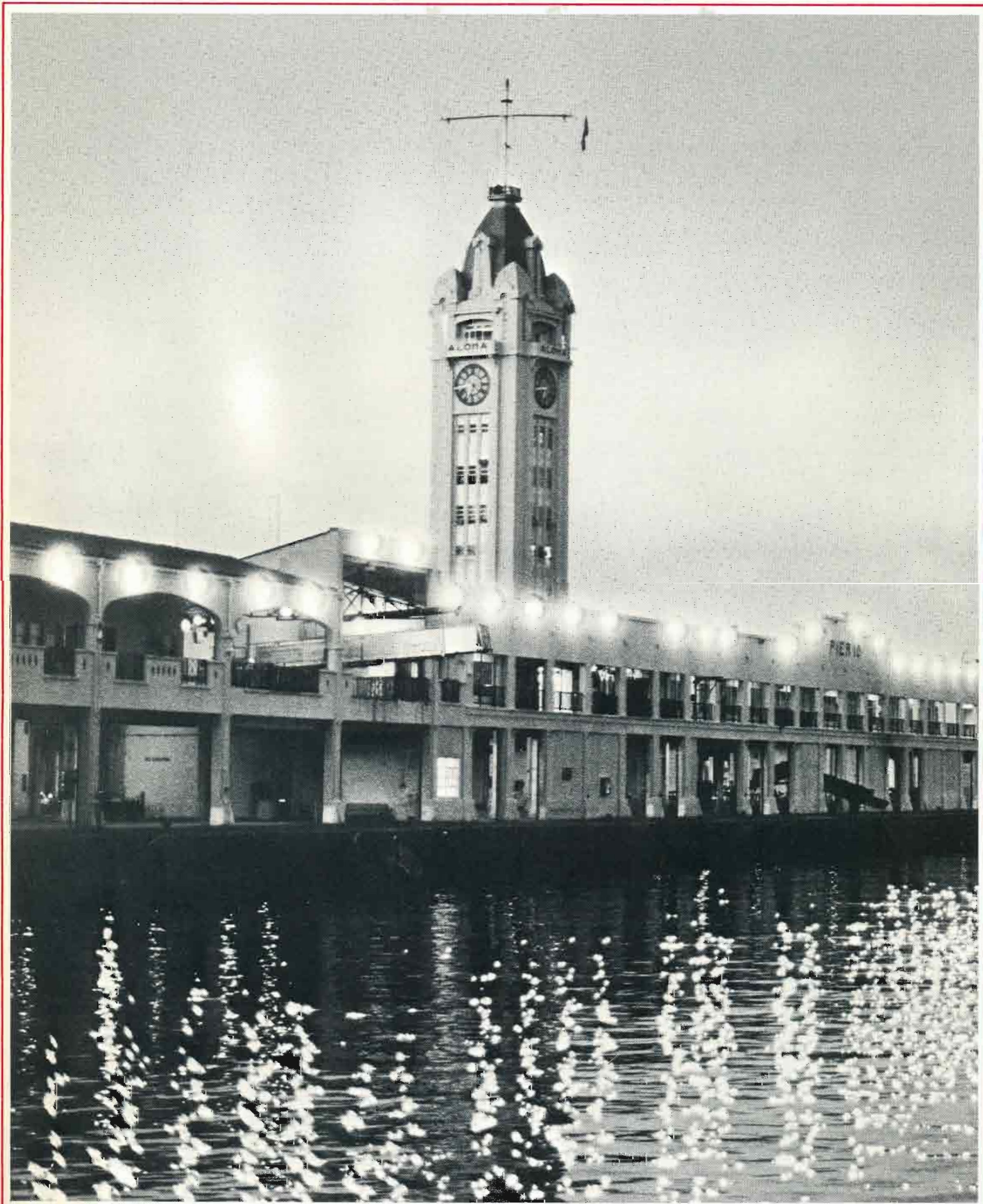


STATE OF HAWAII / DEPARTMENT OF TRANSPORTATION
REPORT TO THE GOVERNOR / FISCAL YEAR ENDING 1983

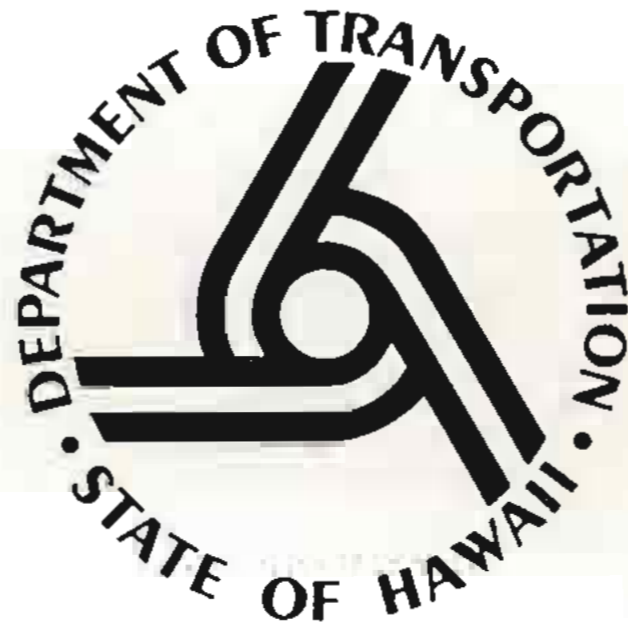


REPORT TO THE GOVERNOR



Dr. Ryokichi Higashionna
Director
State of Hawaii
Department of Transportation

STATE OF HAWAII



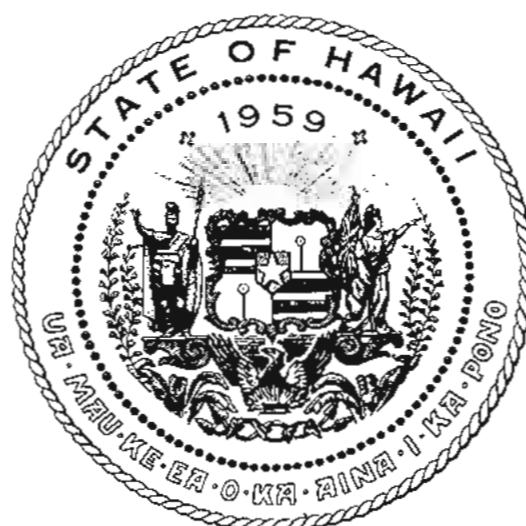
Fiscal Year 1983



The Honorable George R. Ariyoshi
Governor
State of Hawaii

State of Hawaii
Department of Transportation
869 Punchbowl Street
Honolulu, Hawaii 96813

LETTER TO THE GOVERNOR



I am honored to submit this Department of Transportation Annual Report for Fiscal Year ending June 30, 1983. Despite extensive Hurricane Iwa damages to DOT facilities, the department continued to meet the growing demands on Hawaii's transportation system.

A new law on driving under the influence of alcohol (DUI) was passed providing stricter penalties for DUI offenses. DOT is proud of our nationally recognized Keiki Auto Restraint (KAR) program.

A major segment of Interstate H-1 was opened in February, connecting Pearl Harbor with the existing Moanalua Freeway. The completed length of Interstate H-1 will stretch from Barbers Point to Waiialae. The Halekoa Interchange project, of the controversial H-3 Freeway, was advertised and construction began in February 1983. The legal battle on this project continued throughout this fiscal year.

Direct flights to Maui and Kona were initiated by major commercial airlines. Construction began on the Diamond Head extension to the main terminal at Honolulu International Airport to increase overall terminal operating space.

The small boat and commercial harbors on Kauai were hardest hit by Hurricane Iwa. Repairs to Nawiliwili, Port Allen, Kukuiula and Kikiola were initiated and are continuing.

The DOT responded to emergency calls on Kauai and Oahu during and after Hurricane Iwa. Hurricane damage to DOT facilities amounted to about \$11.6 million.

With more fuel efficient cars, the DOT will experience a deficit in the Highway Fund beginning in Fiscal Year 1985-86 if no additional revenues are found. Act 159, SLH 1981 which earmarked the excise tax on fuel will expire on June 30, 1984. The DOT will carefully monitor this problem of rising expenditure and declining fuel tax revenues.

The DOT's accomplishments are numerous and we look forward to meeting the challenges ahead.

Ryokichi Higashionna

Ryokichi Higashionna
Director of Transportation

OVERVIEW



The arrival of the first jet plane to Hawaii in 1959 signified the dawning of a new era.

Our transportation needs have been constantly changing ever since the completion of the first paved road in 1881. Laying out a network of highways, airports and harbors has presented many interesting problems given Hawaii's isolated location and varied terrains. The Department of Transportation has put in place a functional transportation system while maintaining a balance between the environment and transportation infrastructure. When construction of a new facility is necessary, every effort is made to construct a well-planned, expertly engineered facility amenable to both Hawaii's residents and ecosystem.

Harbors, airports and highways are the three principal DOT divisions which plan, implement and maintain the transportation facilities. Much of the economic growth and development in Hawaii over the past two decades have been done in concert with the cooperation of these three divisions.

With the arrival of the first jet plane in 1959, tourism emerged as a cornerstone in our islands' economy. From a predominantly plantation society, Hawaii became one of the most important nerve centers in the Pacific,

both to the military and visitor industry. The DOT aided in this renaissance by providing the most modern facilities to service all three transportation modes — air, land and sea.

The economic boom of the '60s and '70s gave way to the controlled growth of the '80s changing the basic philosophy of the DOT, from a construction oriented organization to one that emphasizes the service and maintenance of its present facilities. A DOT internal reorganization plan to reflect this change is now under review and should be adopted in Fiscal Year 1984.

The DOT took several steps during the past year to assure the health and safety of Hawaii's people.

- On July 1, 1983, a new law went into effect requiring children under three years of age to ride in federally approved automobile safety seats. The intent of the law is to reduce the number of child deaths and injuries on the highways. According to a recent survey, car accidents are the number one cause of injury and death to children in the United States.

- On May 25, 1983, Governor George Ariyoshi signed into law a bill which stiffened the penalties for those convicted of drunk driving. Fines, license

suspensions, and jail terms for those charged have all been increased.

- In compliance with Federal regulations, all airport facilities throughout the State have been refurbished to accommodate handicapped individuals. Renovations included lowering public telephones and elevator panels, remodeling public restrooms and construction of wheelchair ramps.

On November 23, 1982, Hurricane Iwa, with winds of up to 85 miles per hour, unleashed her fury on the 50th State. Hardest hit were the islands of Oahu and Kauai where highways, airports and harbors received extensive damage. Maintenance crews worked long and hard to restore public thoroughfares.

It has been an interesting year for the DOT with a vast number of projects proposed, ongoing and successfully completed. In the pages that follow, we have detailed the major accomplishments of the DOT by County for the Fiscal Year ending June 30, 1983. This year's report highlights the Harbors Division. Included is a feature on the division and its major accomplishments over the past three years. Our financial status complete the report.

MEET THE DEPARTMENT OF TRANSPORTATION

Most of the transportation projects throughout the state are accomplished through the Department of Transportation's three major divisions — airports, harbors and highways. These divisions are supported by eight departmental staff offices which include Personnel, Property Management, Business Management, Programs and Contracts, PPB Management & Analytical Office, Computer Systems and Services, Office Services and Visitor Information Program.

Other DOT offices include the MOTOR VEHICLE SAFETY OFFICE which works with the NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION and the county police departments to enforce rules and regulations on highway safety, and the STATEWIDE TRANSPORTATION PLANNING OFFICE which monitors transportation projects and performs advanced transportation planning throughout the state.

The DOT also works in concert with the FEDERAL AVIATION ADMINISTRATION (FAA) on state airport matters. The FAA assures that all airport projects built with federal money conform to their standards. While the FAA oversees federal airport projects, the CIVIL AERONAUTICS BOARD (CAB) designates routes for commercial air carriers utilizing airport facilities.

The UNITED STATES ARMY CORPS OF ENGINEERS works with DOT's harbors division on a myriad of

projects. They are responsible for improving navigational channels with federal funds while the state constructs and maintains shoreside facilities.

The FEDERAL HIGHWAY ADMINISTRATION (FHWA) allocates the federal funds which are used to construct the state's major thoroughfares.

FUNDING

The DOT is required by law to generate its own monies to fund its programs and projects. Independent special funds were established for each of the three division's major programs. Each fund is expected to generate enough revenues to pay for their program's operating and maintenance costs and contribute a fee to General Fund for central services. This fee is set at five percent of each program's gross revenues minus debt service.

These special funds must also provide a higher level of cash financing in the Capital Improvement Program to ease the burden on debt service. Because the Capital Improvement Program is a large one, the DOT continues to rely on reimbursable General Obligation Bonds, Revenue Bonds and federal aid to help fund programs and projects.

The special funds are as follows:

HIGHWAY FUND

The state highway fund was established under Section 248-8 HRS, as amended. The principal sources of

revenue are an 8½¢ per gallon fuel tax, a ½¢ per pound weight tax and a four percent general excise tax levied on the sale of motor vehicle fuel.

Act 159, SLH 1981 which authorized the transfer of the excise tax on fuel from the General Fund to the Highway Special Fund, will expire on June 30, 1984.

AIRPORT REVENUE FUND

The Airport Revenue Fund was created under Section 261-5, Hawaii Revised Statutes. The aviation fuel tax, landing fees, airport use charges, concession fees and investment income are the primary revenue sources. Other revenue sources include rentals and miscellaneous earnings.

During Fiscal Year 1983, an agreement was reached on the Amended Exhibit One of the Airport-Airline Lease. This document establishes the charges for airlines and requires signatory airlines to make up the difference between system revenues and expenses through use charges.

Also during the year, approximately \$97 million worth of Airport System Revenue Bonds were reissued at a savings of \$20.6 million or \$730,000 annually.

BOATING SPECIAL FUND

The Boating Special Fund was established in accordance with Section 266-19 and 277-20, HRS, as amended. Mooring fees, residence service charges and the fuel tax make up 90 percent of the Boating Special Fund.

Since the Coast Guard is reducing its involvement in boat safety regulations, more money will be needed to enforce existing regulations.

HARBOR SPECIAL FUND

The Harbor Special Fund was established under Section 266-19, HRS. Revenues for the Fund come from the fees and charges for the use of commercial harbor facilities and services. Earnings from wharfage, dockage, demurrage and the rentals of land and wharf space constitute the majority of the revenues with the remaining amount generated from various service charges, permits and licenses.

Governor George Ariyoshi, his daughter Lynn, Mayor Herbert Matayoshi, Deputy Director Jim McCormick and other dignitaries "till the soil" at a recent groundbreaking ceremony.



CITY AND COUNTY OF HONOLULU



The new \$18.3 million Diamond Head extension at Honolulu International Airport.

AIRPORTS

On Oahu, the Airports Division maintains two airports (Honolulu International Airport and Dillingham Airfield) and two helipads (Kahuku and Castle Hospitals). Passenger activity at HIA increased for the sixth consecutive year earning it the distinction of being the 16th busiest airport in the world according to a recent survey by Airport Operators International. The DOT continues to seek a site for a general aviation reliever airport to alleviate some of the traffic congestion at HIA.

On September 3, 1982 an agreement was reached on the Amended Exhibit One of the Airport-Airline Lease. These documents establish the charges for airlines using the State's airport system and requires signatory airlines to meet the difference between system revenues and expenses through use charges.

During Fiscal Year 1983, approximately \$97 million worth of Airport System Revenue Bonds were called back and reissued at a savings of \$20.6 million or \$730,000 annually.

- Work commenced on the Diamond Head extension to the HIA main terminal which will streamline passenger flow and upgrade baggage processing areas. The \$18.3 million project includes ten baggage claim areas, nineteen check in stations, the latest in energy saving devices, security equipment, signs and landscaping. The project is scheduled for construction in two phases and should be completed in 1985.
- A ground breaking ceremony was held for the South Ramp Development project at HIA. The realignment of Lagoon Drive is the first phase of the \$2.4 million project which will maximize land use and promote development of aviation-related support

activities. Phase I is scheduled for completion in Fiscal Year 1984.

- Construction of two helipads on Oahu was completed. The first at Kahuku Hospital was upgraded from a makeshift facility while a second at Castle Hospital was built. Both helipads are in accordance with Federal Aviation Administration standards.
- Improvements to the Dillingham Airfield were completed. The \$3.2 million project included construction of a tower, aircraft parking aprons, taxiways, access road, T-hangers, unicom facility and security fencing. The airfield can now provide long-term basing for sail planes and aircraft up to 12,500 pounds.
- Additionally, the division initiated a number of maintenance and beautification projects at Oahu airport facilities designed to facilitate passenger and aircraft flow and enhance their appearance.

KAUAI COUNTY

HARBORS

The Harbors Division maintains two commercial harbors (Nawiliwili and Port Allen) and four small boat harbors (Port Allen, Nawiliwili, Kukuiula and Kikiaola) on the Garden Island.

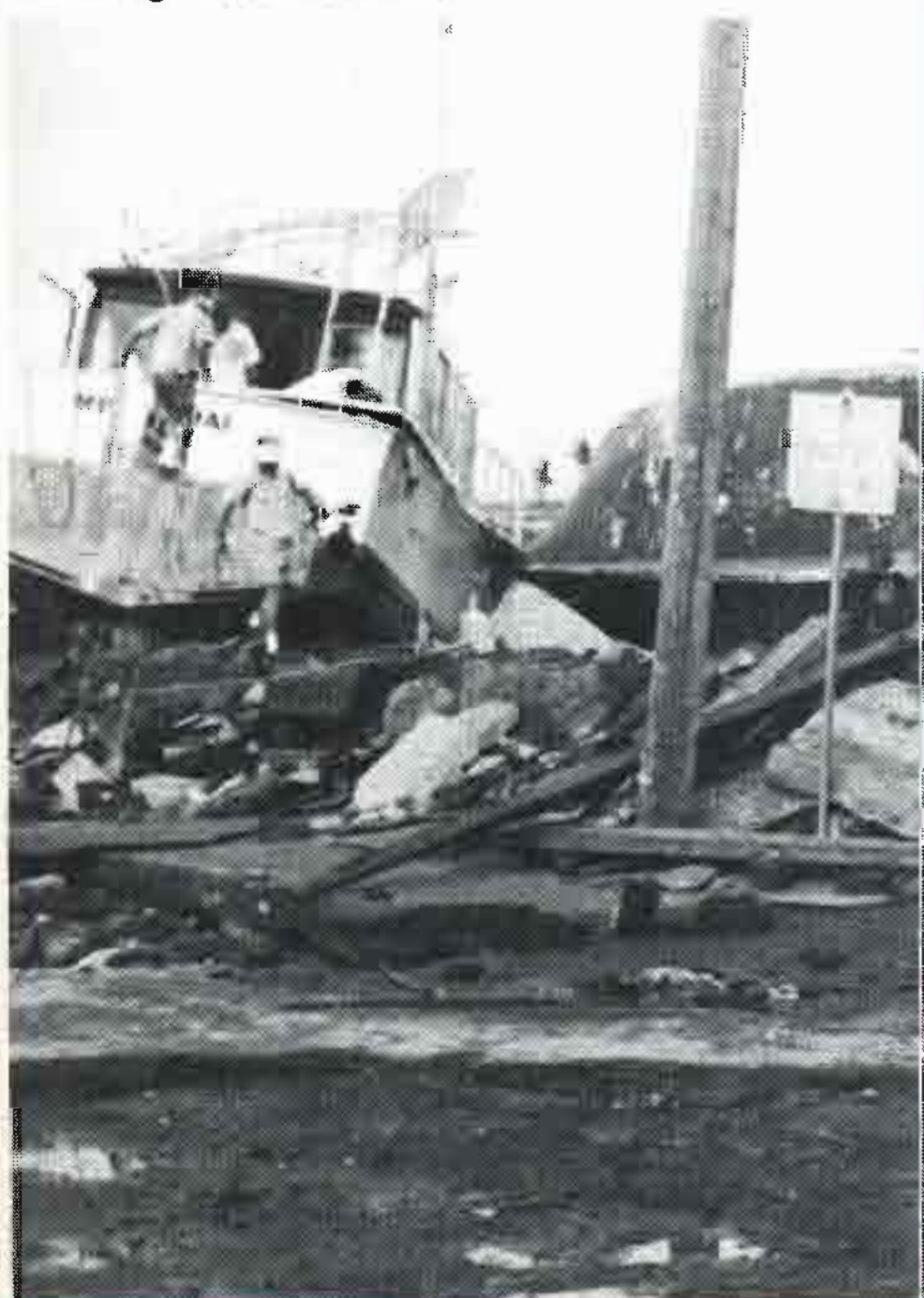
Hurricane Iwa caused an estimated \$3.5 million in damages to Kauai harbor facilities. There was extensive damage to the small boat harbors as debris needed to be cleared, breakwaters and wharfs rebuilt and roads repaired.

The storm caused about \$450,000 in damages to shed and yard facilities at Nawiliwili Harbor. The harbor is now operational and repairs should be totally completed by the end of calendar year 1983.

Nawiliwili Boat Harbor is now fully operational, but only the launching ramps at Port Allen and Kikiaola Boat Harbors are usable. Kukuiula Boat Harbor remains closed. Plans are being drawn for the full restoration of Port Allen, Kukuiula, and the partial restoration of Kikiaola. Implementation of these projects is contingent on availability of funds.

- The \$610,000 improvement to the cargo handling area at Nawiliwili included the paving of about two acres of yard area, the installation of security fencing and lighting, and the relocation of overhead utility lines. Addi-

A graveyard of damaged vessels at Port Allen following Hurricane Iwa.



tional improvements are scheduled for Fiscal Year 1984.

- Plans are being prepared for a segmented pier at Nawiliwili Harbor. When completed in 1985, the pier will accommodate multi-berthing of vessels.



Hanalei Bridge on the Island of Kauai.

HIGHWAYS

Hurricane Iwa damaged much of the 108 miles of primary and secondary highway on Kauai. After the storm passed, maintenance crews worked continuously to clear highways of debris and replace damaged signals and signs. Rebuilding work continues and should be completed by late 1984.

- Resurfacing work to Waimea Canyon Drive, Kaumaulii Highway in Kekaha and Kuhio Highway in Hanalei continues. The \$556,000 project is scheduled for completion in Fiscal Year 1984.

- A \$20,000 Vehicle Size and Weight Station was constructed in Puhi.

- A number of improvements were made to upgrade Kauai's bridges. Pavement markers and reflectors were installed to various Garden Island bridges while the Huleia Stream Bridge was treated for ground termites.

- Traffic signals were installed to the intersection at Kuamoo Road and Kuhio Highway and Laukona Street and Kuhio Highway. More signals are

planned to insure pedestrian safety and allow for easier traffic flow.

- Road shoulders were paved and guard rails installed between Omao Bridge and Huleia Stream Bridge at a cost of \$538,000.

- District Highway personnel provided construction inspection services to the Airport Division's expansion projects at the Lihue Airport.

AIRPORTS

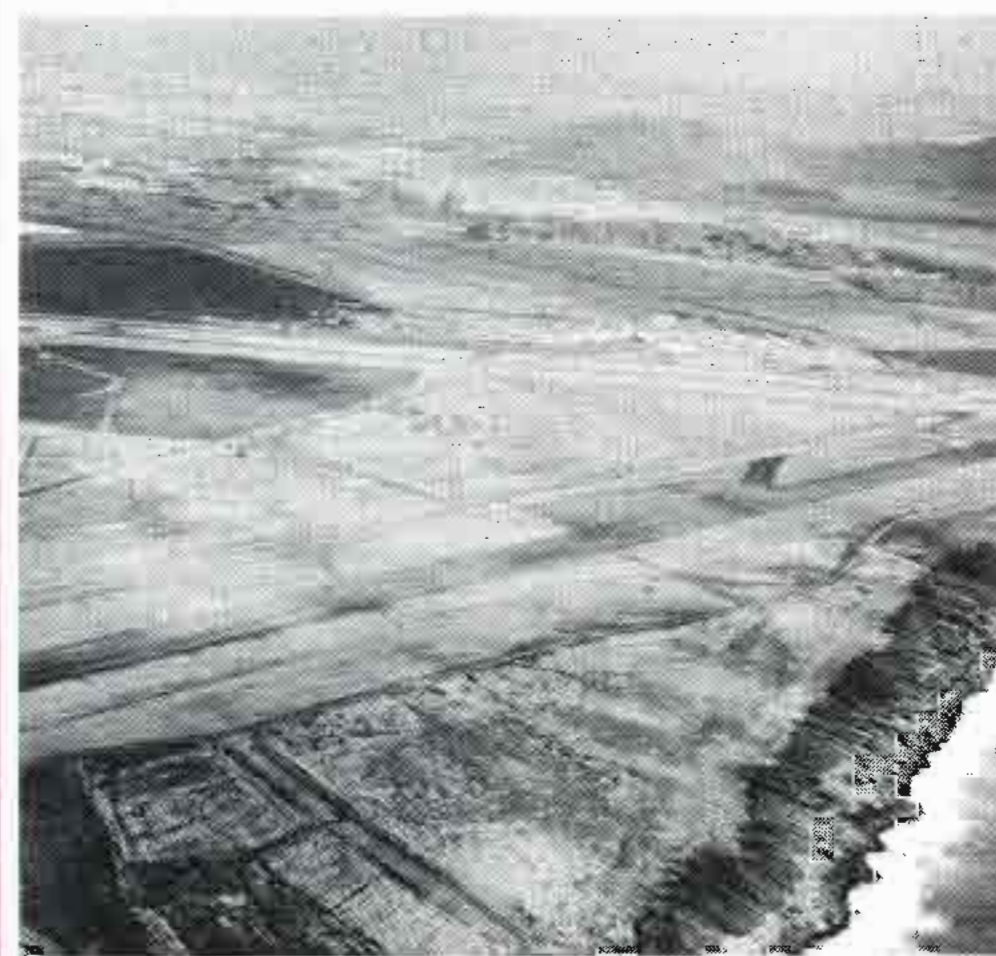
Although the amount of tourists to the Garden Island declined 14 percent following Hurricane Iwa, the long-term future of the visitor industry on Kauai is bright. The Airports Division continued to upgrade Lihue Airport to insure a safe and efficient facility for the local visitor industry.

- A new 6,500 foot North-South runway is under construction at Lihue Airport and should be operational in Fiscal Year 1984. The new runway will allow aircraft approaches over water which will substantially reduce noise levels over the community and improve safety.

- Planning is underway for a new \$37.7 million terminal at the Lihue Airport. The new facility will be three times the size of the present structure and feature passenger boarding bridges. The project will be constructed in four phases and may be completed as early as 1985.

- Work was completed on the Hawaiian Airlines baggage claim facility at Lihue Airport, thereby expanding capacity and facilitating passenger flow through the terminal.

Lihue Airport's new north-south runway will reduce noise levels and allow incoming aircraft a safer approach.



HAWAII COUNTY



A 2,400 square foot shed extension at Kawaihae Harbor.

HARBORS

On the island of Hawaii, the Harbors Division maintains two commercial harbors (Hilo and Kawaihae) and four small boat harbors (Kailua-Kona, Honokohau, Kawaihae and Wailoa Basin). Unlike many of their neighbor island counterparts, Big Island harbor facilities were not adversely affected by Hurricane Iwa.

The Harbors Division is engaged in the planning of a number of Big Island projects with the U.S. Army Corps of Engineers. The two parties are conducting a comprehensive study to improve the small boat harbors in the Hilo area, designing a new launching ramp and breakwater at Laupahoe and reviewing navigational improvements to Hilo Harbor.

- At Kawaihae Harbor, a 2,400 square foot shed extension is under construction. When completed in Fiscal Year 1984, the facility will provide protection for perishable farm products awaiting barge shipment.
- A new \$150,000 container yard expansion at Hilo Harbor is now under design. The project is slated for construction in Fiscal Year 1984 and will provide an additional 27,000 square feet of container yard space.
- In September 1982, sand which had shoaled at the mouth of the Wailoa River was dredged to allow commercial boaters clear access to Hilo Bay and beyond.
- Electrical and telephone services are now available at Honokohau Boat Harbor. The \$450,000 project was completed in February 1983.
- The Harbors Division is developing a testing procedure for state-owned

pipelines following an oil spill in Hilo Harbor which was the result of a pipeline leak. In the future, annual tests of state-owned pipelines will be conducted to be sure they are in proper working order.

- A new boat launching ramp and breakwater is being proposed for Kaulana Bay near South Point. The dredging and construction of the ramp would be a joint Federal/State project.

HIGHWAYS

The Highways Division maintains 416 miles of primary and secondary highways on the island of Hawaii. In an effort to insure public safety and effectively maintain existing facilities, maintenance and beautification efforts continued island-wide.

In the true spirit of Aloha, Hawaii District personnel participated in operation "Kokua Kauai," the drive to provide relief to Kauai citizens affected by Hurricane Iwa. The effort netted almost \$600, groceries, paper goods and clothing.

- Work commenced on the new Hawaii Belt Road which will extend from Palani Road to the Kilohana Subdivision and join the existing Kuakini Highway. The new 3.4 mile highway will pass mauka of Kailua-Kona town and link North and South Kona. The new road should reduce traffic congestion and air and noise pollution in Kailua-Kona. Improvements include clearing and grubbing, grading, paving, and the installation of drainage facilities, traffic signs, signals, pavement markers, fencing and landscaping. The \$7.2 million project is scheduled for completion in April 1984.
- The division engaged in several projects on the Belt Highway along

the Hamakua Coast. They included the construction of a 12-foot truck climbing lane at Ookala, a vehicle size and weight enforcement station at Pepeekeo and drainage improvements and a 12-foot truck climbing lane at Kulaimano Road.

- In an effort to improve traffic flow and enhance pedestrian safety, a new traffic signal system was installed at the intersection where the Bayfront Highway, Kamehameha Highway and Waiuanue Avenue meet in downtown Hilo. In addition to the new traffic signal system, eight new streetlights will be installed along the Bayfront Highway during Fiscal Year 1984.



General Lyman Field at Hilo, Hawaii.

AIRPORTS

The Airports Division maintains four airports on the Big Island. They include General Lyman Field in Hilo, Keahole, Waimea and Opolu. During Hurricane Iwa, national and international flights were diverted to General Lyman Field in Hilo. Passenger traffic at the facility will be bolstered when Mid Pacific Airlines commences its Hilo service and United Airlines resumes its daily non-stop service from Los Angeles in Fiscal Year 1984. Passenger activity at Keahole Airport in Kona increased during Fiscal Year 1983.

- Plans are being drawn for the expansion of Keahole Airport. Included in the design is a new administration building, storage facility, gift shop and restaurant.
- Wind socks were installed at Keahole Airport to help pilots determine wind direction.
- Routine clearance and grading work was done to General Lyman Field in Hilo to allow for the safe operation of the airport facility.

Excavation and subgrade continued in Kona.



MAUI COUNTY



A new traffic signal on Hana Highway.

HIGHWAYS

The Highways Division maintains a total of 265 miles of primary and secondary highways in Maui County. As a result of its maintenance and beautification projects in Fiscal Year 1983, the Maui District Highway Maintenance section received an official letter of commendation from the Federal Highway Administration.

- Construction commenced on the third phase of the Honopiilani Highway in West Maui from Alaeloa to Pineapple Hill. The one mile segment of two-lane highway (with an additional truck climbing lane) is scheduled for completion in December 1983 at a cost of \$3.7 million.
- Hana Highway was upgraded and resurfaced from Huelo to Honomanu. The nine mile improvement project was completed at a cost of \$1.6 million. An additional nine miles of the two-lane highway was resurfaced for \$624,000. Other site work included pavement markings to bridges and drainage improvement along the highway at Pauwela.

A total of 2.5 miles of Hana Highway will be improved in Fiscal Year 1984,

with the remaining eight miles scheduled for upgrading in Fiscal Year 1985 and 1986. With these improvements, the trek to Hana will be more enjoyable for tourists and residents alike.

- Installation of new traffic signals and wheelchair ramps were made throughout Kahului and Wailuku at a total estimated cost of \$835,000. The improvements are scheduled for completion in October 1983.

Additional traffic signals for Honopiilani Highway at Fleming Road and the intersection of Haleakala Highway at Pukalani Drive are planned for Fiscal Year 1984.

- Phase III of the Maui District Office and Baseyard Improvements were completed at a cost of \$368,000.
- On Molokai, highway improvements consisted of culvert replacement and the resurfacing of 4.8 miles of Maunaloa Highway. Guardrails and pavement markings at various bridges were also installed. Expenditures for Molokai highway improvements totalled \$1.1 million for Fiscal Year 1983.
- On Lanai, 1.4 miles of Manele Road was resurfaced and guardrails installed at a total cost of \$198,000.

AIRPORTS

The Airports Division maintains five airports in Maui county. They include facilities at Kahului, Hana, Molokai, Kalaupapa and Lanai. Passenger activity at Kahului and Molokai Airports increased in Fiscal Year 1983 over the previous year due in part to the commercial air fare wars which took place much of the year.

- Under the direction of project management teams, plans were prepared for a new passenger terminal facility at Kahului Airport which expects a steady rise in passenger traffic.
- A new \$975,000 Crash, Fire and Rescue Building was completed at Kahului Airport. The new building will make the airport a safer, more efficient facility for air traffic.
- A telecommunications system for the deaf was installed at Kahului Airport to better accommodate handicapped and disabled persons.

Kahului Airport on the Island of Maui.



FINANCIAL SUMMARY/AIRPORTS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Years ended June 30, 1983 and 1982

	1983	1982
Operating revenues:		
Concession fees	\$ 50,384,163	\$50,520,194
Airport use charge	19,283,150	—
Aeronautical rentals	9,251,531	7,486,459
Aviation fuel tax	4,879,845	4,889,071
Nonaeronautical rentals	1,800,532	1,726,672
Miscellaneous	1,435,545	4,087,950
Total operating revenues	<u>87,034,766</u>	<u>68,710,346</u>
Operating expenses other than depreciation	<u>43,112,800</u>	<u>40,112,967</u>
Operating income before depreciation	43,921,966	28,597,379
Depreciation	<u>13,235,409</u>	<u>12,883,521</u>
Operating income	<u>30,686,557</u>	<u>15,713,858</u>
Nonoperating revenues (expenses):		
Interest income:		
Certificates of deposit	16,101,490	19,467,482
Investment in financing leases	705,690	643,515
Interest expense:		
Revenue bonds:		
Airports system	(21,854,138)	(20,753,124)
Special facility	(705,690)	(643,515)
General obligation bonds	(3,078,373)	(3,512,489)
Gain on early redemption of bonds	<u>1,215,733</u>	<u>894,459</u>
Net income before extraordinary item	<u>(7,615,288)</u>	<u>(3,903,672)</u>
Net income before extraordinary item	23,071,269	11,810,186
Extraordinary item — loss from advance refunding of revenue bonds	<u>(20,521,025)</u>	<u>—</u>
Net income	2,550,244	11,810,186
Add depreciation expense transferred to contributed capital — Federal Government grants	2,463,357	2,254,620
Retained earnings at beginning of year	<u>98,507,519</u>	<u>84,442,713</u>
Retained earnings at end of year	<u>\$103,521,120</u>	<u>\$98,507,519</u>