



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

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

AMENDMENT NO. 8 TO CONCESSION AGREEMENT NO. DOT-A-07-0001
REQUEST FOR ADDITIONAL SPACES FOR IN-BOND (DUTY FREE) USE
DFS GROUP L.P. IN-BOND (DUTY FREE)
DANIEL K. INOUYE INTERNATIONAL AIRPORT O'AHU
TAX MAP KEY: (1) 1-1-003: 1 (PORTION)
ELLISON ONIZUKA KONA INTERNATIONAL AIRPORT AT KEĀHOLE HAWAI'I
TAX MAP KEY: (3) 7-3-043: 3 (PORTION)

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 and Ellison Onizuka Kona International Airport at Keāhole.

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: 1st Division: 1-1-003: 1 (Portion).

Ellison Onizuka Kona International Airport at Keāhole (KOA), Island of Hawai'i, State of Hawai'i, identified by Tax Map Key: (3) 7-3-043: 3 (Portion).

ZONING:

HNL:
State Land Use District: Urban
County: Industrial (I-2)

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

BLNR –AMENDMENT NO. 8 TO CONCESSION AGREEMENT NO. DOT-A-07-0001,
REQUEST FOR ADDITIONAL SPACES FOR IN-BOND (DUTY FREE) USE,
DFS GROUP L.P., DANIEL K. INOUYE INTERNATIONAL AIRPORT & ELLISON
ONIZUKA KONA INTERNATIONAL AIRPORT AT KEĀHOLE
Page 2

LAND TITLE STATUS:

HNL:

Section 5(a) lands of the Hawai'i Admissions Act: Non-Ceded

DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: No

KOA:

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 X NO ___

Registered business name confirmed: YES X NO ___

Good standing confirmed: YES X NO ___

CONCESSION TERM:

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

ADDITIONAL SPACE:

HNL:

Area/Space No. 342-279, containing an area of approximately 2,636 square feet, as delineated
on the attached Exhibit O dated February 2019.

Area/Space No. 342-285, containing an area of approximately 150 square feet, as delineated
on the attached Exhibit O dated February 2019.

KOA:

Area/Space No. 365-102, containing a total area of approximately 42 square feet, as delineated
on the attached Exhibit P dated February 2019.

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.

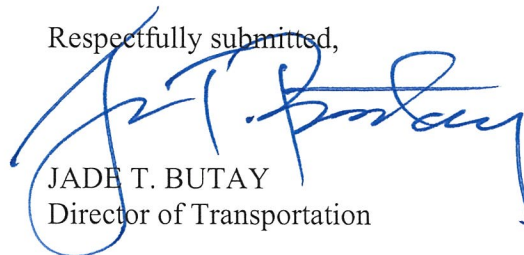
REMARKS:

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

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,

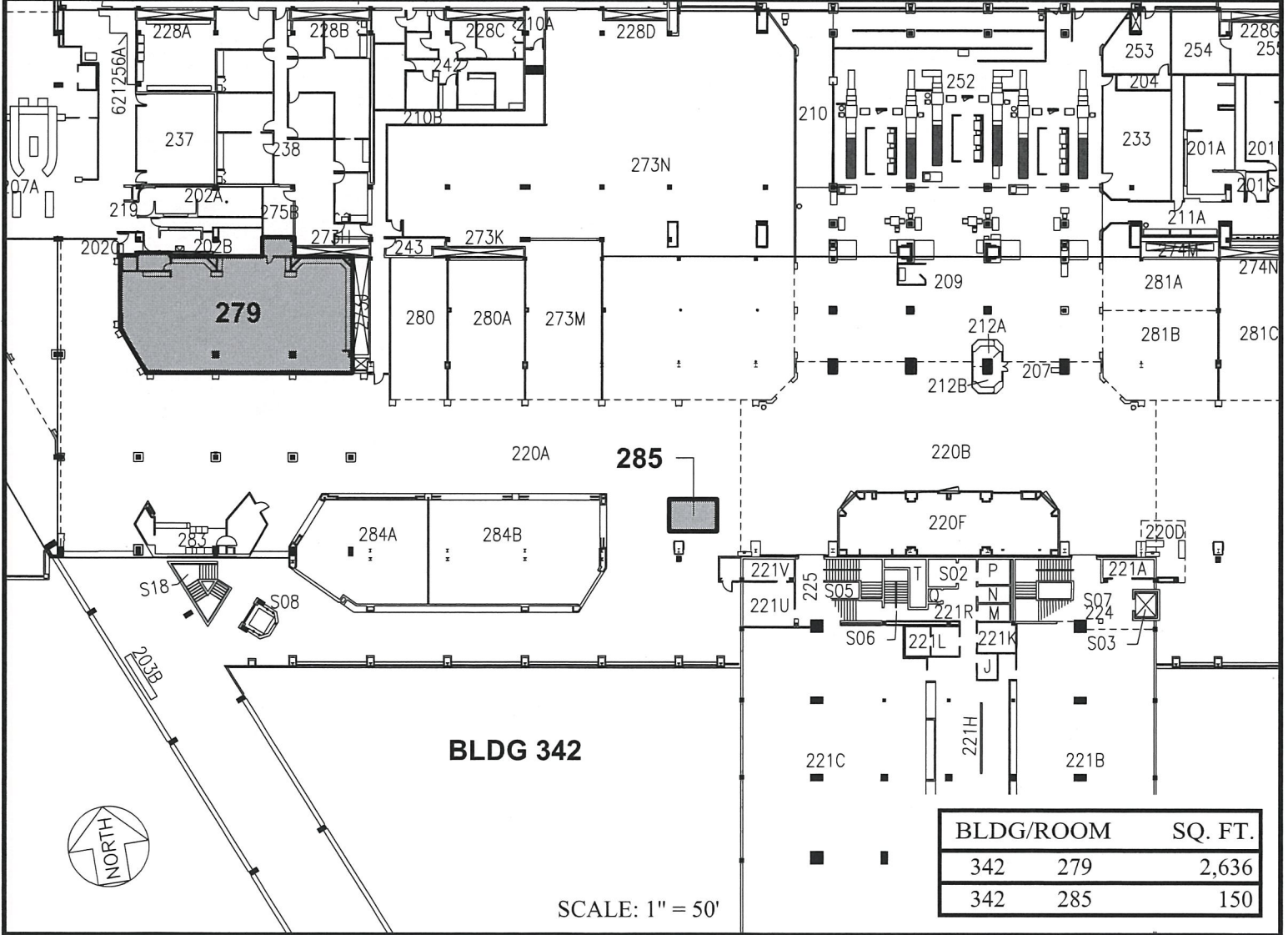
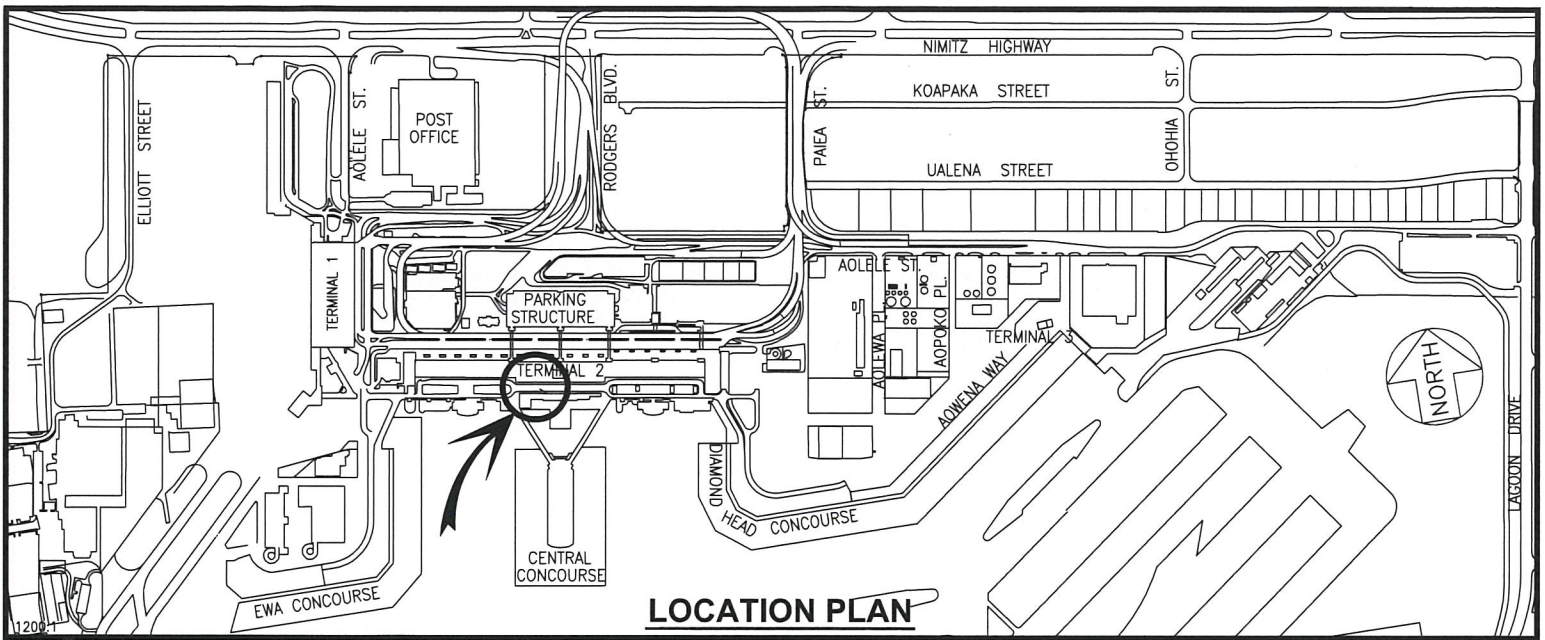


JADE T. BUTAY
Director of Transportation

APPROVAL FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member



BLDG/ROOM	SQ. FT.
342 279	2,636
342 285	150

DOTA-07-0001 AMENDMENT #8

DATE : FEBRUARY 2019

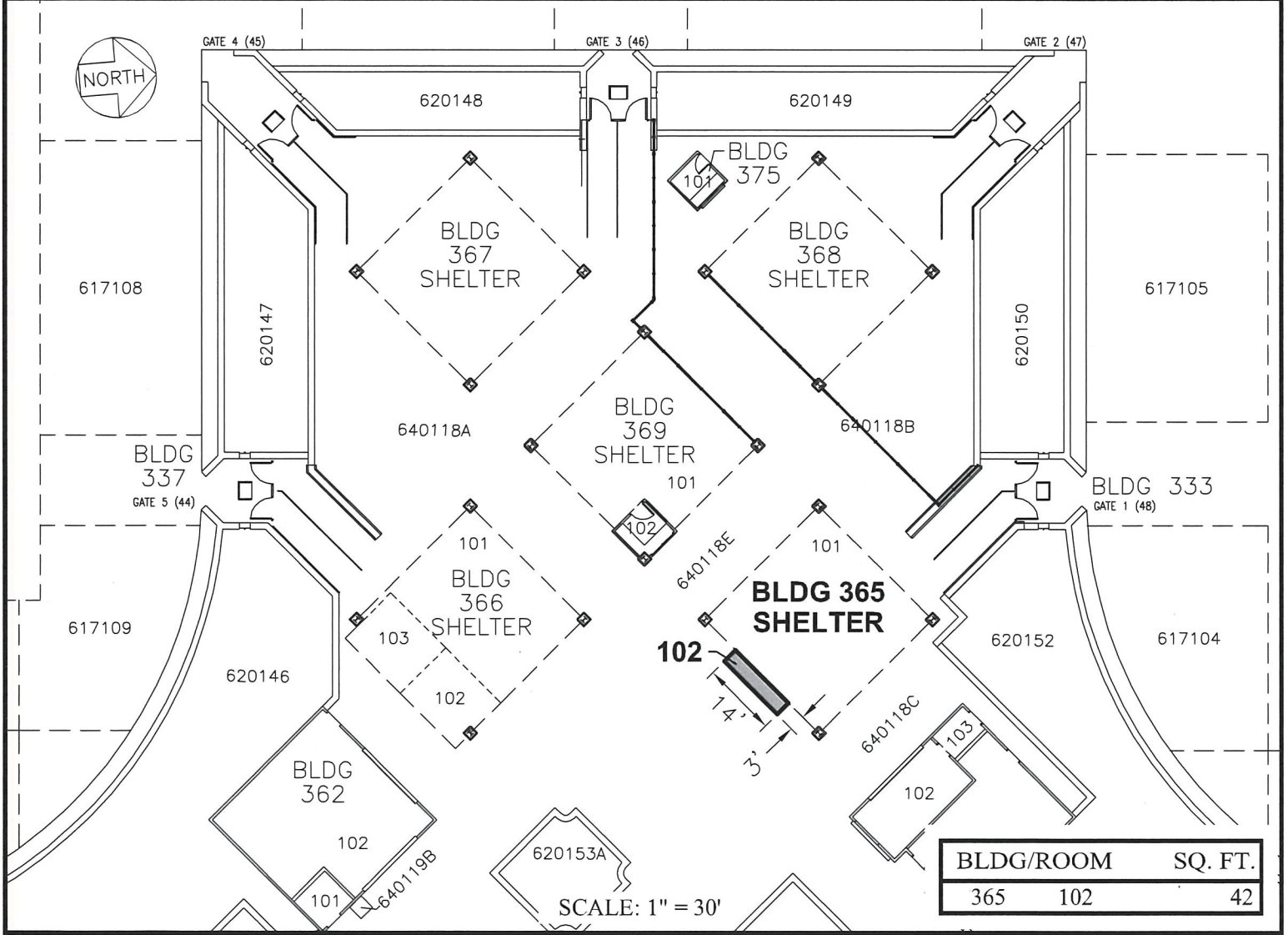
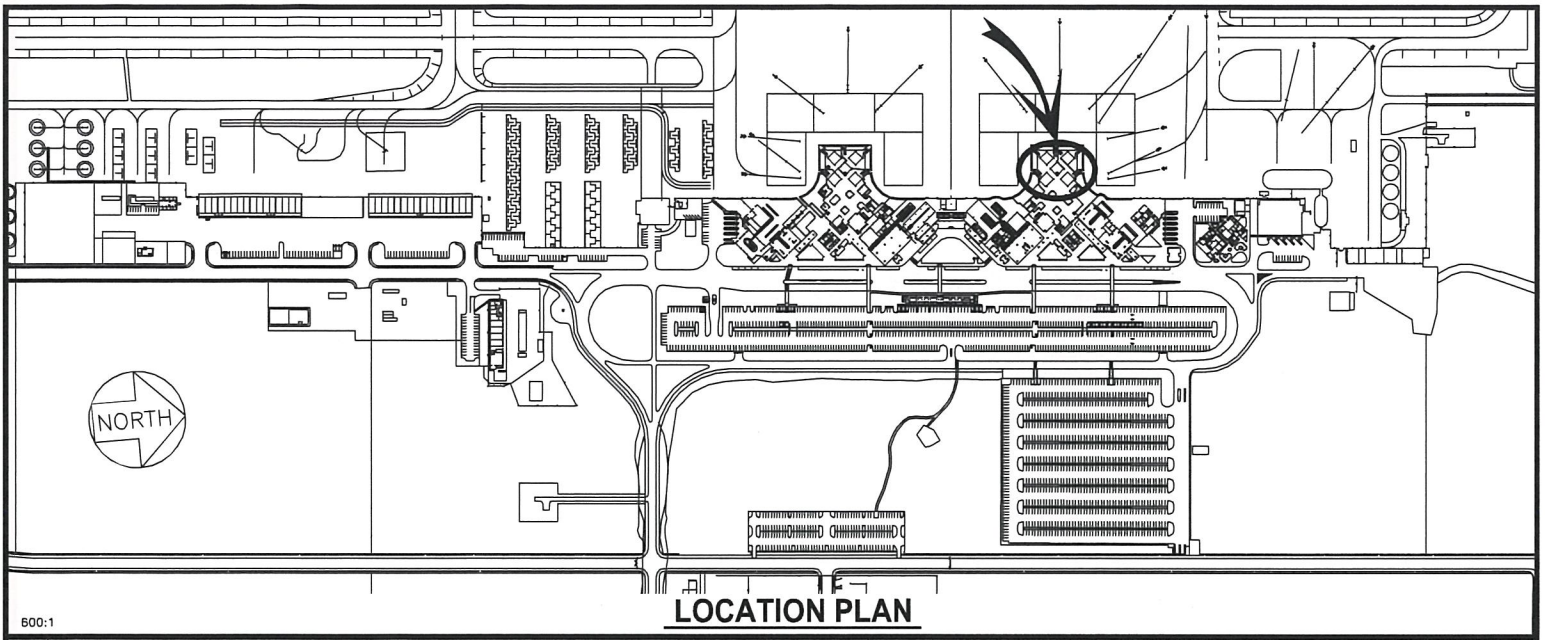
EXHIBIT: ○



DFS GROUP L.P. IN-BOUND

BUILDING 342
WAITING LOBBY
SECOND LEVEL

342279
342285
PLAT A2



DOTA-07-0001 AMENDMENT #8	DATE : FEBRUARY 2019	EXHIBIT: P
	DFS GROUP L. P.	BUILDING 365 SHELTER GROUND LEVEL
		365102 PLATS E1, 38

N:\AIRPORTS\KOA_Kona\CAD\PM\koa_365102-01.dwg

ELLISON ONIZUKA KONA INTERNATIONAL AIRPORT AT KEAHOLE