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

CONSENT TO SUBLEASE
IN-BOND (DUTY FREE) CONCESSION AGREEMENT NO. DOT-A-07-0001
DFS GROUP L.P. TO TRS HAWAII, LLC DBA PRADA
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEY: (1) 1-1-03: PORTION OF 001

The State of Hawaii, Department of Transportation (DOT) is seeking the Board's consent to a Sublease between DFS GROUP L.P. and TRS Hawaii, LLC dba Prada for the In-Bond (Duty Free) Concession Agreement at Honolulu International Airport.

LEGAL REFERENCE:

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

LESSEE/SUBLESSOR:

DFS Group L.P. (DFS)

SUBLESSEE:

TRS Hawaii, LLC dba Prada (TRS)

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Terminal Complex, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-03: Portion of 001

ZONING:

State: Urban
County: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) and 5(b) lands of the Hawaii Admission Act: Non-Ceded
DHHL 30% entitlement lands: No
CONCESSION AGREEMENT TERM:

The In-Bond (Duty Free) Concession Agreement No. DOT-A-07-0001 (Lease) commenced on June 1, 2007 and continues through May 31, 2027.

SUBLEASE AREA:

Area/Space No. 342-273M, containing approximately 1,201 square feet of retail floor area, as shown and delineated on the attached Exhibit J, dated February 2016.

SUBLEASE TERM:

Term commences on January 7, 2016 and continues through the end of the Lease term.

CHARACTER OF USE:

The sales of DFS pre-approved Prada merchandise as part of its In-Bond (Duty Free) Concession at Honolulu International Airport.

CONCESSION FEE:

The In-Bond (Duty Free) Concession pays a Minimum Annual Guaranteed Fee (MAG) plus an applicable percentage fee based on a schedule.

DCCA VERIFICATION:

LESSEE/SUBLESSOR:

| Place of business registration confirmed: | YES X | NO   |
| Registered business name confirmed:     | YES X | NO   |
| Good standing confirmed:                | YES X | NO   |

SUBLESSEE:

| Place of business registration confirmed: | YES X | NO   |
| Registered business name confirmed:     | YES X | NO   |
| Good standing confirmed:                | YES X | NO   |

IMPROVEMENTS:

Prada must notify and coordinate through DFS to obtain DOT’s approval for any and all design improvements and changes affecting the appearance and use of its spaces.
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 Amended November 15, 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 State of Hawaii, Department of Transportation, Airports Division has reviewed the Sublease and Sublease rent and determined that the Sublessee’s obligations are reasonable with no excess sandwich profit to be gained by the Lessee/Sublessor.

RECOMMENDATION:

That the Board approve and authorize the Consent to Sublease between DFS Group L.P., as Lessee/Sublessor and TRS Hawaii, LLC dba Prada, as Sublessee, as hereinabove outlined, subject to: (1) terms and conditions hereinabove outlines, which are by reference incorporated herein; (2) such 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 of the Department of the Attorney General as to the Consent to Sublease form and content.

Respectfully submitted,

FORD N. FUCHIGAMI
Director of Transportation

APPROVAL FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member