Board of Land and Natural Resources
State of Hawai‘i
Honolulu, Hawai‘i

ISSUANCE OF A WI-FI CONCESSION AGREEMENT TO BOINGO WIRELESS, INC. AT HONOLULU INTERNATIONAL AIRPORT (HNL), KAHULUI AIRPORT (OGG), KONA INTERNATIONAL AIRPORT AT KEÄHOLE (KOA), HILO INTERNATIONAL AIRPORT (ITO) AND LIHU’E AIRPORT (LIH)

TAX MAP KEYS:
HNL: (1) 1-1-03:001 and :061 (PORTIONS) O‘AHU
OGG: (2) 3-8-01: PORTION OF 19 MAUI
KOA: (3) 7-3-43: PORTION OF 003 HAWAII‘I
ITO: (3) 2-1-12: PORTION OF 90 HAWAII‘I
LIH: (4) 3-5-01: PORTION OF 8 KAUAI‘I

The Department of Transportation (DOT) proposes to issue a Concession Agreement for WI-FI Services at Honolulu International Airport, Kahului Airport, Kona International Airport at Keāhole, Hilo International Airport, and Lihue Airport.

LEGAL REFERENCE:
Section 102-2, Hawaii Revised Statutes.

APPLICANT:
Boingo Wireless, Inc.

DCCA VERIFICATION:
Place of business registration confirmed: YES X NO ___
Registered business name confirmed: YES X NO ___
Good standing confirmed: YES X NO ___

ITEM M-4
LOCATION:

Various spaces within the Terminal Building Complexes at OGG, KOA, ITO and LIH. Specific spaces to be agreed upon by the Concessionaire and the DOT.

ZONING:

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<tr>
<th>State Land Use District:</th>
<th>Urban</th>
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<tr>
<td>City and County of Honolulu LUO:</td>
<td>Industrial (I2)</td>
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<td>City and County of Maui:</td>
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<td>County of Maui:</td>
<td>Airport</td>
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<td>Urban and Conservation</td>
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<td>Industrial (MG-1a) and Open</td>
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<td>County of Hawai‘i:</td>
<td>Industrial (ML-20)</td>
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<td>Urban</td>
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<tr>
<td>County of Kaua‘i:</td>
<td>Industrial (IG-STP)</td>
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LAND TITLE STATUS:

Non-ceded and Ceded - Section 5(a) and 5(b) lands of the Hawai‘i Admission Act DHHL 30% entitlement lands pursuant to Hawai‘i Admission Act YES ___ NO X

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 the 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 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.
CURRENT USE STATUS:

Airport, airport-related and aeronautical purposes.

CHARACTER OF USE:

Wi-Fi Concession

COMMENCEMENT DATE:

To be established at final execution of the Concession Agreement.

TERM:

Eleven Years.

CONCESSION FEE:

For the first year of the Concession term, the greater of the Minimum Annual Guarantee (MAG) of $300,000 or 30% of the gross receipts of the Concession.

For subsequent years, the MAG shall be 85% of what was paid and payable in the prior concession year.

SECURITY DEPOSIT:

Amount equal to three months of the MAG.

HOLDOVER TENANCY:

The DOT, at its sole determination may holdover the terms of the Concession Agreement for a period not to exceed one year. During such holdover period, the Concession Fee shall be equivalent to the greater of the Monthly MAG or percentage fee. DOT may amend the concession fee during a holdover period with 30 days’ prior notification.
BLNR – ISSUANCE OF AN WI-FI CONCESSION AT HONOLULU INTERNATIONAL AIRPORT, KAULUHUI AIRPORT, KONA INTERNATIONAL AIRPORT AT KEĀHOLE, HILO INTERNATIONAL AIRPORT, AND LĪHU‘E AIRPORT TO BOINGO WIRELESS, INC.

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REMARKS:

The DOT issued a request for proposals to operate a free WI-FI concession at the major Island Airports, statewide. The applicant, based on the proposal submitted and its experience in installation and operation of WI-FI systems in various venues was determined to be the most experienced and best qualified candidate to operate the concession.

RECOMMENDATION:

That the Board authorize the DOT to issue a concession agreement to subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such additional 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 lease form and content.

Respectfully submitted,

[Signature]

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

[Signature]

SUZANNE D. CASE
Chairperson and Member