 3-8-001-019

LAND STATUS:

Section 5(a) Hawaii Admission Act, Non-Ceded
DHHL 30% entitlement lands Yes ___ No X

TERM:

Ten (10) years, commencing upon beneficial occupancy of the Consolidated Rental Car Facility.

CONCESSION FEE:

Greater of the Minimum Annual Guarantee Fee (MAG) or ten (10) percent of gross receipts.

First concession agreement year. The MAG shall be the amount bid by the Concessionaire.

Subsequent years. For each subsequent concession agreement year, the MAG will 85% of the prior year's concession fee. However, the MAG shall not be lower than the MAG for the first concession agreement year.

IMPROVEMENTS:

The DOT will be building a multi-story Consolidated Car Rental Facility to house all of the car rental activities at the airport. The Concessionaires will operate from space in the customer service building, ready/return parking stalls, and additional vehicle storage areas.

The DOT will establish space packages comprised of (a) rental counters, office and queuing space in the Customer Service Area, (b) Ready/Return Area, (c) QTA Area in the Structured Quick Turnaround Building and (d) overflow vehicle storage space. Each operator will be required to build out its customer service facilities, install its own equipment and signage.

The space packages will be sized to take into account large and small operators.

BASIS OF AWARD:

Concession Agreements and Facility Leases will be awarded to all responsible bidders submitting a bid in excess of the required minimum bid.

Bidders will be segregated into two groups, large and small operators. The minimum bid for a large operator is \$2,000,000.00. For small operators, the minimum bid is \$100,000.00

The choice of space packages will be awarded in order of bid received, from high to low.


REMARKS:

The DOT will be constructing the multi-story Consolidated Rental Car Facility using proceeds from the Consolidated Rental Car Facility Charge (CFC). All on-airport Car Rental Companies have been collecting the CFC since 2008. The DOT will be issuing bonds backed by the proceeds from the CFC to finance the construction of the Consolidated Rental Car Facility. In order to be able to successfully issue the bonds the DOT must have sign agreements with the rental car companies stating that they will occupy and operate from the facility


RECOMMENDATION:

That the Board authorize the call for sealed bid tenders and issuance of a new Rental Concessions as hereinabove outlined, 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 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