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IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawai'i

ISSUANCE OF NON-EXCLUSIVE RENT-A-CAR CONCESSIONS
LIHU'E AIRPORT
TAX MAP KEY: (4) 3-5-01: PORTION OF 8

KAUA'I

The Department of Transportation (DOT) proposes to offer eight non-exclusive Rent-A-Car (RAC) Concession Agreements at Lihu'e Airport, Island of Kaua'i. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the Concession Agreements:

PURPOSE:

To award Concession Agreements to eight qualified RAC operators submitting the highest bids to operate non-exclusive Rent-A-Car Concessions at Lihu'e Airport. The five qualified RAC submitting the highest bids shall take title to the Premises Lease that include baseyards and counters and three will receive the Premises Leases covering counters only. The following contains a description and summary of some of the major terms and conditions the DOT anticipates incorporating into the Concession Agreements:

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.
Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

Lihu'e Airport, Island of Kaua'i, Hawai'i
Tax Map Key: 4th Division, 3-5-01: Portion of 8

PREMISES:

The five RAC operators with the highest bids will be given the right to select its Premises that include baseyards and counters, and three RAC include counters only as follows:

- a. An incumbent RAC operator will maintain its Premises,
- b. A new RAC operator will operate out of the unsuccessful incumbent's Premises.

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The DOT may, at the DOT's sole discretion, require or permit the Concessionaire to add additional spaces.

ZONING:

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

LAND STATUS:

Section 5(a), Hawaii Admission Act – Non-ceded
DHHL 30% entitlement lands: Yes___ No X

TERM:

Three (3) years, commencing on July 1, 2016, and ending on June 30, 2019, co-terminus with the Premises Lease.

CONCESSION FEE:

The total annual concession fee established in the Concession Agreement shall be the greater of the following:

- a. Minimum Annual Guaranteed Fee. The minimum annual guaranteed concession fee for each year of the Concession Agreement shall be as set forth in the Concessionaire's Bid Proposal (hereafter the "MAG"), or
- b. Percentage Fee. Ten percent (10%) of the gross receipts of the concession.

The upset minimum annual concession fee shall not be less than ONE MILLION AND NO /100 DOLLARS (\$1,000,000.00).

IMPROVEMENTS:

In the event a RAC operator is not the incumbent, the new RAC operator shall take title to and reimburse the former incumbent for any unamortized cost of the leasehold improvements constructed on the Premises.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated November 15, 2000, the subject qualifies under exempt Class of Action No. 1 – “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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BASIS OF AWARD:

The award of the Concession Agreements will be to the eight highest responsible bidders, based upon the amount of the minimum annual guaranteed concession fee bids.

RECOMMENDATION:


That the Board authorize the call for sealed bid tenders and issuance of new non-exclusive Rent-A-Car concessions subject to: 1) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State; and 2) review and approval by the Department of the Attorney General.

Respectfully submitted,



FORD N. FUCHIGAMI
Director of Transportation

APROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member