AMENDMENT NO. 7 TO CONCESSION AGREEMENT NO. DOT-A-92-0014
RESTAURANT AND LOUNGE CONCESSION AT KAHLULUI AIRPORT
TO EXTEND LEASE TERM UNDER PROVISIONS OF ACT 46, SESSION
LAWS OF HAWAI‘I 2012, AS AMENDED BY ACT 126, SESSION LAWS OF
HAWAI‘I 2014, TAX MAP KEY: (2)-3-8-001:19 (PORTION) MAUI

APPLICANT:

Host International Inc., its mailing address is 6905 Rockledge Drive, Bethesda,
Maryland 20817.

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:

Kahului Airport, Island of Maui, Hawai‘i
2nd Division, 3-8-001:19 (Portion).

ZONING:

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

LAND TITLE STATUS:

Section 5 (a) and 5 (b) lands of the Hawai‘i Admission Act: Non-Ceded
DHHL 30% entitlement lands: Yes ___ No ___
CONCESSION TERM:

The Restaurant and Lounge Concession Agreement No. DOT-A-92-0014 (Concession) began on October 1, 1992 and continues through September 30, 2019. 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 September 30, 2022, to enable it to amortize the cost of improvements to be built on the additional space approved by the Board at its meeting of March 28, 2014 under Agenda Item M-7 (attached) and the costs of refurbishing some of its other existing locations.

IMPROVEMENTS:

In Agenda Item M-7 noted above, the Board approved amending the Concession Agreement to add an additional approximately 1,415 square feet of concession space at the north end of the terminal building. The Applicant will be constructing new food and beverage facilities to serve travelers using the gates at that end of the concourse, which is now only serviced by vending machines. In addition, the concessionaire will be continuing its efforts to refurbish and upgrade other food and beverage locations. The Applicant anticipates the capital expenditures for these efforts to total about $1.8 million.

CONCESSION FEE:

The existing concession fee is the greater of the percentage fee or a minimum annual guaranteed fee of 85% of the concession fee paid in year 10 of the agreement. Both the Applicant and the Department of Transportation would like change the language to define the minimum annual guaranteed fee to be 85% of what was paid and payable in the previous concession year and define the concession fee as the greater of the minimum annual guaranteed fee or the percentage fee.

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, Hawai‘i 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.
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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 and the airports will benefit from the increase in concession activity.

RECOMMENDATION:

The Board authorizes the Department of Transportation to amend the existing Concession Agreement No. DOT-A-92-0014 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
Interim 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. 6 TO LEASE NO. DOT-A-92-0014
RESTAURANT AND LOUNGE CONCESSION
HOST INTERNATIONAL, INC.
KAHULUI AIRPORT
TAX MAP KEY: (2) 3-8-01:19 (PORTION) MAUI

PURPOSE:

To amend the existing Concession Lease DOT-A-92-0014 at Kahului Airport to allow for
additional floor space to offer food and beverage services to travelers. Under Article III
of the Lease, the specific area assigned or provided for the concession activity may be
changed at the discretion of the Director of Transportation.

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:

Kahului Airport, Island of Maui, Hawaii
2nd Division, 3-8-001-019

ZONING:

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

Section 5(a) and 5(b) Hawaii Admissions Act: Ceded: ___ Non-Ceded: X
DHHL 30% entitlement lands: Yes: ____ No: X

LEASE COMMENCEMENT DATE:

To run for the balance of the term of the existing lease that expires on September 30, 2019.

ADDITIONAL PREMISES:

Building 354, Space No. 211, containing an area of approximately 1,415 square feet as shown on the attached Exhibit I, dated February 2014.

RENTAL:

No additional square footage floor rent will be charged. All gross receipts generated from the additional space will be included with the gross receipts of the concession. The concession pays the greater of minimum annual guaranteed fee or a percentage fee of gross receipts as provided in Article VI. Rental.

IMPROVEMENTS:

Applicant at its own cost and expense shall be responsible for any renovation, upgrade, remodeling, and improvement to the additional space.

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 #3, Comprehensive Exemption List for the State of Hawaii, Department of Transportation Amended November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #3 covers the 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 including, but not limited to: (d) Water, sewage, electrical, gas, telephone and other essential public utility services extensions to serve such structures or facilities and (e) Accessory or appurtenant structures.
REMARKS:

The DOT and HOST entered into that certain Concession Lease No. DOT-A-92-0014, dated October 1, 1992, for the Restaurant and Lounge Concession at the Kahului Airport. The applicant finds that the additional food and beverage space on the north end of the departure terminal hold room will allow the applicant to better serve the traveling public.

RECOMMENDATION:

The Board authorizes the Department of Transportation to (1) amend Article III, Premises of the subject Lease as 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 interests of the State; and 3) 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