



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 Hawaii
Honolulu, Hawaii

AMENDMENT NO. 1 TO LEASE NO. DOT-A-03-0001
TRAVELER SERVICES CONCESSION LEASE
LENLYN LIMITED, HONOLULU INTERNATIONAL AIRPORT

OAHU

The Department of Transportation (DOT) proposes to amend the existing Traveler Services Concession Lease (DOT-A-03-0001) at Honolulu International Airport. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the amendment:

PURPOSE:

To amend the existing Concession Lease DOT-A-03-0001 at Honolulu International Airport, to allow for additional space to offer foreign exchange and business center services to travelers, to extend the term to give the concessionaire the time to construct substantial improvements to provide better service to travelers at Honolulu International Airport.

Under Article III of Lease DOT-A-03-0001, the specific area assigned or provided for the concession activity may be changed at the discretion of the Director of Transportation.

Act 128 Session Laws of Hawaii 2006 provides the State with sole discretionary authority, upon agreement with the lessee, to amend, modify and alter the terms of the concession leases and permits in various respects including and not limited to: 1) granting limited lease or permit extensions in exchange for improvements by concessionaires provided there are no reductions in stated rent amounts; and 2) adding lease provisions providing for economic emergency relief in case of disruptive economic events as contained in newer concession leases by the DOT.

APPLICANT:

Lenlyn Limited dba Ice Currency Services USA, whose business address is 6151 West Century Boulevard #1108, Los Angeles, CA 90045

LEGAL REFERENCE:

Chapter 102, and Section 261-7, Hawaii Revised Statutes, as amended. Act 128 Session Laws of Hawaii 2006.

LOCATION:

Honolulu International Airport

TAX MAP KEY:

1st Division – 1-1-03: Portion of 1 (Honolulu)

PREMISES:

Additional premises provided to concessionaire:

- 1) Building 310, Space No.205G, containing an area of approximately 90 square feet
- 2) Building 342, Space No.220A5, containing an area of approximately 36 square feet

ZONING:

Land Use (Honolulu): Urban
County: Industrial (I-2)

LAND STATUS:

Section 5(a), Hawaii Admission Act – Non-ceded
DHHL 30% entitlement lands Yes ___ No X

TERM:

The term of the existing 5-year concession lease to be extended from the existing expiration date of March 31, 2008 to March 31, 2010

IMPROVEMENTS:

Applicant will construct and install, at its own cost, at least \$120,000.00 in improvements to the spaces listed above and to existing facilities throughout the terminals

RENTAL:

Additional square footage floor rent will be charged for the additional premises based on the current DOT schedule of rates and charges for Honolulu International Airport. In addition, all gross receipts generated from the additional premises will be included with the gross receipts of the concession. The concessionaire pays the greater of the minimum annual guaranteed rent or a percentage of gross receipts as the concession fee. The current percentage rent rates for the concession are five percent (5%) of gross receipts from foreign currency exchange services, seven percent (7%) of gross receipts from business center services and merchandise, and twelve percent (12%) of gross receipts from traveler related services.

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 dated November 14, 1990, 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 DOT and the Applicant entered into that certain concession lease (Lease No. DOT-A-03-0001) dated April 1, 2003, for the Traveler Services Concession at Honolulu International Airport (Airport). Over time conditions at the Airport have changed and the Applicant finds that the addition of new locations and major improvements to existing locations will result in better service to travelers.

Act 128 Session Laws of Hawaii 2006 states, "Notwithstanding any law to the contrary and for concession leases and permits that did not received rent relief after April 30, 2002, by way of negotiation or pursuant to Act 201, Session Laws of Hawaii 2004, the

department of transportation, in its sole discretion and authority, upon mutual agreement with a concession seeking to make improvements, may modify, alter, or amend the terms of concession leases and permits in exchange for improvements, including but not limited to locations, requirements, and obligations; provided that:

- (1) Any extension of a lease or permit shall be for a period not longer than forty per cent of the original term of the concession lease;
- (2) The rents during the extension period shall not be lower than rents paid by the concession under its existing lease or permit; and
- (3) Rent relief terms for leases or permits signed prior to April 30, 2002, may be modified to include terms in newer concession leases that provide economic emergency relief for concessions in case of disruptive economic events.

Concession Lease No. DOT-A-03-0001 is eligible for amendment under Act 128 Session Laws of Hawaii 2006.

RECOMMENDATION:

That the Board authorize the DOT to amend the existing Concession Lease No. DOT-A-03-0001 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,


BARRY FUJINAGA
Director of Transportation

APPROVED FOR SUBMITTAL:



ALLAN A. SMITH
Interim Chairperson and Member