

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 YOUNG

IN REPLY REFER TO:

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

AMENDMENT NO. 8 TO CONCESSION AGREEMENT NO. DOT-A-07-0001
FOR THE ADDITION OF THREE KIOSKS
DFS GROUP L.P. IN-BOND (DUTY FREE) CONCESSION
KONA INTERNATIONAL AIRPORT AT KEĀHOLE
TAX MAP KEY: (3) 7-3-43: PORTION OF 3

HAWAI'I

The Department of Transportation (DOT) proposes to amend the existing Statewide In-Bond (Duty Free) Concession Agreement No. DOT-A-07-0001 to add space for three kiosks at the Kona International Airport at Keāhole.

APPLICANT:

DFS GROUP, L.P. whose business and post office address is P. O. Box 29500, Honolulu, Hawai'i 96820.

LEGAL REFERENCE:

Chapter 102, Hawai'i Revised Statutes, as amended.

LOCATION AND TAX MAP KEY:

A portion of Kona International Airport at Keahole (KOA), Island of Hawai'i, State of Hawai'i, identified by Tax Map Key: (3) 7-3-43: Portion of 3.

ZONING:

State Land Use District: Urban
County: Industrial (MG1a)

LAND TITLE STATUS:

Section 5 (a) and 5 (b) lands of the Hawai'i Admission Act: Ceded
DHHL 30% entitlement lands: YES ___ NO X

DCCA VERIFICATION:

Place of business registration confirmed: YES
Registered business name confirmed: YES
Applicant in good standing confirmed: YES

TERM:

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

ADDITIONAL SPACE:

Space 360-103, containing a total area of approximately 48 square feet as delineated on the attached map labeled Exhibit K dated May 2017.

IMPROVEMENTS:

Applicant at its own cost and expense shall be responsible for any renovation, upgrade, remodeling and improvements to the additional space for three kiosks to display In-Bond (Duty Free) merchandise available for purchase by travelers departing Kona International Airport flying directly to a foreign country.

CONCESSION FEE:

The current In-Bond (Duty Free) Concession pays a Minimum Annual Guaranteed Fee (MAG) of \$40 million plus an applicable percentage fee of gross receipts based on a tiered schedule when gross receipts exceed certain levels as provided in Article VI. (Concession Fee). Sales recorded at KOA will be added to the on- airport gross receipts to determine the actual concession fee.

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.

BLNR – AMENDMENT NO. 8 TO CONCESSION AGREEMENT NO. DOT-A-07-0001
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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:

The In-Bond (Duty Free) Concession (Concession) is a statewide concession. The Concession is limited to selling merchandise to travelers whose immediate destination is foreign countries. Any products purchased at the Concession will be made available to travelers at the gate immediately prior to departure.

The start of service from Tokyo Haneda Airport by Hawaiian Airlines, Inc. and resumption of service from Narita Airport by Japan Airlines Co., Ltd. provided the opportunity for the sale of In-Bond (Duty Free) merchandise at KOA.

RECOMMENDATION:

That the Board authorize the Department of Transportation to amend the existing Concession Agreement No. DOT-A-07-0001 as described above, subject to: 1) terms and conditions herein outlined, which are by reference incorporated herein; 2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interest of the State; and 3) review and approval by the Department of the Attorney General.

Respectfully submitted,

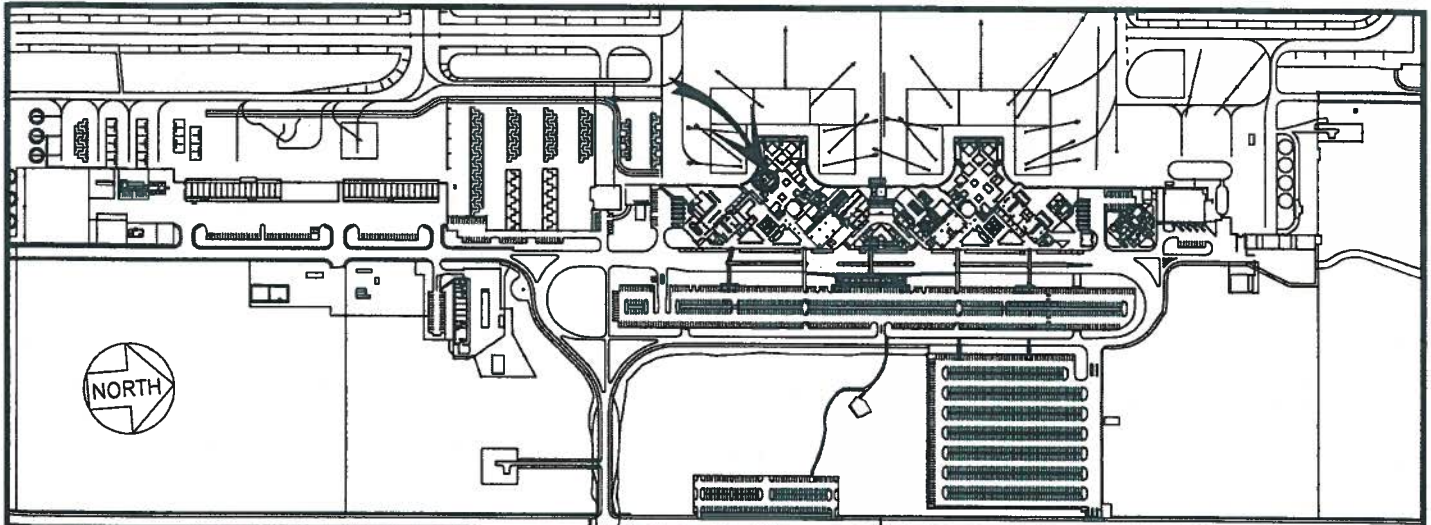


FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

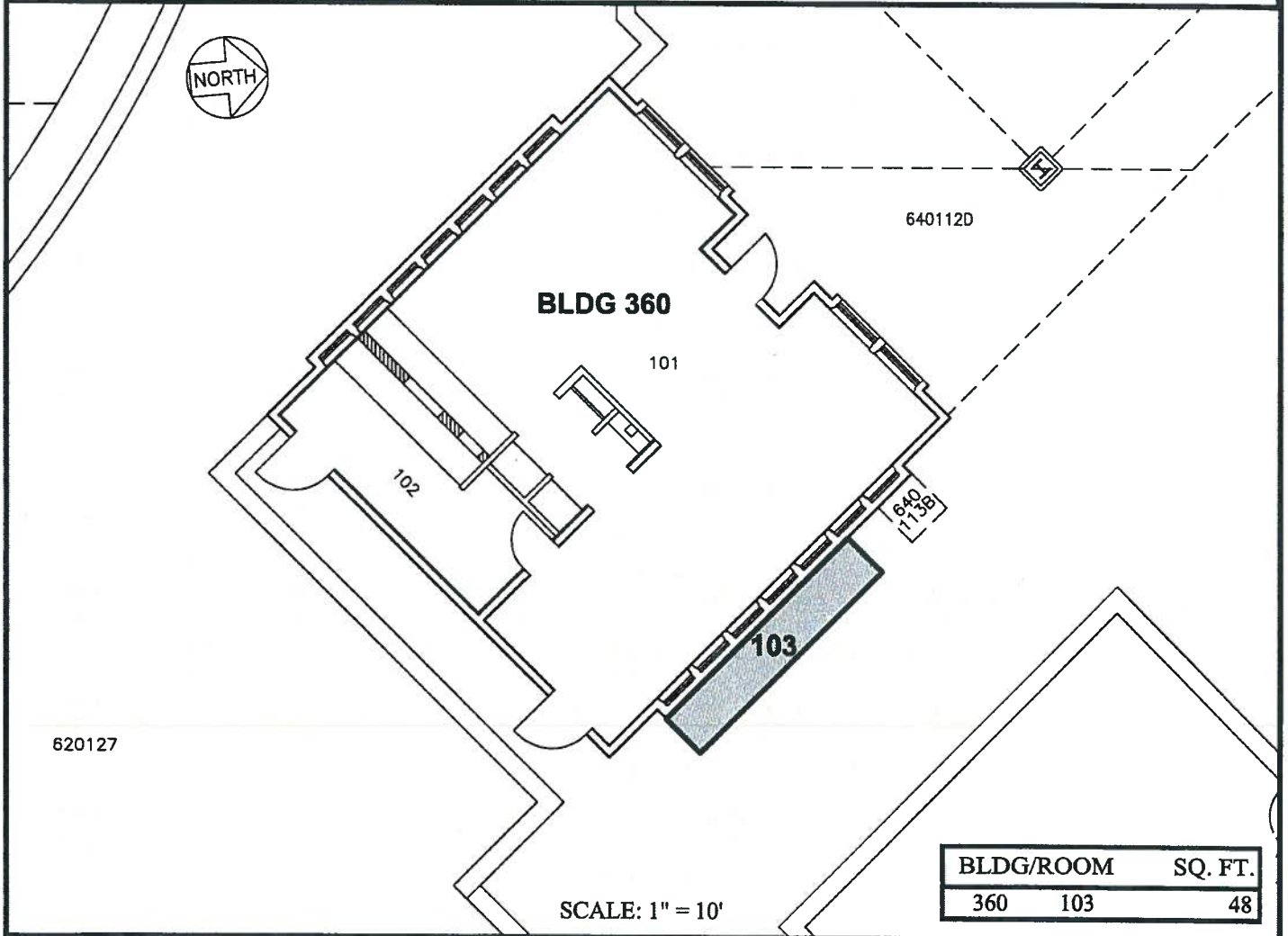


SUZANNE D. CASE
Chairperson and Member



600:1

LOCATION PLAN



SCALE: 1" = 10'

BLDG/ROOM	SQ. FT.
360 103	48

DOTA-07-0001 (Amendment 8)

DATE : MAY 2017

EXHIBIT: **K**



Airports Division

DFS GROUP L.P. IN-BOND

BUILDING 360
GROUND LEVEL

360103

PLATS D1, 38

KONA INTERNATIONAL AIRPORT AT KEAHOLE