

DAVID Y. IGE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

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 SUBLEASE AMENDMENT  
STATE LEASE NO. DOT-A-11-0005  
DFS GROUP L.P. TO ISLAND SHOPPERS, INC.  
KAHULUI AIRPORT  
TAX MAP KEY: (2) 3-8-01: PORTION OF 19 & 236

MAUI

The State of Hawai'i, Department of Transportation (DOT) is seeking the Board's consent for an amendment to the Sublease between DFS GROUP L.P. (DFS) and Island Shoppers, Inc. at Kahului Airport.

LEGAL REFERENCE:

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

LESSEE/SUBLESSOR:

DFS Group L.P. (DFS)

SUBLESSEE:

Island Shoppers, Inc.

LOCATION AND TAX MAP KEY:

Portion of Kahului Airport, Terminal Complex, Island of Maui, Hawai'i  
Tax Map Key: 2nd Division, 3-8-01: Portion of 19 & 236

ZONING:

State: Urban  
County: Airport

LAND TITLE STATUS:

Section 5(a) and 5(b) lands of the Hawai'i Admission Act: Non-Ceded  
DHHL 30% entitlement lands: No

**ITEM M-4**

BLNR – CONSENT TO SUBLEASE AMENDMENT, STATE LEASE NO. DOT-A-11-0005,  
DFS GROUP L.P. TO ISLAND SHOPPERS, INC., KAHULUI AIRPORT

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TERM:

DFS Concession Agreement No. DOT-A-11-0005, commenced on September 1, 2011 and continues through August 31, 2026.

INITIAL SUBLEASE AREA: Attached Exhibits D, D1, & E dated May 2017.

Portion of Space No. 340-106A, containing an area of approximately 210 square feet.  
Portion of Space No. 344-203A, containing an area of approximately 1,004 square feet.  
Portion of Space No. 344-203B, containing an area of approximately 675 square feet.

ADDITIONAL SUBLEASE AREA: Attached Exhibit H dated May 2017.

Portion of Space No. 340-212, containing an area of approximately 597 square feet.

SUBLEASE TERM:

Term commenced on September 1, 2011, and continues through August 31, 2026.

USE:

Sale of Island Shoppers merchandise as part of DFS Retail Concession at Kahului Airport.

CONCESSION FEE:

Concession fee shall be the greater of a MAG (85% of the actual annual fee paid and payable for the preceding year) or a Percentage Fee (the product of the percentage rate, based on the Concessionaire's annual gross receipts for the preceding agreement year in accordance with Table 1 of Article VI.A.1. (Annual Concession Fee) and the Concessionaire's gross receipts for the current agreement year).

DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL:

Island Shoppers is a certified DBE and serves to fulfill the DBE concession participation goal of 15% of gross receipts.

DCCA VERIFICATION:

LESSEE/SUBLESSOR:

|                                           |              |          |
|-------------------------------------------|--------------|----------|
| Place of business registration confirmed: | YES <u>X</u> | NO _____ |
| Registered business name confirmed:       | YES <u>X</u> | NO _____ |
| Good standing confirmed:                  | YES <u>X</u> | NO _____ |

SUBLEESSEE:

|                                           |              |          |
|-------------------------------------------|--------------|----------|
| Place of business registration confirmed: | YES <u>X</u> | NO _____ |
| Registered business name confirmed:       | YES <u>X</u> | NO _____ |
| Good standing confirmed:                  | YES <u>X</u> | NO _____ |

IMPROVEMENTS:

Island Shoppers, Inc. 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 premises.

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.

The DOTA consulted with the U.S. Federal Aviation Administration as to the appropriateness of the citation of the Environmental Exemption Class from the Comprehensive list for the Department of Transportation dated November 15, 2000. The FAA has concurred on the appropriateness.

REMARKS:

DOT's goal is to encourage participation in airport concessions by DBEs. By subletting a portion of its Concession's premises to a certified DBE, DFS is satisfying its DBE objective.


RECOMMENDATION:

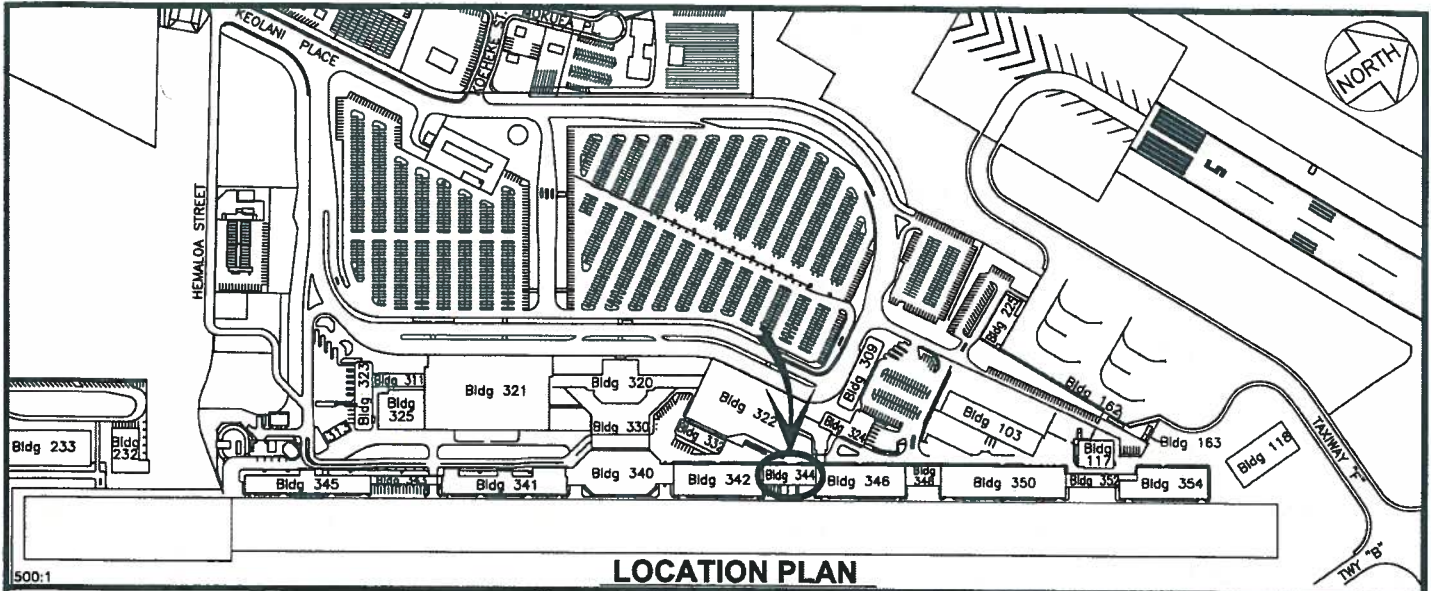
That the Board approve and authorize the Consent to the Sublease amendment as hereinabove outlined, subject to: (1) terms and conditions hereinabove outlines, which are by reference incorporated herein; (2) such terms and conditions as may be prescribed by the Director of Transportation to best serve 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,

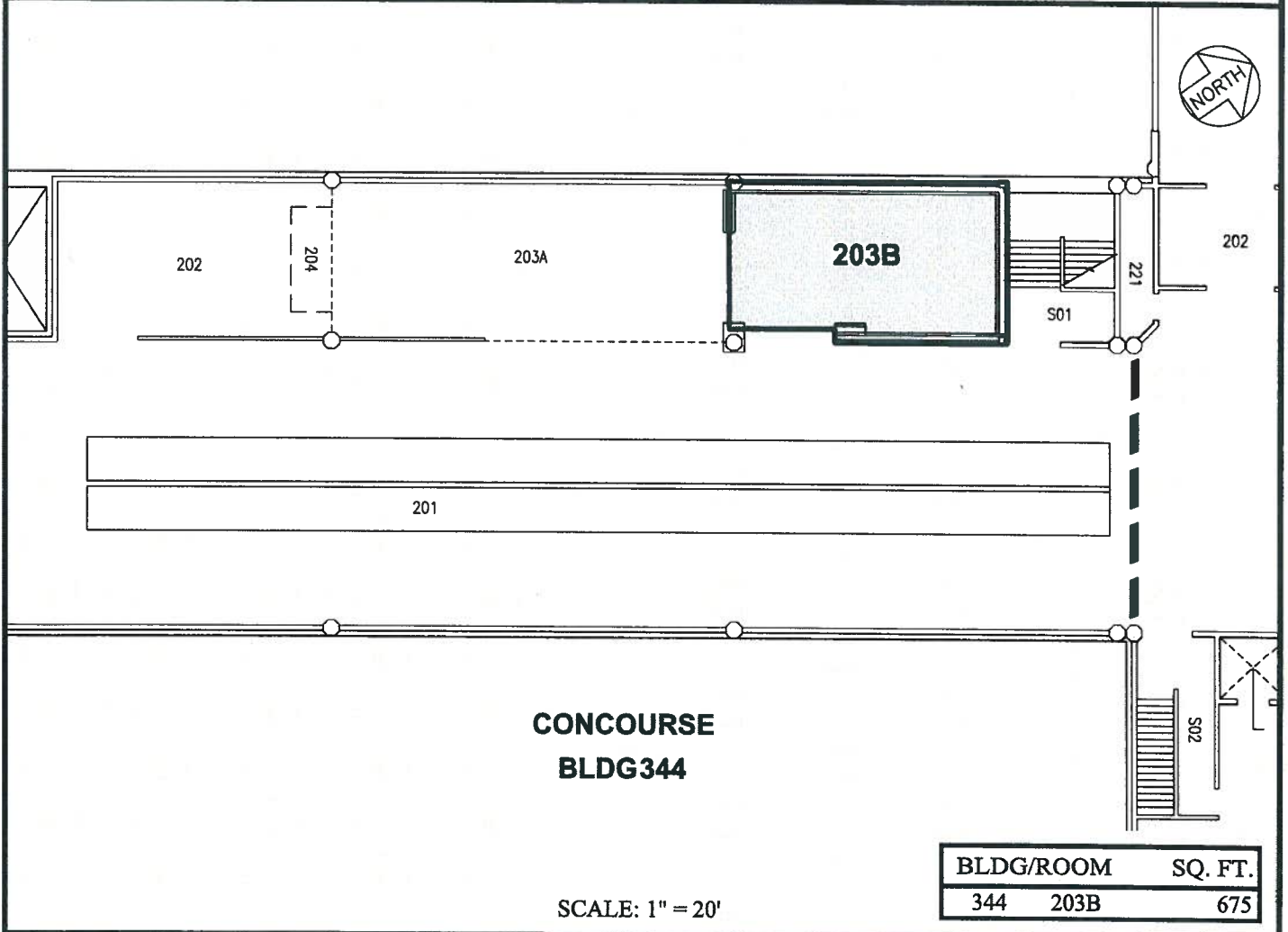
  
FORD N. FUCHIGAMI  
Director of Transportation

APPROVAL FOR SUBMITTAL:

  
SUZANNE D. CASE  
Chairperson and Member




**LOCATION PLAN**

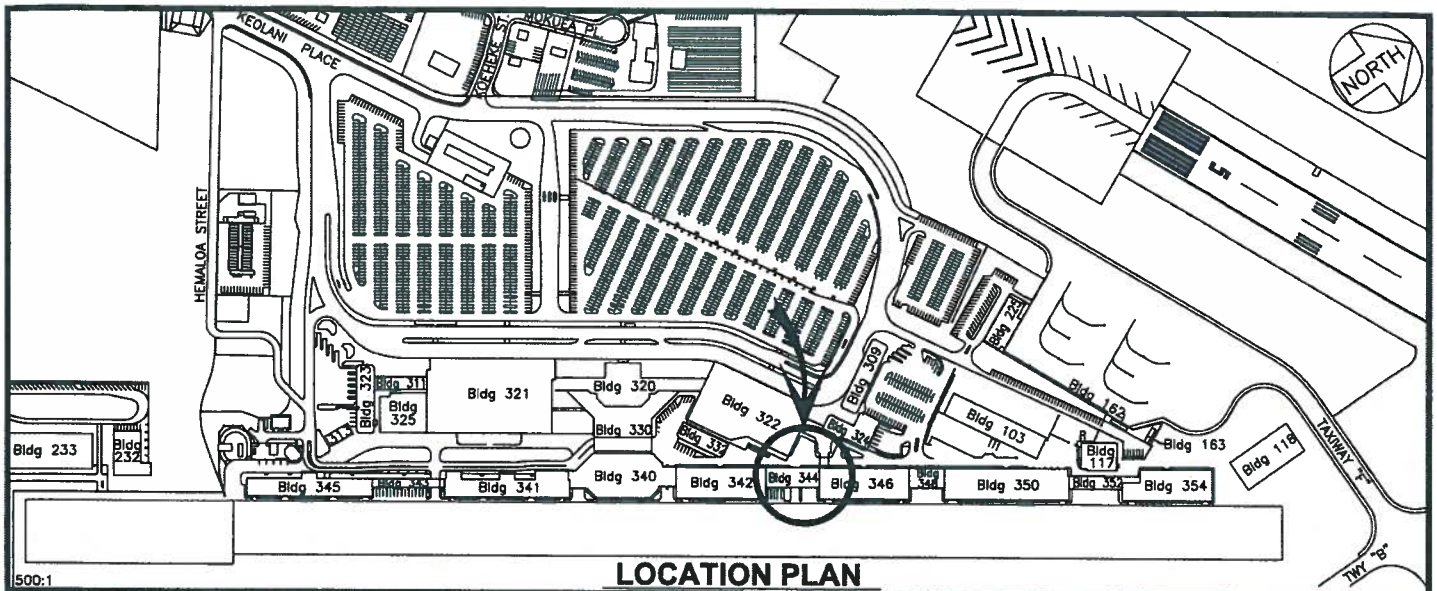


**CONCOURSE  
BLDG344**

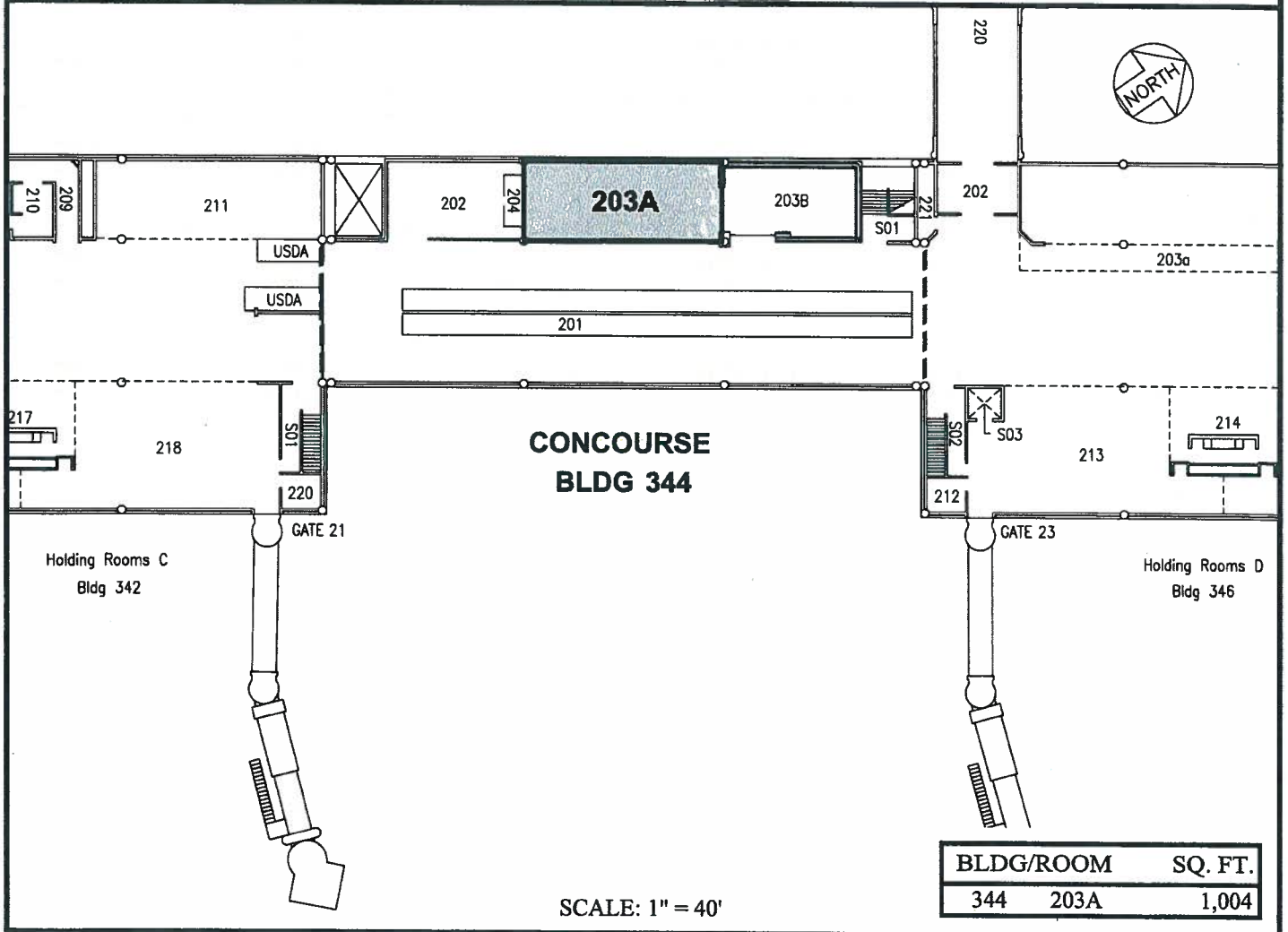
| BLDG/ROOM | SQ. FT. |
|-----------|---------|
| 344 203B  | 675     |

SCALE: 1" = 20'

|                                                                                                       |                 |                                                                      |
|-------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------|
| DOTA-11-0005                                                                                          | DATE : MAY 2017 | EXHIBIT: D                                                           |
|  Airports Division | DFS GROUP, L.P. | BUILDING 344<br>CONCOURSE<br>SECOND LEVEL<br>344203B<br>PLATS A2, 35 |




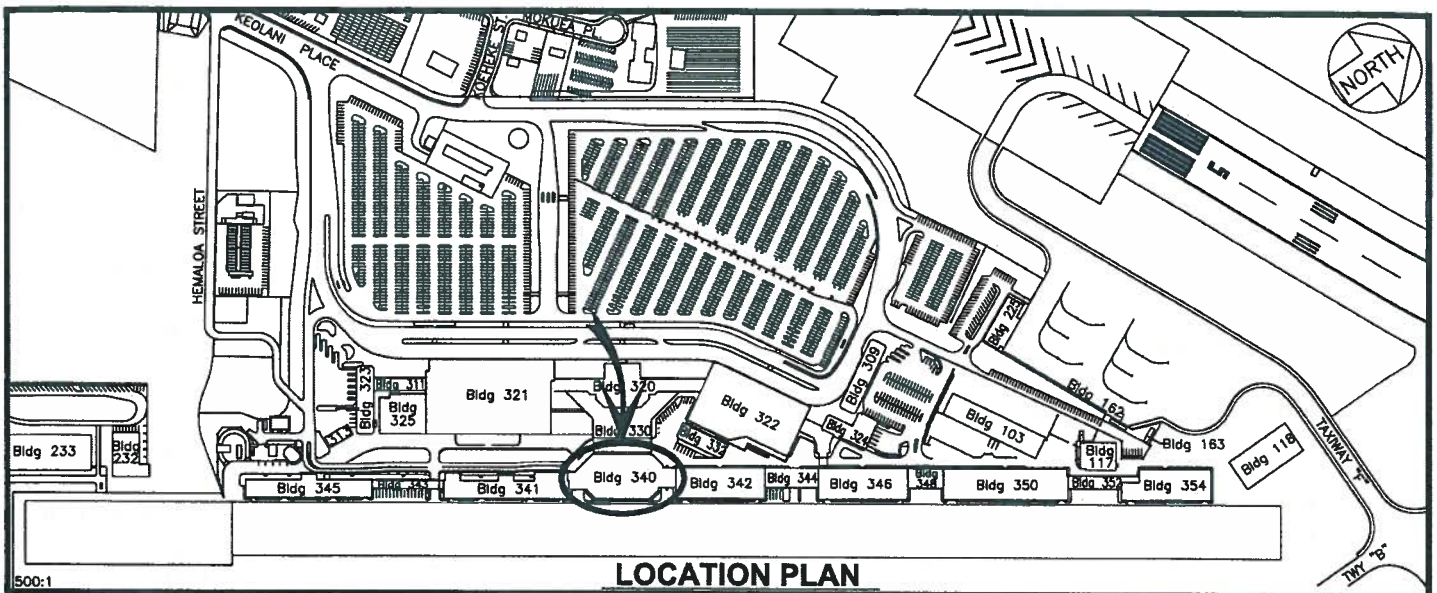
**LOCATION PLAN**



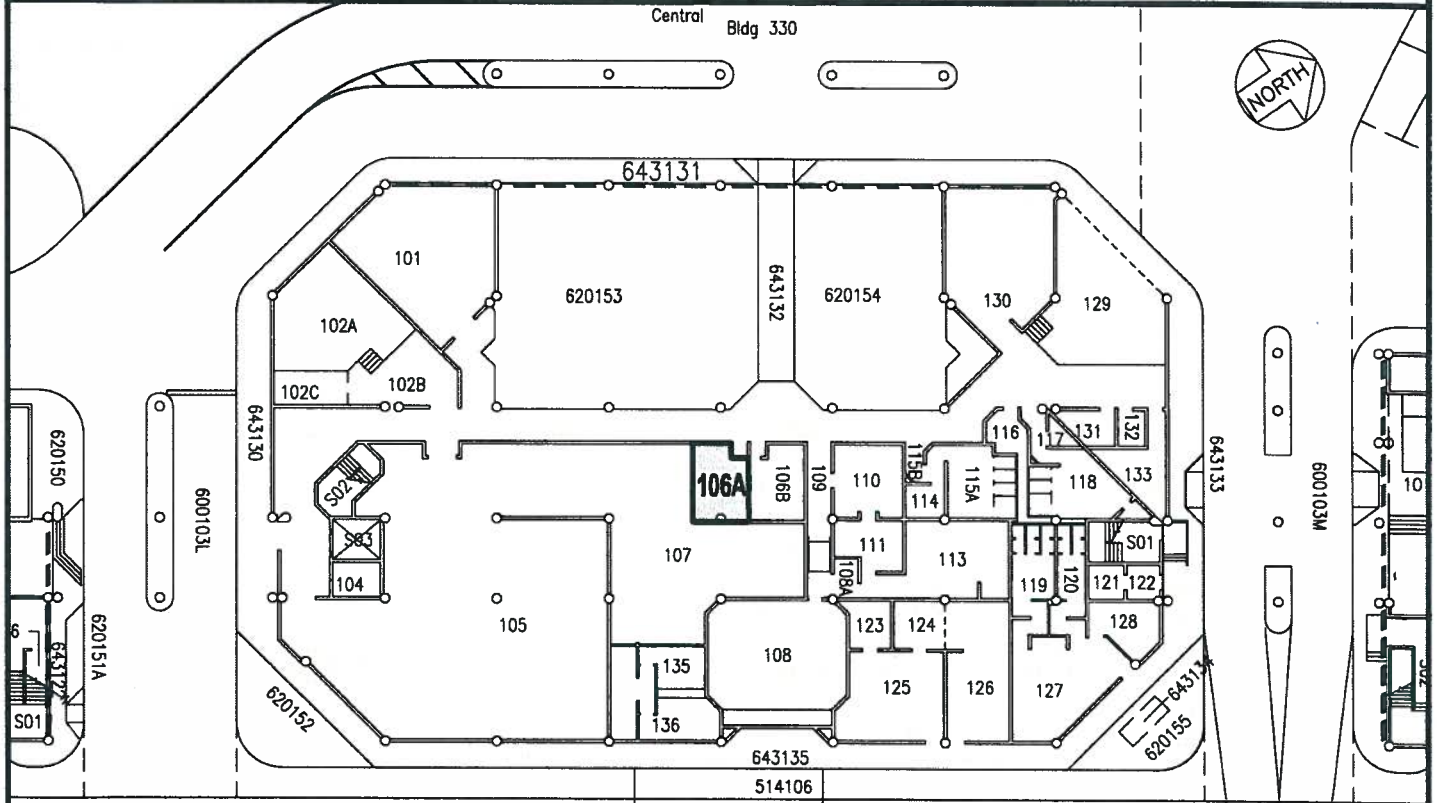
SCALE: 1" = 40'

| BLDG/ROOM | SQ. FT. |
|-----------|---------|
| 344 203A  | 1,004   |

|                                                                                                       |                 |                                           |
|-------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------|
| DOTA-11-0005                                                                                          | DATE : MAY 2017 | EXHIBIT: D-1                              |
|  Airports Division | DFS GROUP, L.P. | BUILDING 344<br>CONCOURSE<br>SECOND LEVEL |
|                                                                                                       |                 | 344203A<br>PLATS A2, 35                   |




**LOCATION PLAN**



Central  
**BLDG340**

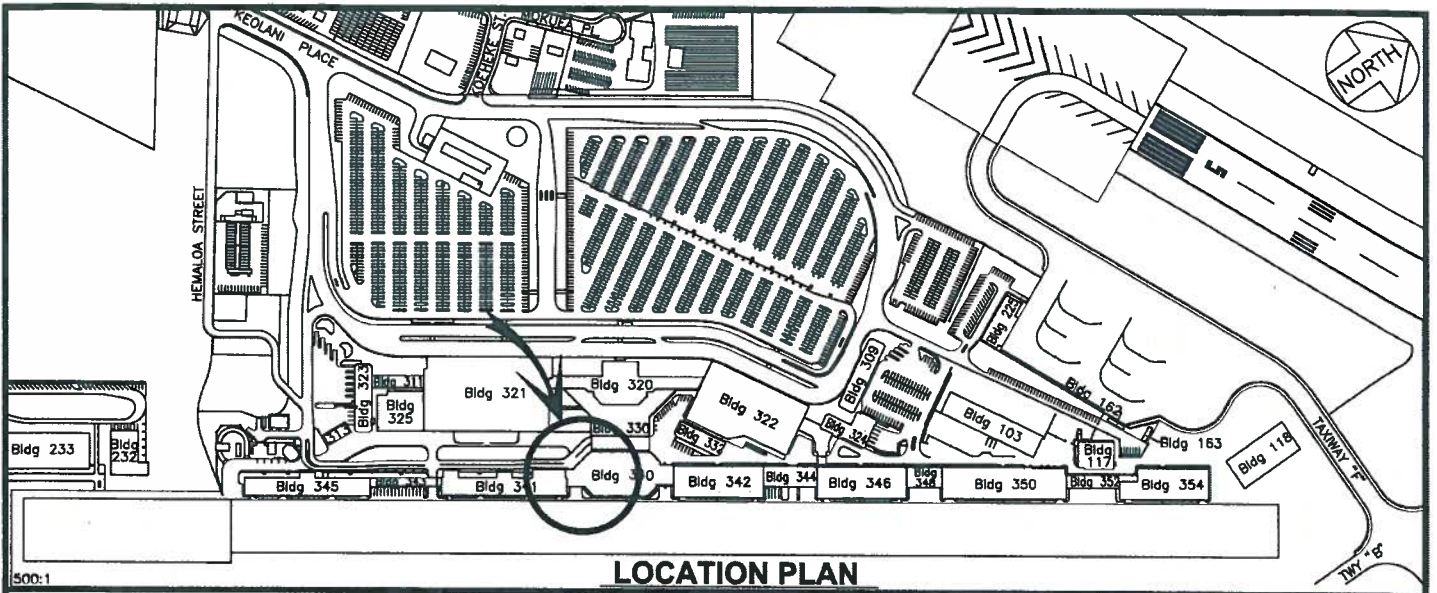
SCALE: 1" = 40'

| BLDG/ROOM | SQ. FT. |
|-----------|---------|
| 340 106A  | 210     |

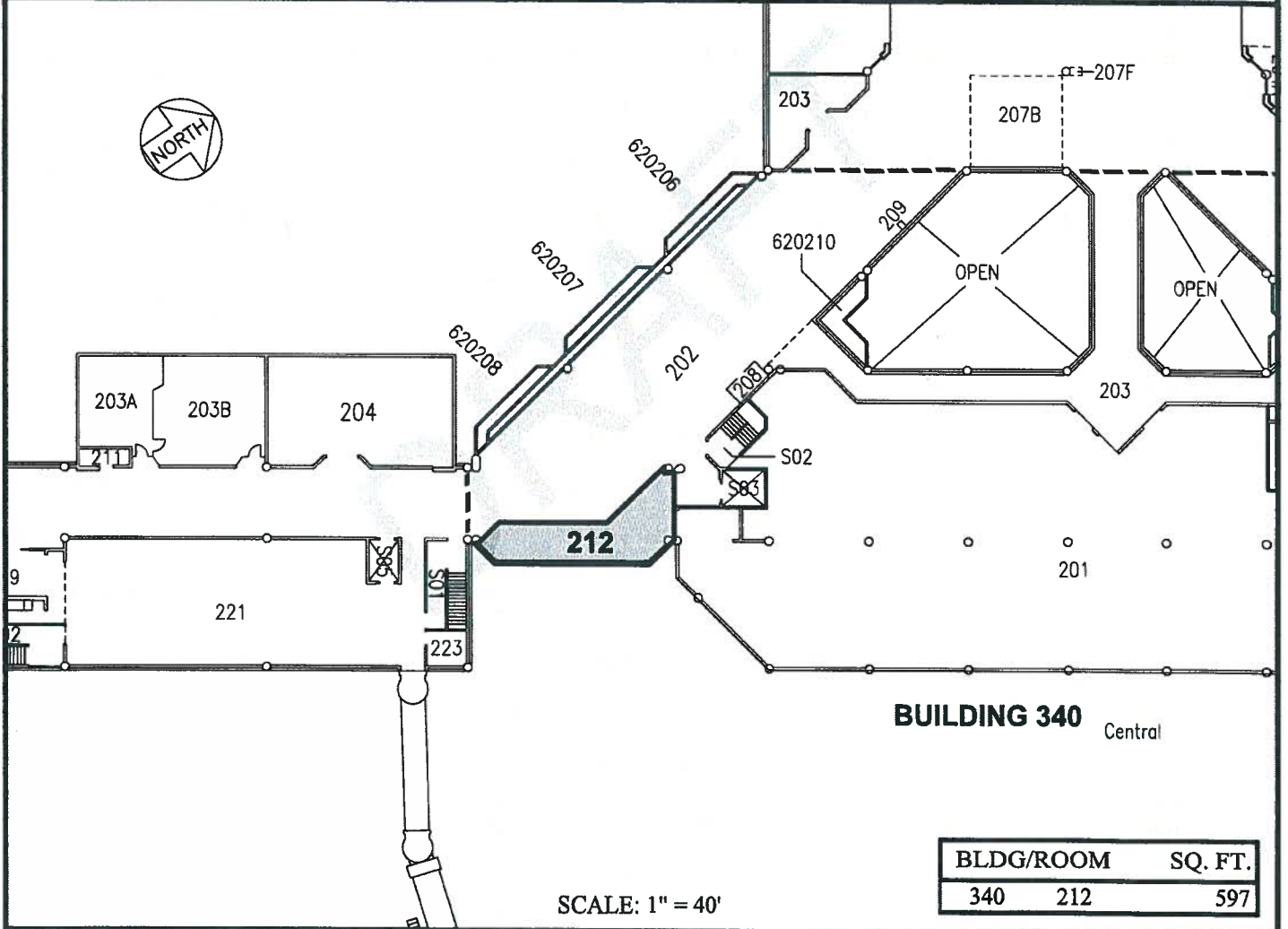
|                                                                                                       |                 |                                                  |                         |
|-------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------|-------------------------|
| DOTA-11-0005                                                                                          | DATE : MAY 2017 | EXHIBIT: <b>E</b>                                |                         |
|  Airports Division | DFS GROUP, L.P. | BUILDING 340<br>CENTRAL BUILDING<br>GROUND LEVEL | 340106A<br>PLATS A1, 35 |


**KAHULUI AIRPORT**

N:\AIRPORTS\OGG\_Kahului\CAD\PM\ogg\_340106-01.dwg



**LOCATION PLAN**



|                                                                                                       |                 |                                                              |
|-------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------|
| DRAFT                                                                                                 | DATE : MAY 2017 | EXHIBIT: H                                                   |
|  Airports Division | DFS GROUP. L.P. | BUILDING 340<br>CENTRAL<br>SECOND LEVEL<br>340212<br>PLAT A2 |