JOHN WAIHEE
GOVERNOR

RUSSEL S. NAGATA
COMPTROLLER

ROBERT P. TAKUSHI
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P. O. BOX 119, HONOLULU, HAWAII 96810

LETTER NO. _____

APR 15 1991

COMPTROLLER'S MEMORANDUM NO. 1991-15

TO: Heads of Departments

FROM: Russel S. Nagata, State Comptroller

SUBJECT: Parking in Leased Buildings

Comptroller's Memorandum No. 1990-15 is rescinded and superceded with this memorandum.

The following provisions will be used to govern how parking will be acquired, allocated and paid for in leased buildings.

A. COST OF PARKING "INCLUDED" IN LEASE RENTAL RATES:

Parking may be included in the lease rental rates only if it is free to all tenants and customers (examples are facilities where the agency is the sole occupant and shopping centers).

All "included" stalls, at the Comptroller's determination, will fall under the jurisdiction of DAGS Rules governing parking on State land. Under these rules, parking will be assigned by DAGS and payments will be made to DAGS by the assignee at the current appropriate State parking rate. In addition, if the lease rental rate is increased because of a parking rate increase, the assignee will be required to pay his/her proportionate share of the additional cost. This payment will be made directly to the lessor by the assignee. This provision shall also apply to current leases and lease extensions which "include" parking in the lease payment.

During lease negotiations, if the lessor offers "free parking" but parking rates for the facility are established (for example, Grosvenor Center parking garage), the "free parking" shall be deleted and the lease

payment shall be reduced by the appropriate amount. Parking shall be provided in accordance with paragraph B.

B. COST OF PARKING "NOT INCLUDED" IN LEASE RENTAL RATES:

If the agency determines that parking stalls are required for operational requirements, the lease shall stipulate that the agency may purchase _____ stalls at the current parking rate. The agency shall assign the stalls and the lesssor shall bill the assignee directly on a monthly basis.

C. PAYMENT

1) If the stall is for customer parking or for a State vehicle that is parked at the facility overnight, the assignee will be the State agency and the agency shall pay the lessor directly.

2) If the stall is for a State vehicle which is taken home by an employee or for a private vehicle, the employee who takes home the State vehicle or owns the private vehicle is the assignee and he/she will pay the lessor directly.

3) In any case, DAGS will not be involved in any payment for the parking.

RUSSEL S. NAGATA
Comptroller