



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

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

IN REPLY REFER TO:

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

AMENDMENT NO. 9 TO CONCESSION AGREEMENT NO. DOT-A-07-0001  
REQUEST FOR ADDITIONAL SPACES FOR IN-BOND (DUTYFREE) USE  
DFS GROUP L.P. IN-BOND (DUTY FREE)  
DANIEL K. INOUE INTERNATIONAL AIRPORT  
TAX MAP KEY: (1) 1-1-03: 1

O'AHU

The Department of Transportation (DOT) seeks approval to amend the existing Concession Agreement No. DOT-A-07-0001 for additional spaces for In-Bond (Duty Free) use at Daniel K. Inouye International Airport.

APPLICANT:

DFS GROUP L.P., whose postal address is P.O. Box 29500, Honolulu, Hawai'i 96820.

LEGAL REFERENCE:

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

LOCATION AND TAX MAP KEY:

Daniel K. Inouye International Airport, Island of O'ahu, Hawai'i, Terminal Complex  
Tax Map Key: 1<sup>st</sup> Division: 1-1-03: 1

ZONING:

State: Urban  
County: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands of the Hawai'i Admissions Act: Non-Ceded  
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: No

DCCA VERIFICATION:

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 _____

CONCESSION TERM:

To run for the balance of the term of the existing concession agreement that expires on May 31, 2027.

ADDITIONAL SPACE:

Area/Space Nos. 342-284A, 342-284B, and 342-287, containing a total area of approximately 3,977 square feet, as delineated on the attached Exhibit L dated June 2017.

Area/Space No. 360-202, containing an area of approximately 590 square feet, as delineated on the attached Exhibit M dated June 2017.

Area/Space No. 341-255B, containing an area of approximately 1,056 square feet as delineated on the attached Exhibit N dated June 2017.

IMPROVEMENTS:

Applicant at its own cost and expense shall be responsible for any renovation, upgrade, remodeling and improvements to the additional spaces.

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 from the additional spaces 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.

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 concurred on the appropriateness.

REMARKS:

The Applicant identified and requested additional spaces and the Department of Transportation Airports Division reviewed and determined that the additional In-Bond (Duty Free) spaces will allow Applicant to better serve the traveling public.

RECOMMENDATION:


That the Board approved and 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 hereinabove outlined, 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.

Respectfully submitted,



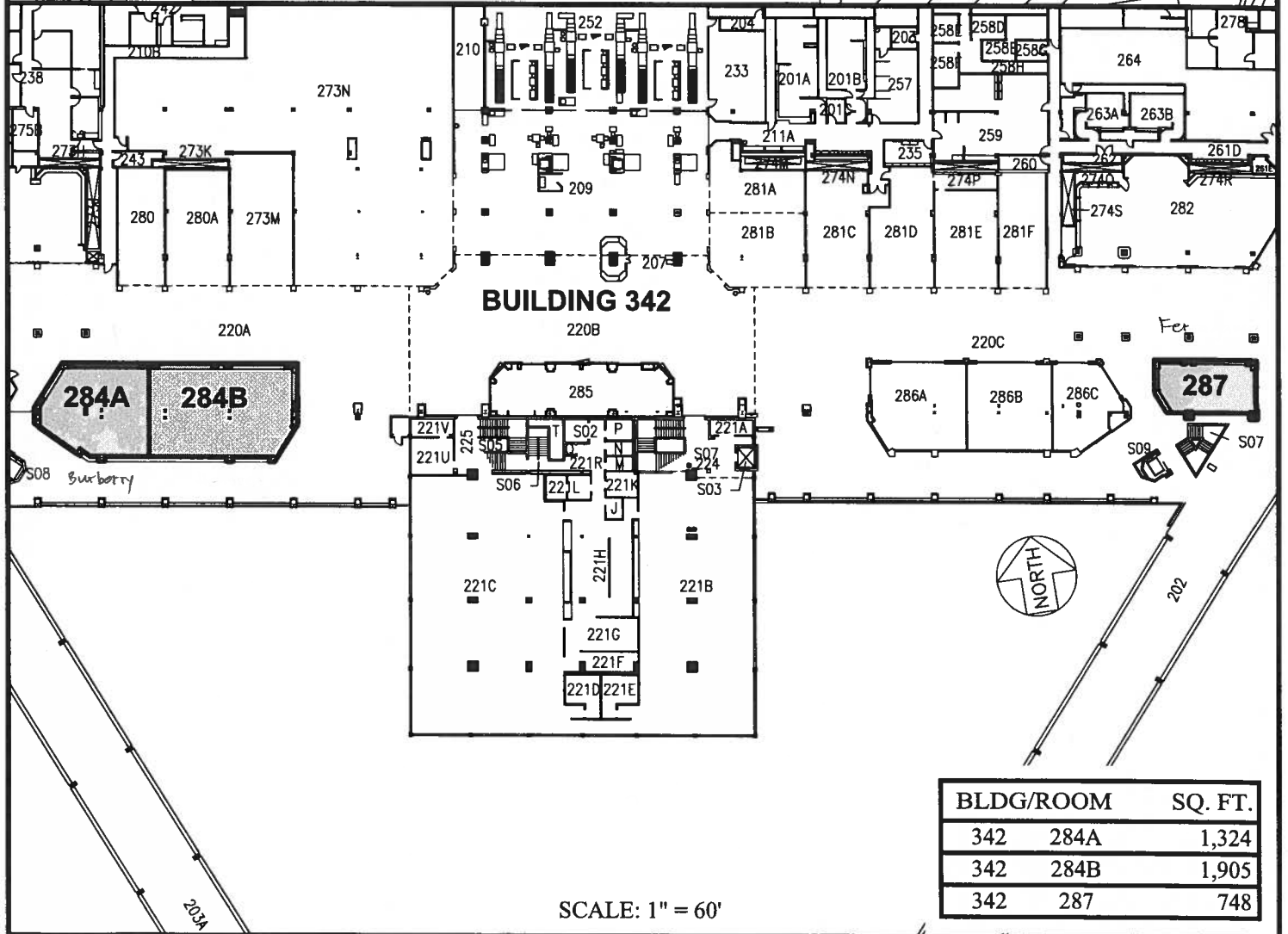
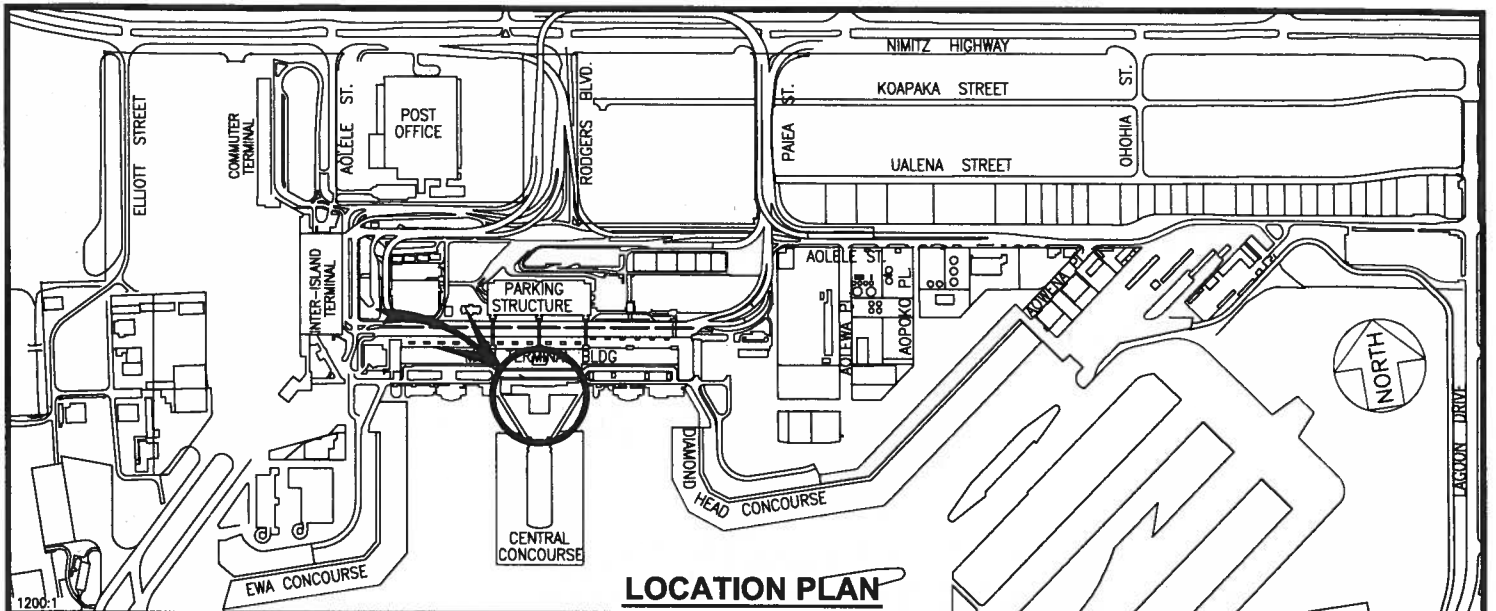
FORD N. FUCHIGAMI  
Director of Transportation

APPROVAL FOR SUBMITTAL:



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SUZANNE D. CASE  
Chairperson and Member



DOTA-07-0001, Amendment #9

DATE : JUNE 2017

EXHIBIT: L

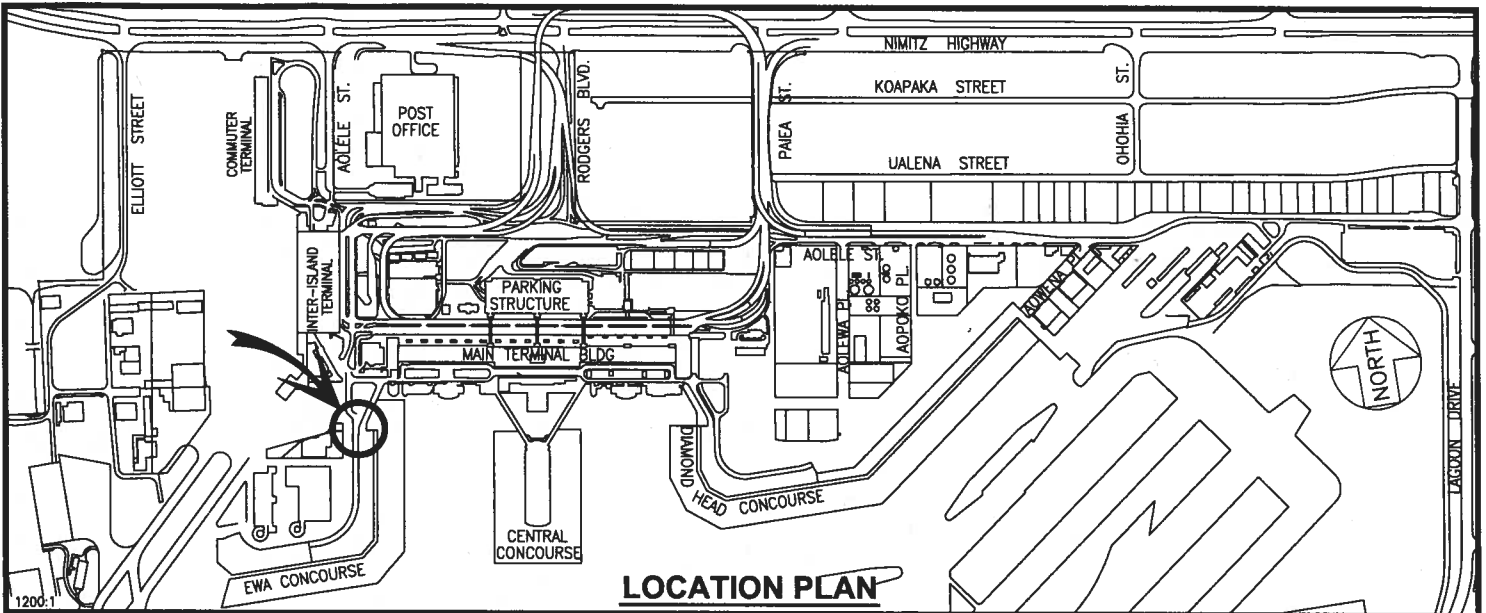


Airports Division

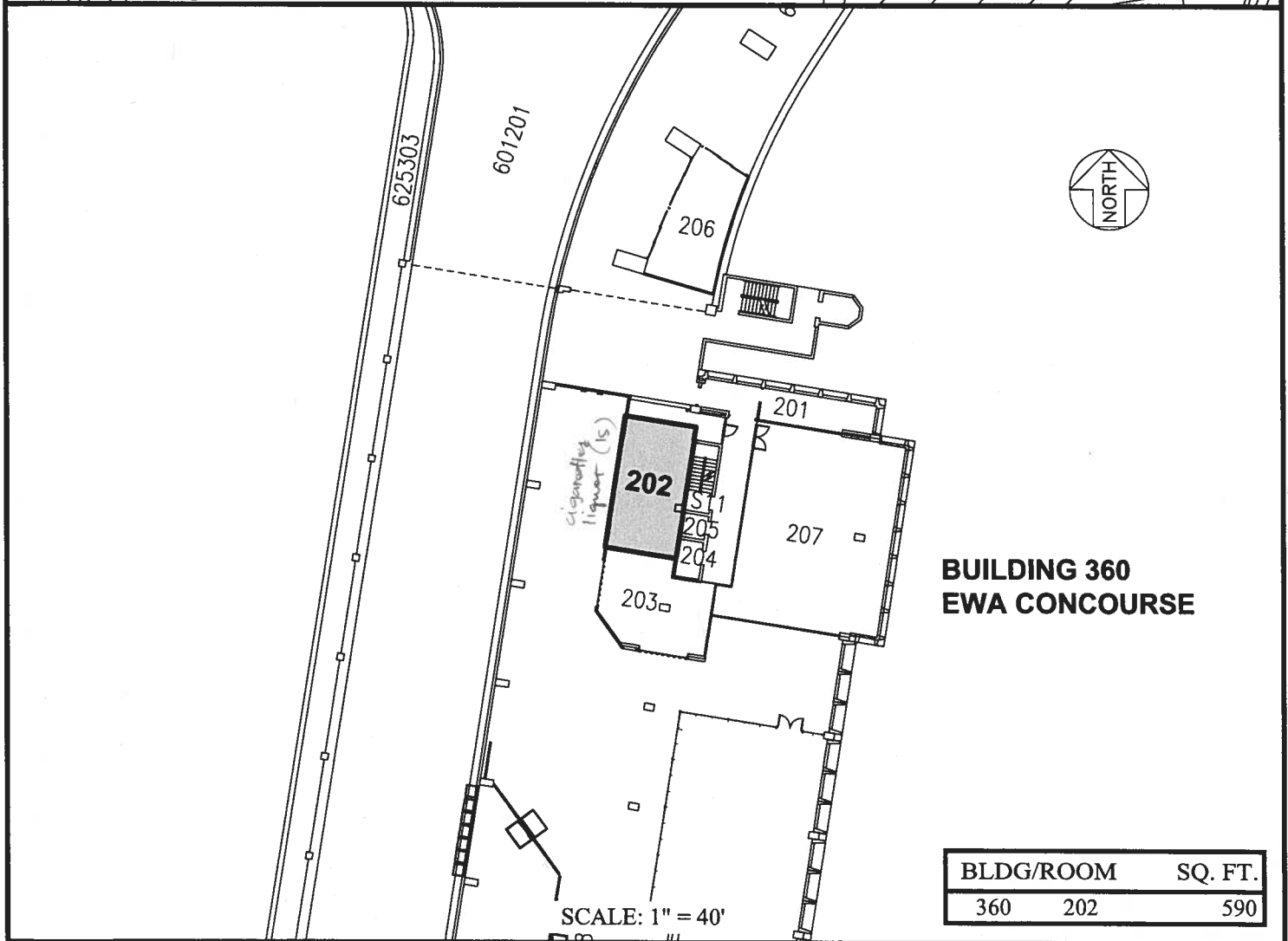
DFS GROUP L.P. IN-BOND

BUILDING 342  
WAITING LOBBY  
SECOND LEVEL

342284A  
342284B  
342287  
PLAT B2



**LOCATION PLAN**



**BUILDING 360  
EWA CONCOURSE**

BLDG/ROOM	SQ. FT.
360 202	590

SCALE: 1" = 40'

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EXHIBIT: **M**



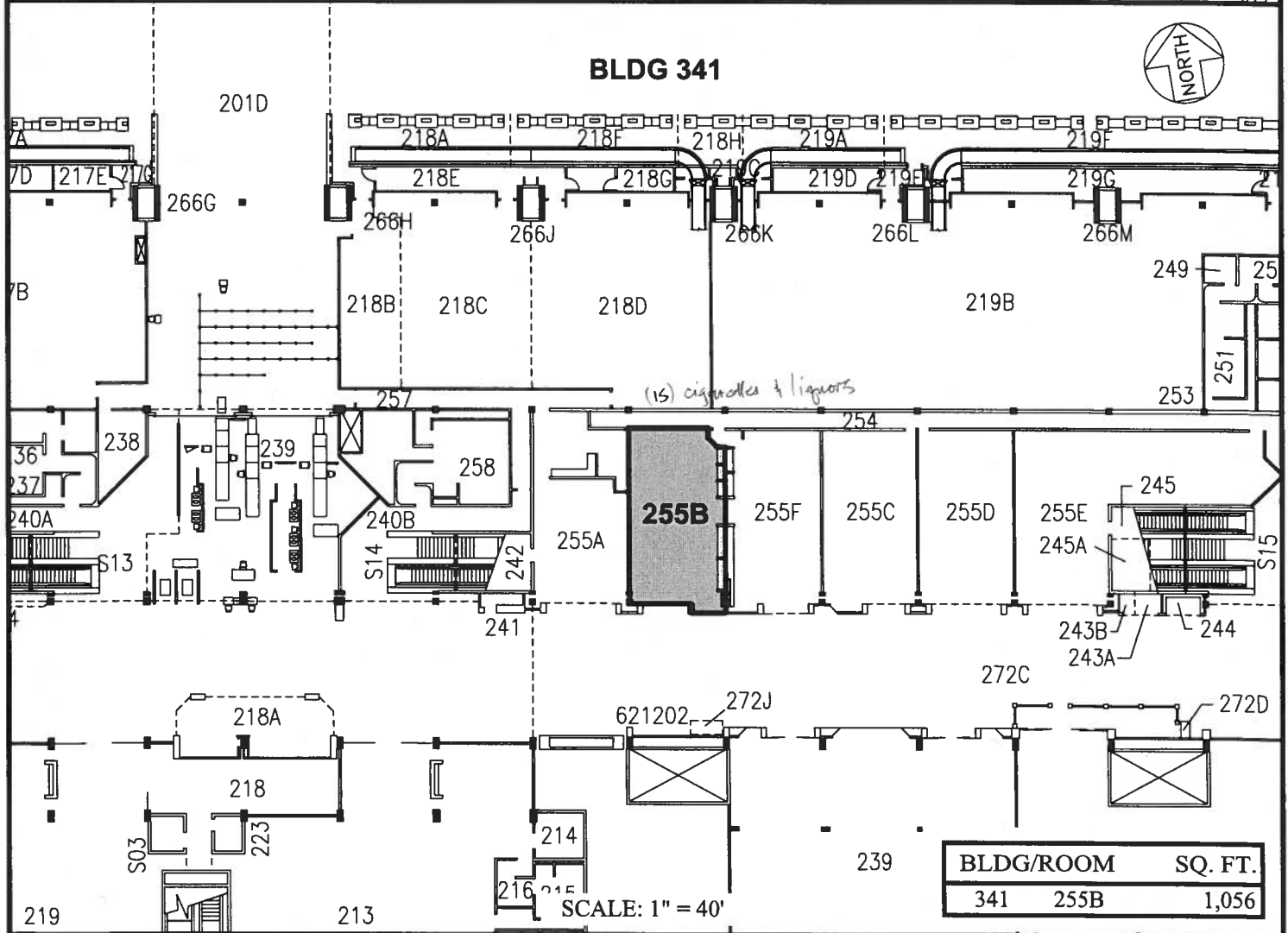
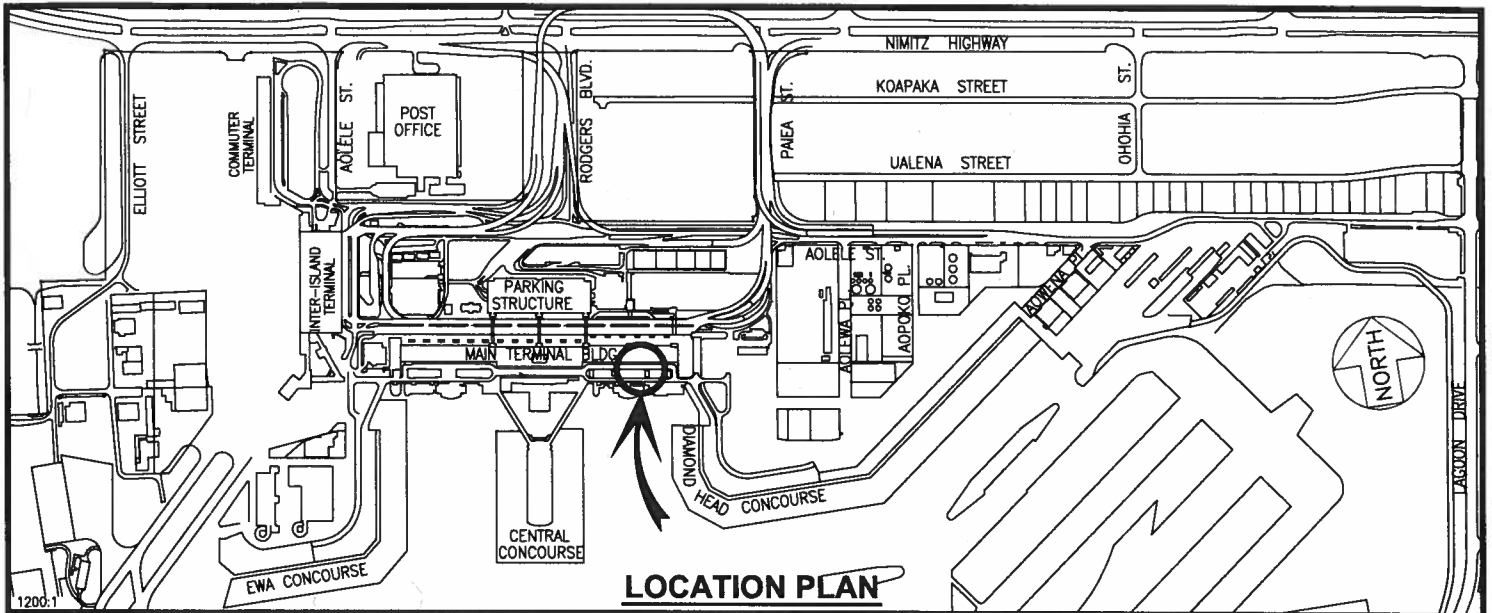
Airports Division

DFS GROUP L.P. IN-BOND

BUILDING 360  
EWA CONCOURSE  
SECOND LEVEL

360202

PLAT F2



DOTA-07-0001, Amendment #9

DATE : JUNE 2017

EXHIBIT: **N**



Airports Division

DFS GROUP L.P. IN-BOND

**BUILDING 341**  
**D.H. DOMESTIC EXTENSION**  
**SECOND LEVEL**

**341255B**

**PLAT M1**