

# **HB 1811, HD1**

**Extends Department of Transportation's authority to extend the term of an airport concession, and to modify and amend the terms of any concession contracts, leases, and permits in exchange for revenue-enhancing improvements that are made or paid for by the concession.**

**Effective June 30, 2014.**

**(HB1811 HD1)**

NEIL ABERCROMBIE  
GOVERNOR



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

March 18, 2014  
1:16 p.m.  
State Capitol, Room 224

**H.B. 1811, H.D. 1**  
**RELATING TO TRANSPORTATION**

Senate Committee on Transportation and International Affairs

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The Department of Transportation **supports** this bill which extends the sunset date for ACT 46, Session Laws of 2012, to December 31, 2014.

ACT 46 authorizes the department of transportation to modify the terms of concessions and leases in ways that encourage revenue-enhancing improvements to be made by concessions. These investments complement the department's efforts in modernizing its airports and contribute to the quality of the visitor experience.

We appreciate the opportunity to submit this testimony.

Testimony of  
GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
FORD N. FUCHIGAMI  
RANDY GRUNE  
AUDREY HIDANO  
JADINE URASAKI

IN REPLY REFER TO:



## AIRPORT CONCESSIONAIRES COMMITTEE

Honorable J. Kalani English  
Chair, Committee on Transportation  
and International Affairs  
Hawaii State Senate  
Hawaii State Capitol  
Honolulu, Hawaii

Hearing: March 18, 2014, Room 224, 116pm

RE: HB 1811, HD1 - RELATING TO TRANSPORTATION

Chair English and Honorable Committee Members:

My name is Peter Fithian and I represent the Airport Concessionaires Committee. The Committee represents the majority of the concessions at Hawaii's public airports.

The Committee supports this bill for a 6 month extension of Act 46 passed by the 2012 Legislature. More time is needed to review proposals and plans and gain necessary approvals at the discretion of Hawaii's DOT.

At the sole discretion of Hawaii's DOT, the program allows the DOT and individual airport concessions to continue to proceed with fast-tracking construction of 80,000 or more feet of concession space and/or improvements needed at Hawaii's public airports.

A DOT Airports study not only documented the immediate need for more space but also the additional and immediate revenues the DOT Airports division would generate from concession improvements when completed.

While the goal to enhance DOT revenues is important, this program per Act 46 recognizes hardships and extra costs such fast-tracking will result to various concessions due to barricades, noise, re-routing of passengers and possible temporary re-location of concession space. Further, various concessions with short-term leases and/or permits would object to

such improvements since the remaining term on their lease/permit does not allow them to spend monies and amortize the costs of improving existing space and/or newly built space.

To help solve these difficulties, to meet the goal to fast tracking improvements and to gain additional airport revenues sooner than later, this program allows the DOT at its sole discretion to work with airport concessions, and in exchange for expenses paid and improvements made by concessions, the DOT at its sole discretion may modify and extend the term of concession leases and permits to address such concerns and hardships faced by the concessions.

Various concessions are still proceeding to meet and complete discussions with the DOT Airports divisions. The 6 month extension of Act 46 should allow for the completion of such discussions.

We respectfully urge you to pass this bill with minor amendment to conform with Act 46. As in the past, your continued support of this program is appreciated. Thank you.





## Greeters of Hawaii

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Honorable J. Kalani English, Chair  
Committee on Transportation and  
International Affairs  
Hawaii State Senate  
Hawaii State Capitol  
Honolulu, Hawaii

Hearing: March 18, 2014, Room 224

RE: HB 1811, HD1 - RELATING TO TRANSPORTATION

Dear Chair English and Honorable Senators:

My name is Peter Fithian and I am the President with Greeters Of Hawaii, Ltd. which operates an airport concession.

We support this bill and also the arguments presented by the Airports Concessionaires Committee.

This bill seeks to extend Act 46 for 6 months beyond June 30, 2013. Various concessions need more time to review proposals and plans and gain necessary approvals at the discretion of Hawaii's DOT.

While the goal to enhance DOT revenues is important, this program per Act 46 recognizes hardships and extra costs such fast-tracking will result to various concessions due to barricades and possible temporary re-location of concession space. Concessions with short-term leases and/or permits would object to such improvements since the remaining term on their lease/permit does not allow them to spend monies.

This program allows the DOT at its sole discretion to work with airport concessions, and in exchange for expenses paid and improvements made by concessions, the DOT at its sole discretion may modify and extend the term of concession leases and permits to address such concerns and hardships faced by the concessions.

We thank you for your past support and respectfully urge you to pass this bill. Thank you.



*Island Shoppers, Inc.*

Honolulu International Airport  
300 Rodgers Boulevard #3  
Honolulu, Hawaii 96819  
Tel: 808.834.1136  
Fax: 808.834.1137

Honorable J. Kalani English, Chair  
Committee on Transportation and  
International Affairs  
Hawaii State Senate  
Hawaii State Capitol  
Honolulu, Hawaii

Hearing: March 18, 2014, Room 224

RE: HB 1811, HD1 - RELATING TO TRANSPORTATION

Dear Chair English and Honorable Senators:

My name is John Matias and I am the President of Island Shoppers, Inc., which operates an airport concession.

We support this bill and also the arguments presented by the Airports Concessionaires Committee.

This bill seeks to extend Act 46 for 6 months beyond June 30, 2013. Various concessions need more time to review proposals and plans and gain necessary approvals at the discretion of Hawaii's DOT.

While the goal to enhance DOT revenues is important, this program per Act 46 recognizes hardships and extra costs such fast-tracking will result to various concessions due to barricades and possible temporary re-location of concession space. Concessions with short-term leases and/or permits would object to such improvements since the remaining term on their lease/permit does not allow them to spend monies.

This program allows the DOT at its sole discretion to work with airport concessions, and in exchange for expenses paid and improvements made by concessions, the DOT at its sole discretion may modify and extend the term of concession leases and permits to address such concerns and hardships faced by the concessions.

We thank you for your past support and respectfully urge you to pass this bill. Thank you.



Honorable J. Kalani English, Chair  
Committee on Transportation and  
International Affairs  
Hawaii State Senate  
Hawaii State Capitol  
Honolulu, Hawaii

Hearing: March 18, 2014, Room 224

P.O. Box 29638

Honolulu, Hawaii 96820

Phone: (808) 836-3322

Fax: (808) 833-7756

Email: RBPHNL@aol.com

RE: HB 1811, HD1 - RELATING TO TRANSPORTATION

Dear Chair English and Honorable Senators:

My name is Roberta Fithian and I am the President with Tiare Enterprises, Inc. which operates an airport concession.

We support this bill and also the arguments presented by the Airports Concessionaires Committee.

This bill seeks to extend Act 46 for 6 months beyond June 30, 2013. Various concessions need more time to review proposals and plans and gain necessary approvals at the discretion of Hawaii's DOT.

While the goal to enhance DOT revenues is important, this program per Act 46 recognizes hardships and extra costs such fast-tracking will result to various concessions due to barricades and possible temporary re-location of concession space. Concessions with short-term leases and/or permits would object to such improvements since the remaining term on their lease/permit does not allow them to spend monies.

This program allows the DOT at its sole discretion to work with airport concessions, and in exchange for expenses paid and improvements made by concessions, the DOT at its sole discretion may modify and extend the term of concession leases and permits to address such concerns and hardships faced by the concessions.

We thank you for your past support and respectfully urge you to pass this bill. Thank you.





Honolulu International Airport

Honorable J. Kalani English, Chair  
Committee on Transportation and  
International Affairs  
Hawaii State Senate  
Hawaii State Capitol  
Honolulu, Hawaii

Hearing: March 18, 2014, Room 224

RE: HB 1811, HD1 - RELATING TO TRANSPORTATION

Dear Chair English and Honorable Senators:

My name is Chris Wong and I am the Sr. Director of Operations with HMSHost which operates an airport concession.

We support this bill and also the arguments presented by the Airports Concessionaires Committee.

This bill seeks to extend Act 46 for 6 months beyond June 30, 2013. Various concessions need more time to review proposals and plans and gain necessary approvals at the discretion of Hawaii's DOT.

While the goal to enhance DOT revenues is important, this program per Act 46 recognizes hardships and extra costs such fast-tracking will result to various concessions due to barricades and possible temporary re-location of concession space. Concessions with short-term leases and/or permits would object to such improvements since the remaining term on their lease/permit does not allow them to spend monies.

This program allows the DOT at its sole discretion to work with airport concessions, and in exchange for expenses paid and improvements made by concessions, the DOT at its sole discretion may modify and extend the term of concession leases and permits to address such concerns and hardships faced by the concessions.

We thank you for your past support and respectfully urge you to pass this bill. Thank you.

HMSHost Corporation, Hawaii

By 

Chris Wong, Senior Director of Operations

P. O. Box 30428 Honolulu, HI 96820 Phone: 808.836.2560 Fax: 808.834.0968



Honorable J. Kalani English, Chair  
Committee on Transportation and  
International Affairs  
Hawaii State Senate  
Hawaii State Capitol  
Honolulu, Hawaii

Hearing: March 18, 2014, Room 224

RE: HB 1811, HD1 - RELATING TO TRANSPORTATION

Dear Chair English and Honorable Senators:

My name is **Garett Lew** and I am President of **GRL Corporation** which operates an airport concession.

We **support this bill** and also the arguments presented by the Airports Concessionaires Committee.

This bill seeks to extend Act 46 for 6 months beyond June 30, 2013. Various concessions need more time to review proposals and plans and gain necessary approvals at the discretion of Hawaii's DOT.

While the goal to enhance DOT revenues is important, this program per Act 46 recognizes hardships and extra costs such fast-tracking will result to various concessions due to barricades and possible temporary re-location of concession space. Concessions with short-term leases and/or permits would object to such improvements since the remaining term on their lease/permit does not allow them to spend monies.

This program allows the DOT at its sole discretion to work with airport concessions, and in exchange for expenses paid and improvements made by concessions, the DOT at its sole discretion may modify and extend the term of concession leases and permits to address such concerns and hardships faced by the concessions.

We thank you for your past support and respectfully urge you to pass this bill. Thank you.

By     Garett Lew  
          President  
          GRL Corporation  
          PO Box 29009,  
          Honolulu, HI 96820