

FORD N. FUCHIGAMI DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

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

CONSENT TO AN AMENDMENT TO A SUBLEASE FOR NON-RETAIL SPACE IN-BOND (DUTY FREE) CONCESSION AGREEMENT NO. DOT-A-07-0001 DFS GROUP L.P. TO TRS HAWAII, LLC DBA PRADA DANIEL K. INOUYE INTERNATIONAL AIRPORT TAX MAP KEY: (1) 1-1-03: PORTION OF 001 O'AHU

The State of Hawai'i, Department of Transportation (DOT) to is seeking the Board's consent to an amendment to a sublease between the DOT and DFS Group, L.P. for the In-Bond (Duty Free) Concession Agreement to add non-retail space to support Prada's boutique concession operation.

LEGAL REFERENCE:

Chapters 102 and Section 261-7, Hawai'i Revised Statutes, as amended.

LESSEE/SUBLESSOR:

DFS Group, L.P. (DFS)

SUBLESSEE:

TRS Hawai'I, LLC dba Prada (TRS)

LOCATION AND TAX MAP KEY:

Portion of Daniel K. Inouye International Airport, Terminal Complex, Honolulu, Island of O'ahu, identified by Tax Map Key: 1st Division, 1-1-03: Portion of 001.

ZONING:

State:

Urban

County:

Industrial (I-2)

BLNR – CONSENT TO AN AMENDMENT TO A SUBLEASE FOR NON-RETAIL SPACE, IN-BOND (DUTY FREE) CONCESSION AGREEMENT NO. DOT-A-07-0001. DFS GROUP, L.P. TO TRS HAWAII, LLC DBA PRADA DANIEL K. INOUYE INTERNATIONAL, INC. Page 2

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 an area of approximately 1,201 square feet of retail floor area, as shown and delineated on the attached Exhibit A, Pages 1-3.

SUBLEASE TERM:

Term commences on approval and extends through the end of the Concession Term.

CHARACTER OF USE:

Non-retail uses, such are merchandise storage and other activities in support of the concession sales.

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 use of its spaces.

BLNR – CONSENT TO AN AMENDMENT TO A SUBLEASE FOR NON-RETAIL SPACE, IN-BOND (DUTY FREE) CONCESSION AGREEMENT NO. DOT-A-07-0001. DFS GROUP, L.P. TO TRS HAWAII, LLC DBA PRADA DANIEL K. INOUYE INTERNATIONAL, INC. Page 3

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 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 Hawai'i, Department of Transportation, Airports Division has reviewed the Sublease and Sublease rent and determined that the Sublessee's obligation are reasonable with no excess sandwich profit to be gained by the Lessee/Sublessor.

RECOMMENDATIONS:

That the Board approved and authorize the amendment to the Sublease between DFS Group, L.P., as Lessee/Sublessor and TRS Hawai'i, as Sublessee, as hereinabove outlined, subject to: (1) terms and conditions as may be prescribed by the Director of Transportation to best service the interests of the State; (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 Amendment form and content.

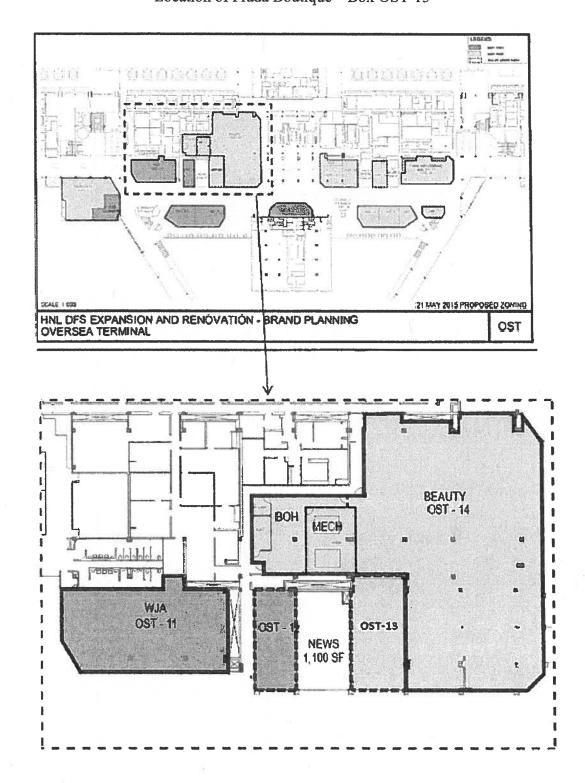
Respectfully submitted,

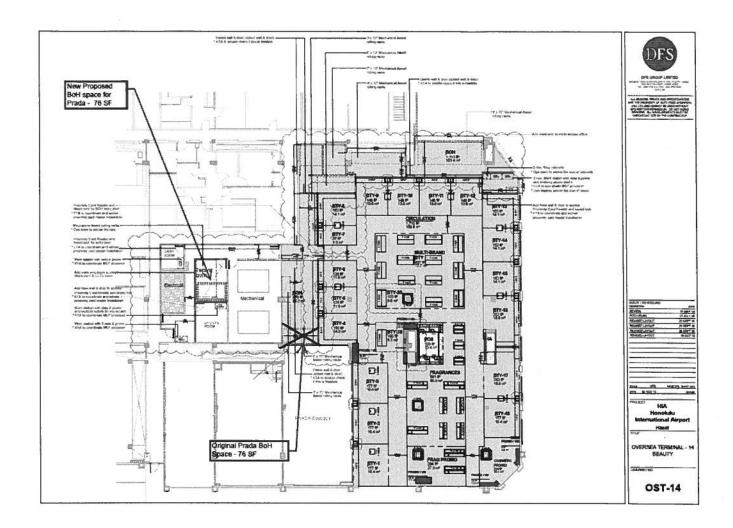
FORD N. FUCHIGAMI Director of Transportation

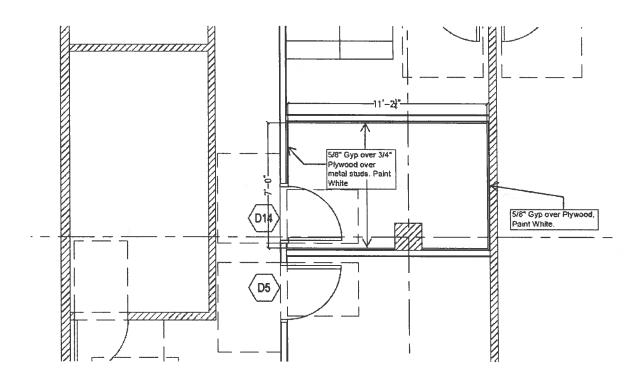
APPROVAL FOR SUBMITTAL:

Chairperson and Member

EXHIBIT A: HONOLULU INTERNATIONAL AIRPORT Location of Prada Boutique – Box OST-13







SKA-21 November 15, 2016