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

ISSUANCE OF AN ADVERTISING CONCESSION AGREEMENT TO PACIFIC RADIO GROUP, INC. AT KAHLUI AIRPORT (OGG), KONA INTERNATIONAL AIRPORT AT KEĂHOE (KOÀ), HILO INTERNATIONAL AIRPORT (ITO) AND LIHU‘E AIRPORT (LIH) TAX MAP KEYS:
OGG: (2) 3-8-01: PORTION OF 19 MAUI
KOÀ: (3) 7-3-43: PORTION OF 003 HAWAI‘I
ITO: (3) 2-1-12: PORTION OF 90 HAWAI‘I
LIH: (4) 3-5-01: PORTION OF 8 KAUA‘I

The Department of Transportation (DOT) proposes to issue a Concession Agreement for Display Advertising at Kahului Airport, Kona International Airport at Keāhole, Hilo International Airport, and Līhu‘e Airport.

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

APPLICANT:
Pacific Radio Group, 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-6
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:

State Land Use District: Urban
County of Maui: Airport

State Land Use District: Urban and Conservation
County of Hawai‘i: Industrial (MG-1a) and Open

State Land Use District: Urban
County of Hawai‘i: Industrial (ML-20)

State Land Use District: Urban
County of Kaua‘i: Industrial (IG-STP)

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:

Display Advertising Concession

COMMENCEMENT DATE:

To be established at final execution of the Concession Agreement.

TERM:

Seven Years.

CONCESSION FEE:

For the first year of the Concession term, the greater of the Minimum Annual Guarantee (MAG) of $275,000 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.

REMARKS:

The DOT issued a request for proposals to operate an advertising concession at Neighbor Island Airports. The applicant, based on the proposal submitted and its advertising experience in the Hawai‘i market, particularly on the Neighbor Islands, 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 review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member