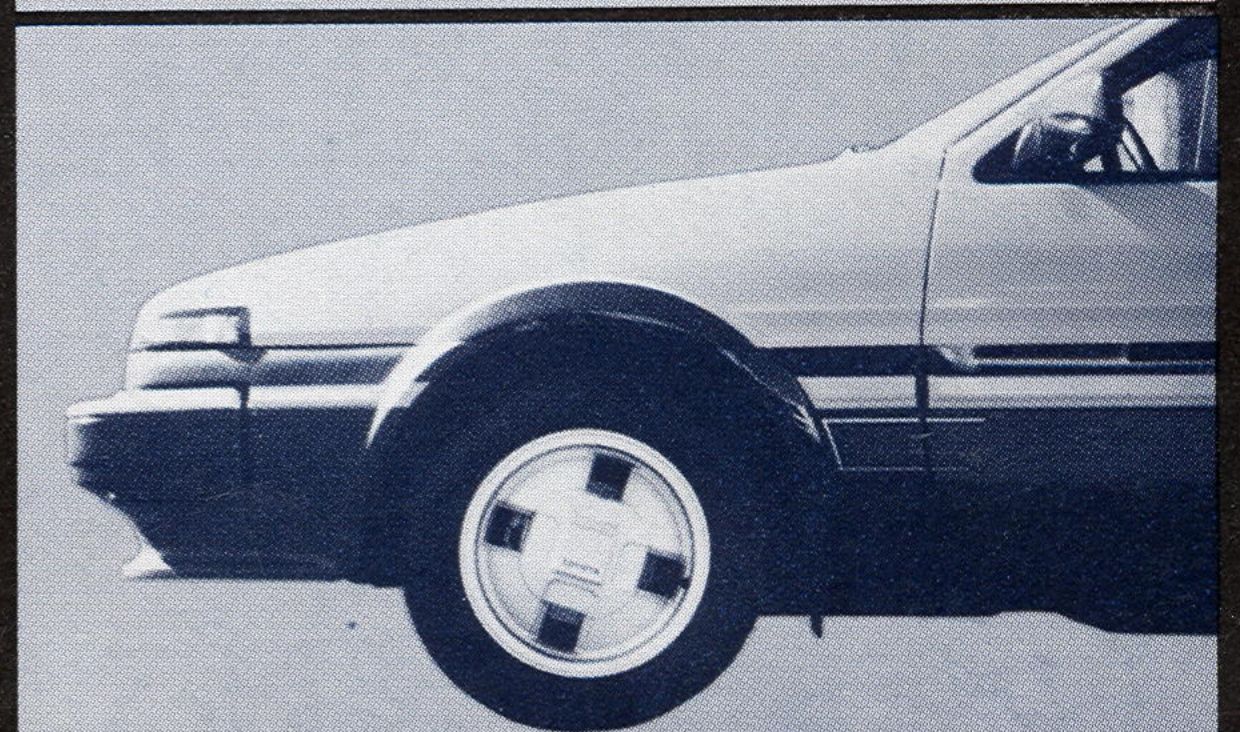
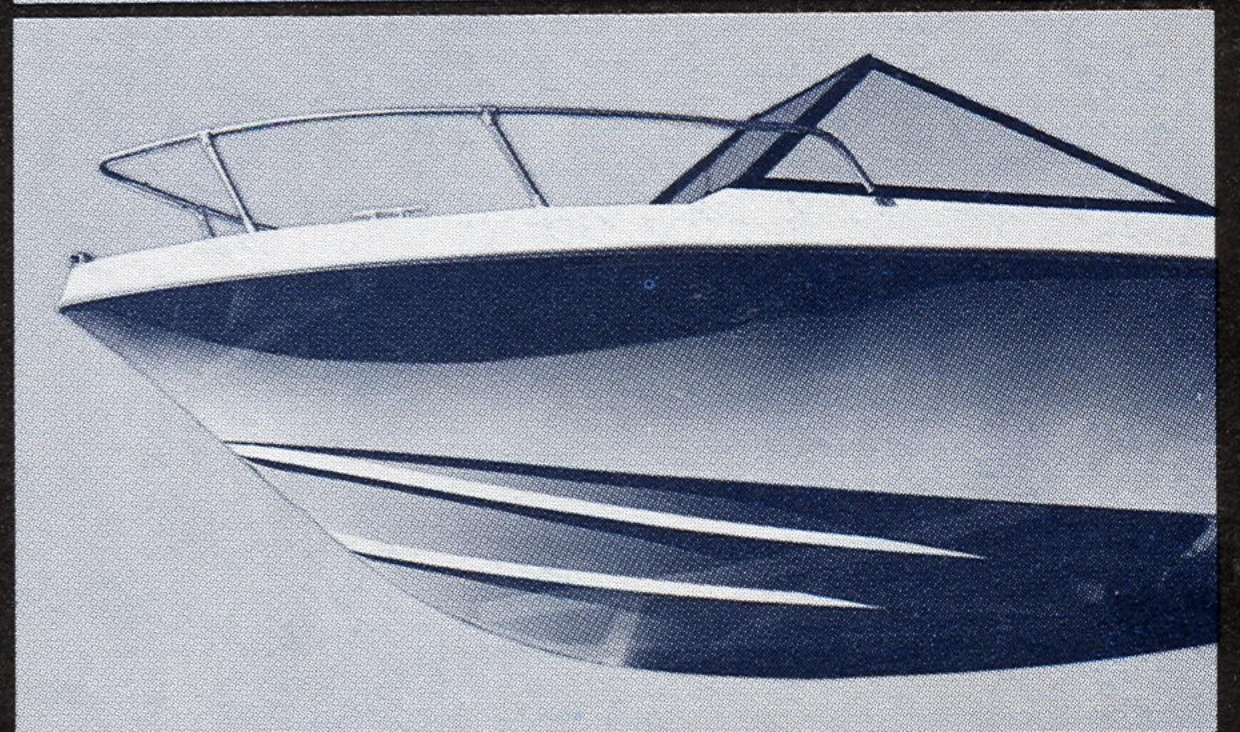
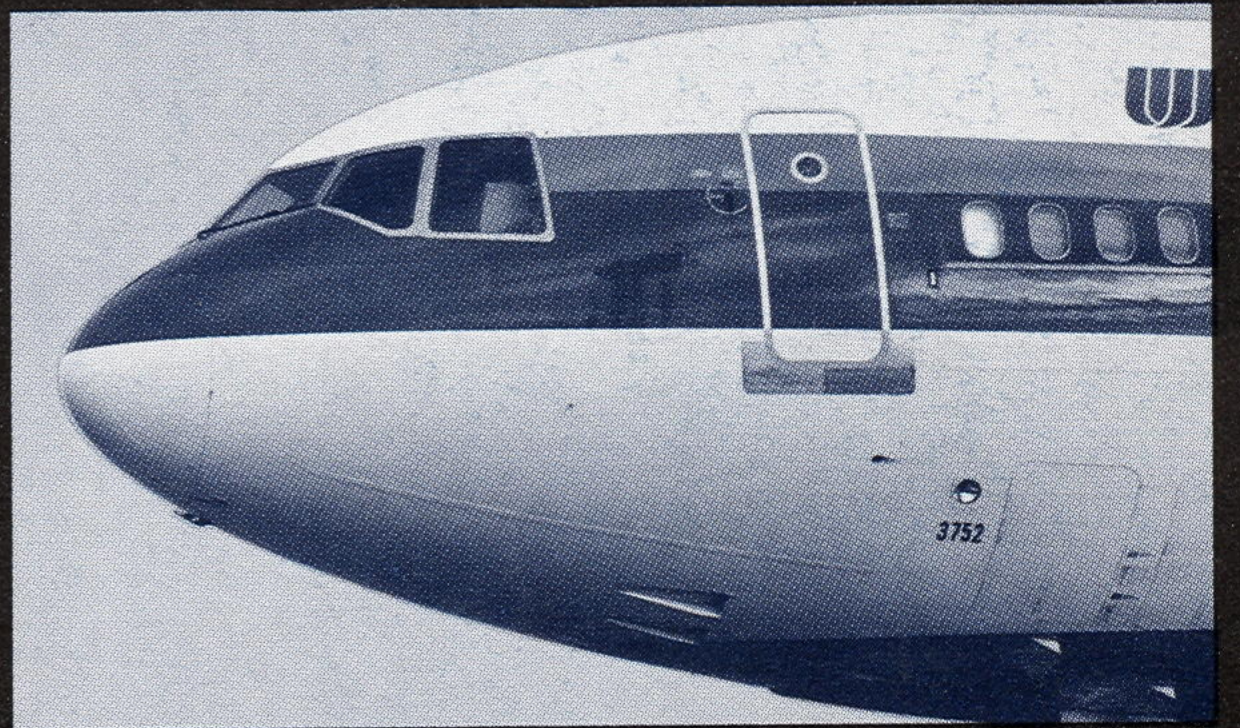
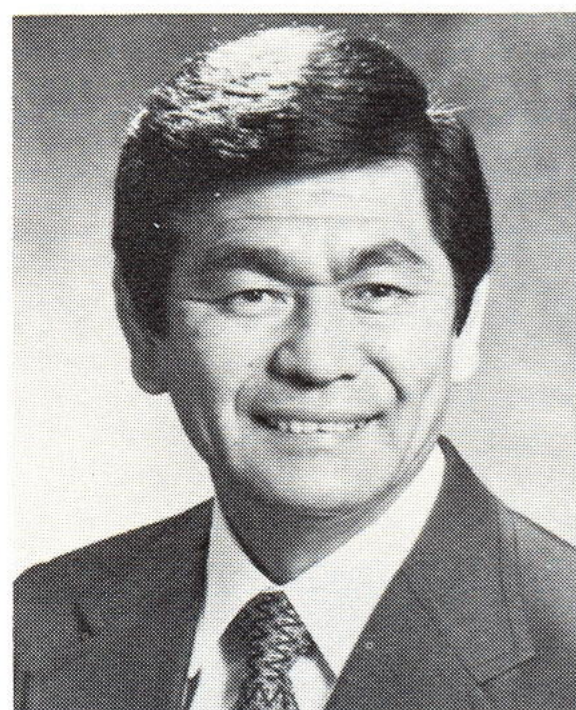

**Department of Transportation
Report to the Governor**



1984



**The Honorable
George R. Ariyoshi
Governor
State of Hawaii**



**Wayne J. Yamasaki
State of Hawaii Director
Department of
Transportation**

December 27, 1984

I am pleased and proud to submit this Department of Transportation annual report for the Fiscal Year ending June 30, 1984. It has been a year filled with both challenge and accomplishment.

Foremost in the minds of our Highway Division personnel was the fiscal health of the State's Highway Fund. The worries were temporarily alleviated when the Legislature passed a measure calling for an extension of the transfer of the excise tax on fuel from the General Fund into the Highway Fund through June 30, 1987. The Division will continue to study this problem in an effort to find a more permanent, long term solution.

The DOT remains committed to completing the long-delayed H-3 freeway project. Once completed, this highway will ease anticipated traffic congestion between Windward and Leeward Oahu.

With the advent of direct flights from the mainland to Maui, the Big Island and Kauai, the Airports Division continues to upgrade and expand neighbor island airport facilities to handle the increase in visitor traffic. Major renovation projects are planned for the Lihue, Keahole and Kahului airports, with work continuing at the Honolulu International Airport on the Diamond Head extension.

The Harbors Division proceeded to further improve and expand present harbor facilities to facilitate the surface shipping of cargo between islands. Repairs continued to the small boat and commercial harbors on Kauai damaged by Hurricane Iwa.

We will continue to make improvements to Hawaii's transportation systems to meet the challenges of the future.

Sincerely,

A handwritten signature in cursive script, reading "Wayne J. Yamasaki". The signature is written in dark ink and is positioned above the printed name.

**Wayne J. Yamasaki
Director of Transportation**

OVERVIEW

Twenty-five Years of Keeping Hawaii on the Move

On the horizon, I see a new transportation era made up of planes capable of supersonic speeds and vertical takeoffs and landings, interisland hydrofoils capable of 100 knots and a network of State Highways on each island linked by ferry ports.

Frank Lombardi
State Planning Director
November 11, 1959



In 1984, Hawaii's 25th year of statehood, we see that our transportation facilities have come a long way since Mr. Lombardi made his observations on the state's transportation needs. While not all of his predictions came true, he did see a need for a total transportation network involving the three transportation modes — air, land and sea — which would provide guidelines for future development. In fact, at the time he said, "A study was just beginning which would make recommendations to the legislature on projects extending to 1980."

This foresight and advanced planning has helped to shape Department of Transportation policies the past 25 years. For example, the Highways Division of the Department of Transportation is guided in its policy decisions by a Highway Master Plan which coordinates state, county, federal and private transportation activities. Likewise, the Harbors and Airports Divisions follow similar master plans as guidelines for future development.

Statehood meant an economic boom for the islands. Hawaii's strategic location in the Pacific meant trans-

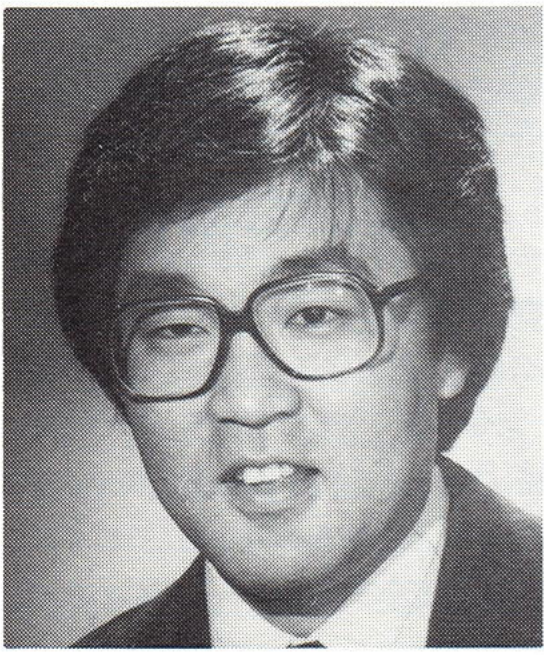
portation facilities would have to be upgraded and modernized to handle the anticipated increased travel of visitors and military personnel to the islands.

Those predicting the increase turned out to be prophets. In 1960, 1,730,000 passengers passed through Honolulu International Airport, an astounding 39 percent increase, over 1959. This growth meant new facilities would be needed to handle the increased traffic. In 1984, this total had risen to more than 9 million.

The DOT continued to expand its transportation facilities during the '60s and '70s. Once into the '80s, however the thrust of the DOT changed, from expansion to controlled growth. The DOT now emphasizes the maintenance and service of present facilities and construction of new ones only when prudent and in the best interests of Hawaii's people.

During Fiscal Year 1984, the DOT saw three key staff appointments: Wayne J. Yamasaki was named director of the Department of Transportation; Walter T. M. Ho was named deputy director for staff services, and Adam Vincent was appointed deputy director in charge of harbor operations.

In the pages that follow, we have outlined the major accomplishments by the DOT for the Fiscal Year ending June 30, 1984. This year's report highlights 25 years of Statehood and the subsequent progress made by the DOT. Also included for the first time are letters from the DOT's three deputy directors on their division's progress since Statehood, major issues they face and their direction for the future. Our financial status completes the report.



Deputy Director's Letter AIRPORTS



Our air transportation facilities have seen dynamic growth during the 25 years since Hawaii became a state. Fueled by the demands of the tourist industry and the rapid technological advances of the aircraft industry, the Airports Division worked to

convert airports built for propeller driven aircraft to handle the widebody jet.

Statehood and the Reorganization Act that followed drew the former staff of Hawaii Aeronautics Commission (HAC) into the newly created Department of Transportation. On June 30, 1962, the administration of aeronautical activities of the State passed from HAC to the Director of Transportation.

In 1960, construction of a new passenger terminal building at Honolulu International Airport was underway to replace World War II facilities. Designed for the first generation of jet aircraft, the buildings were quickly outgrown and were replaced with new facilities designed to handle the Boeing 747. Many of the neighbor island facilities were also renovated at this time.

In 1965, the main runway at Hilo Airport was expanded creating a second gateway to the new State. New terminal facilities followed and several airlines began direct mainland service.

Replacement of a terminal building built with salvaged material was completed at Kahului Airport in June 1966. Additionally, the airfield area was expanded and paved to make way for the anticipated Valley Isle tourist boom. However, in the early '70's, the community planned for Kahului Airport to remain as an interisland airport. The tremendous growth of tourism and direct mainland flights was not anticipated or planned for. The State is now beginning construction of new facilities to meet present and future demands.

Keahole Point was selected as the site for a new airport for the Kona area. Overwater approaches and sufficient open land made the site ideal for nearly any type of development scenario.

Construction of the Reef Runway was completed on October 14, 1977. The project provided much needed noise relief, safer operations and increased airfield capacity for Honolulu International Airport.

Small neighbor island airports were improved to expand their ability as feeder facilities. A new terminal building was built for Lanai Airport in 1966 and extensive renovations were made to Waimea — Kohala and Molokai Airports.

More recently, construction activity has been concentrated at Honolulu International and Lihue Airports. Extension of the Diamond Head Ticket Lobby was started in 1982 to provide additional airline space. A new 6,500-foot runway was dedicated on April 26, 1984 at Lihue Airport to reduce aircraft noise levels and to provide additional airfield capacity.

Other improvements to Oahu's general aviation facilities included the lease of Ford Island's airfield from the U.S. Navy for general aviation touch-and-go training. Over \$1 million in improvements to Dillingham Airfield were completed following negotiations with the U.S. Army for a long-term lease.

Deregulation of the airline industry had a significant impact on air service in Hawaii. Following enactment of the

Airline Deregulation Act of 1978, entry by new carriers in the Hawaii market resulted in a concentration of airlines at busier airports and a reduction in air fares. Increased flights to neighbor island airports at Lihue, Kahului and Kona provide convenient service to our neighbor islands.

In meeting the Airports Division's goal of facilitating the safe, efficient and convenient movement of people and goods by air, the following programs are planned:

- Improve the training and effectiveness of the crash, fire and rescue program for both aircraft and structural emergencies using advanced training techniques and better utilization of existing resources.
- Institute airfield improvements at neighbor island airports to handle increased volumes and types of traffic.
- Expand interisland terminal facilities and public automobile parking areas at Honolulu International Airport.
- Update master plans for all airports as well as the statewide system plan.
- Implement the maintenance management program for all airport facilities.
- Construct a general aviation reliever airport for Oahu.
- Continue to develop revenue sources and improve the financial base for the airport revenue fund.
- Negotiate a new airport-airline lease for the state airport system.
- Participate in policy development for existing and new air services negotiated by the federal government through bilateral agreements with other nations.

Construction of a general aviation reliever airport for Oahu continues to be a controversial responsibility for the Airports Division. The new FAA Administrator has indicated his willingness to assist in seeking joint use of a military airport as a solution to the problem. If accepted by the Department of Defense, this would be a preferred alternative to building a completely new airport.

Rules and regulations for merchandise delivery at airports have been implemented. Establishing such rules has been very controversial with off airport merchants who use airport space at no cost. However, merchandise piled in the ticket lobby creates a hazard to the public. The new regulations will provide better control and additional revenues for the airports.

Helicopter activities have grown very rapidly in recent years due to the increase in tourism. Conflicts with conservation groups and annoyed citizens have occurred when flights are made into remote and heavily populated areas. Plans for passenger and maintenance facilities are being made to accommodate the increased use of helicopters.

Noise control of both fixed-wing and helicopters is a continuing responsibility at all airports by the Federal Aviation Administration and the Department. Monitoring of noise and training of personnel keep the problem from growing beyond manageable proportions.

There are many tasks to be accomplished and issues to be resolved for the State Airports. These same tasks and issues face communities around the Pacific Basin, and indeed the world. The Department is striving to enhance exchange among Pacific airports to achieve better understanding and sharing within the Pacific Community.

Respectfully submitted,

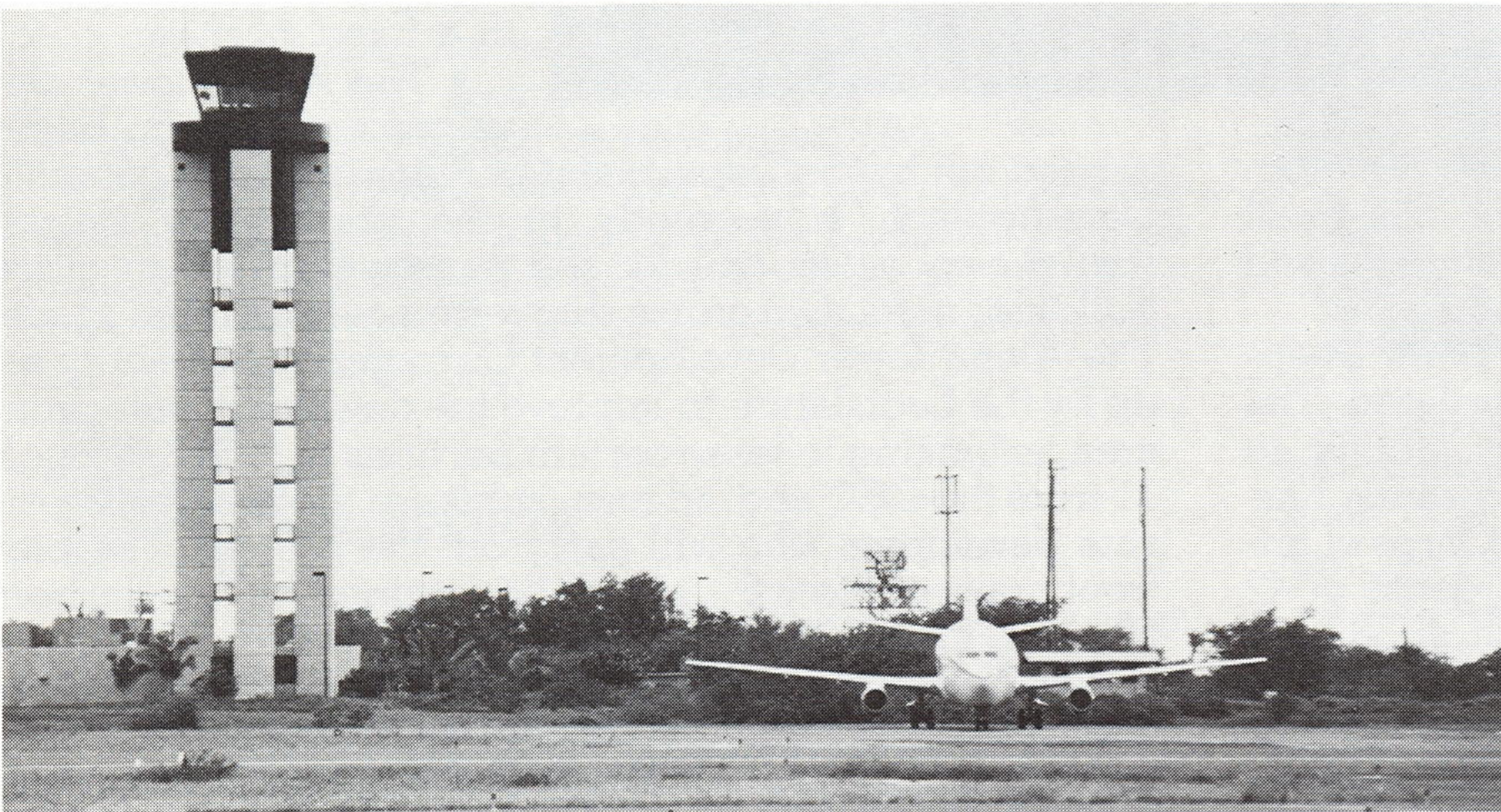
Jonathan K. Shimada
Deputy Director, Airports Division



CITY AND COUNTY OF HONOLULU AIRPORTS

Ever since the first jet plane touched down in Hawaii in 1959, our airport needs have been constantly changing. When propeller planes gave way to the faster jets, ground facilities needed to be upgraded and runways lengthened.

Today with the advent of deregulation, Oahu's Honolulu International Airport (HIA) is among the top 20 busiest airports in the world according to a survey by the Airport Operators Council International. An average of 944 aircraft use the facility every day. With increasing overseas air traffic composed mostly of wide-body jet aircraft, a very real need has arisen to find a general aviation reliever airport to relocate certain types of general aviation air traffic. At the present time, Airport personnel are working to secure joint use of a military airport from the Department of Defense as a solution to the problem.



New FAA Tower at Honolulu International Airport

On Oahu, the Airports Division maintains two airports (Honolulu International Airport and Dillingham Airfield), and an airstrip at Ford Island.

- Work continued on Phase I of the 539,803-square foot Diamond Head extension to the HIA main terminal. The \$18.3 million project, which is 80 percent completed, includes construction of the structure's rough concrete shell and should be finished during Fiscal Year 1985. Phase II construction commenced in April, 1984 and is 5 percent completed. The \$19.8 million project includes construction of nineteen check in stations, ten baggage claim areas and office space increasing the airport's total passenger handling capacity by approximately one-third. Phase II is scheduled for completion in Fiscal Year 1986.

- The three major interisland air carriers were consolidated at the interisland terminal complex. Site work is underway at the interisland terminal to help accommodate the increase in traffic. New airfield aprons and taxiways are presently under construction to create more parking area for the interisland carriers. The \$5.2 million project is expected to be completed in Fiscal Year 1985. Within the interisland terminal, major renovation is underway in the space presently used by Hawaiian and Mid Pacific Airlines. The \$632,000 project includes improvements to office space, baggage claim, ticket and holding areas. Site work should be completed by Fiscal Year 1985. The interisland terminal access road was widened to increase traffic capacity to the terminal. The \$6.3 million project is scheduled for completion in Fiscal Year 1985.

- An overseas access roadway, connecting the H-1 Freeway with the main terminal, is presently under construc-

tion to ease traffic flow into the main airport terminal. The \$1.7 million project is scheduled for completion in Fiscal Year 1985.

- A new \$6.7 million FAA air traffic control tower, located between the two major east/west runways, was dedicated on June 23, 1984. Considered a much more strategic location than the old tower, the new building, tower and radar approach facility provide better visibility of runways and taxiways making the airport safer for all aircraft.

- A new 56,000-square foot interisland terminal, on the mauka side of the present facility, is presently in the design stages. Scheduled to begin construction in Fiscal Year 1985, the new satellite terminal will expand passenger and flight traffic capacity.

- Improvements to the main airport terminal include the installation of 12 new passenger bridges to the Diamond Head, Ewa and Central concourses. This means airlines using these particular gates have the option of unloading

and loading passengers through two bridges instead of one, thereby facilitating passenger flow in the terminal. The bridges were installed at a cost of \$2.7 million. Building modifications to accept the new structures were put in for \$794,000. Both projects were completed in Fiscal Year 1984. Also in the main terminal, four new security doors are being installed providing access to the baggage claim from a secured area. Once completed in Fiscal Year 1985, the \$507,000 project will eliminate the need for security guards in the area.

- Work continued at the access road toward Lagoon Drive to relocate utility lines underground. The \$653,000 project should be completed in Fiscal Year 1985. Approximately 90 percent of the utility lines at HIA are underground and this project helps the

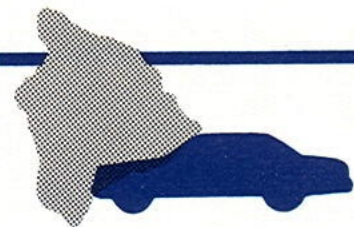
division move closer to its 100 percent goal. Underground utility wires are more desirable, especially at an airport facility, because they are safer and more aesthetically appealing.

Improvements to Honolulu International Airport interisland facilities



- The realignment of Lagoon Drive, part of the South Ramp Development project at HIA, continued during Fiscal Year 1984. Phase I of the project, which included landfill, grading and the installation of sewer and drainage lines, was completed at a cost of \$2.4 million. Phase II includes paving, utility relocation and construction of a new cargo terminal building and will commence in Fiscal Year 1985. Once completed in 1986, the \$7.6 million project will help promote the development of aviation-related support activities in the South Ramp area.

- The Pacific Aerospace Museum, a combination high-tech educational complex and visitor attraction to be located on the central concourse, is scheduled to begin construction in January 1985. The 5,300 square foot facility will cost approximately \$150,000.



BIG ISLAND HIGHWAYS

In an effort to effectively maintain the 319 miles of primary and secondary highways, Highways Division personnel continued to initiate maintenance and improvement projects throughout Fiscal Year 1984.

- On March 15, 1984 highway and government officials dedicated three miles of the Hawaii Belt Road, Route 19 from Palani Road to the Kilohana subdivision. The \$7.2 million project is tied into the existing Kuakini Highway and will serve as a bypass road to Kailua-Kona, relieving traffic congestion and easing vehicular flow through the town.

- Due to the high volume of crossover traffic from downtown Hilo, a traffic signal was installed where Waianuenue Avenue meets the Bayfront Highway. The \$360,000 project will ease traffic flow in the downtown Hilo area and provide motorists with safer access to the Bayfront Highway.

- A portion of the Hawaii Belt Road, from the Ninole Stream Bridge to Hakalau, was resurfaced as part of the division's ongoing maintenance program. The \$525,000 project, which will mean safer passage for Big Island motorists, was completed in November, 1983.

- Also on the Hawaii Belt Road the division is presently replacing the wooden bridges over the Kalapahapuu and Kainehe Streams with more secure two-lane concrete structures. The \$4.2 million project is scheduled for completion in Fiscal Year 1985.



AIRPORTS

United Airlines commenced direct daily service from the Mainland to Keahole Airport in Kona on September 7, 1983. This was the first flight of this kind to arrive at Keahole and signified the emergence of the Kona and Kohala areas on the Big Island as a growing destination resort district. With the anticipated increase in air traffic, particularly at the Keahole facility, maintenance and expansion projects were initiated throughout the year.

On the Big Island the division maintains four airports which include General Lyman Field in Hilo, Keahole, Waimea and Upolu.

- Site work is underway at Keahole Airport to realign portions of the general use and hangar access roads. The \$1.15 million project includes grading, paving, landscaping and the installation of underground utilities. It is scheduled for completion in Fiscal Year 1985.

Also under construction at Keahole is a new maintenance facility for the mechanics, plumbers, electricians, janitors and administrators. The \$858,000 facility is scheduled for completion during the next fiscal year.

Part of the overall expansion of the Keahole facility includes improvements to the South ramp apron and taxiway. Now under construction, the \$1.4 million project will be completed in Fiscal Year 1985. The division will also develop sites for new air cargo and T hangar facilities to increase the overall capacity of the airfield.

In Fiscal Year 1986, the division will initiate about \$1 million of improvements to the North ramp apron and taxiway. The project will include grading, paving, landscaping and the installation of utilities to complete Keahole's planned expansion.

- Work is underway at General Lyman Field in Hilo to replace and relocate the existing emergency generator and airport beacon to the new terminal area. The new generator will power taxiway lights for greater aircraft convenience while the beacon helps pilots distinguish the airport's location from the air. The \$580,000 project is scheduled for completion in March, 1985.

Site work at Keahole Airport



Kainehe Bridge, Hawaii Belt Road



Container yard at Hilo 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).

- At Hilo Harbor, a one-half acre area of the back up container yard was graded and paved to expand cargo storage capacity. The \$175,000 project, which also included the installation of lights, should be completed in October, 1984.

Future projects at Hilo Harbor include substructure and fender repairs to Pier 1 and repairs to the hatches at Pier 3.

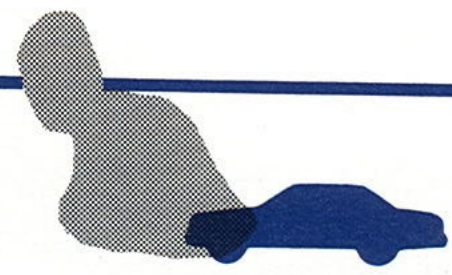
- Future plans at the Kailua-Kona Wharf include concrete patch work in the bulkhead and replacement of wooden beams on the loading platform. The bulkhead improvements are estimated to cost \$19,000 while the loading platform repairs should come in at \$23,000. Both projects are scheduled to commence in Fiscal Year 1985.

- Future improvement projects at Kawaihae Harbor include repainting the exterior of the overseas terminal shed to prevent corrosion, as well as improvements to the barge terminal and office areas.

- At the Wailoa Small Boat Harbor, the division is dredging the channel entrance to remove silt which had partially blocked the main access channel. This will provide safer access to vessels using the facility. The \$36,000 project was scheduled for completion in August, 1984.

- Overhead utility lines were relocated underground at Kawaihae Harbor to help insure boating safety. The \$45,000 project also called for the installation of lights to provide a more secure facility.

- The Harbors Division is participating in a joint project with the U.S. Army Corps of Engineers to construct a boat launching facility at South Point. The Harbors Division is responsible for the installation of a boat ramp, roadway and lighting while the Corps will dredge a small turning basin and build a breakwater to protect the launching area. This facility will also provide refuge for small craft during storm conditions; however no mooring facilities will be provided. This project which is pending due to legal problems, is not scheduled to begin until Fiscal Year 1985. The Harbors Division's portion of the work will cost approximately \$350,000.



MAUI HIGHWAYS

With its tremendous growth in popularity as a tourist destination since Statehood, the Valley Isle has presented many unique challenges to Highways Division personnel. In Maui County, the division manages 214 miles of primary and secondary highways. During Fiscal Year 1984, the division undertook several projects in an effort to effectively expand and maintain highway facilities.

- On February 1, 1984 one mile of Honoapiilani Highway, from Alaeloa to Pineapple Hill, was dedicated. The \$3.6 million project serves as a bypass road to Napili and Kapalua and provides relief from local traffic congestion in those areas. Future plans call for another 1.3 mile extension of Honoapiilani Highway from Pineapple Hill to Honokahua. The project is expected to commence in Fiscal Year 1985.

- Improvements are underway at the intersection of the Kahului Beach Road and Kanaloa Avenue. The \$128,000 project includes construction of a left turn "storage" lane to facilitate traffic flow and four-foot paved shoulders on both sides of the road for bicycle and pedestrian traffic. It is scheduled for completion in Fiscal Year 1985.

- Improvements were also initiated at the intersection of Haleakala Highway and Pukalani Street. Highway personnel installed a new traffic signal and constructed a left turn "storage" lane to provide easier and safer highway access for those living in the Pukalani subdivision. The \$231,000 project is scheduled for completion in Fiscal Year 1985.

- Two sections of Hana Highway totaling 2.5 miles were resurfaced and fitted with new guardrails and drainage systems. The \$330,000 project was completed in May, 1984.

- Future improvement projects for the division on Molokai include culvert replacement along Maunaloa Highway and resurfacing of one mile of Kalae Highway. Both projects are scheduled to begin in Fiscal Year 1985.



AIRPORTS

Direct flights to Maui from the mainland have necessitated expansion and renovation of present airport facilities on the Valley Isle. In line with this, several key projects were undertaken at Maui County airports during Fiscal Year 1984.

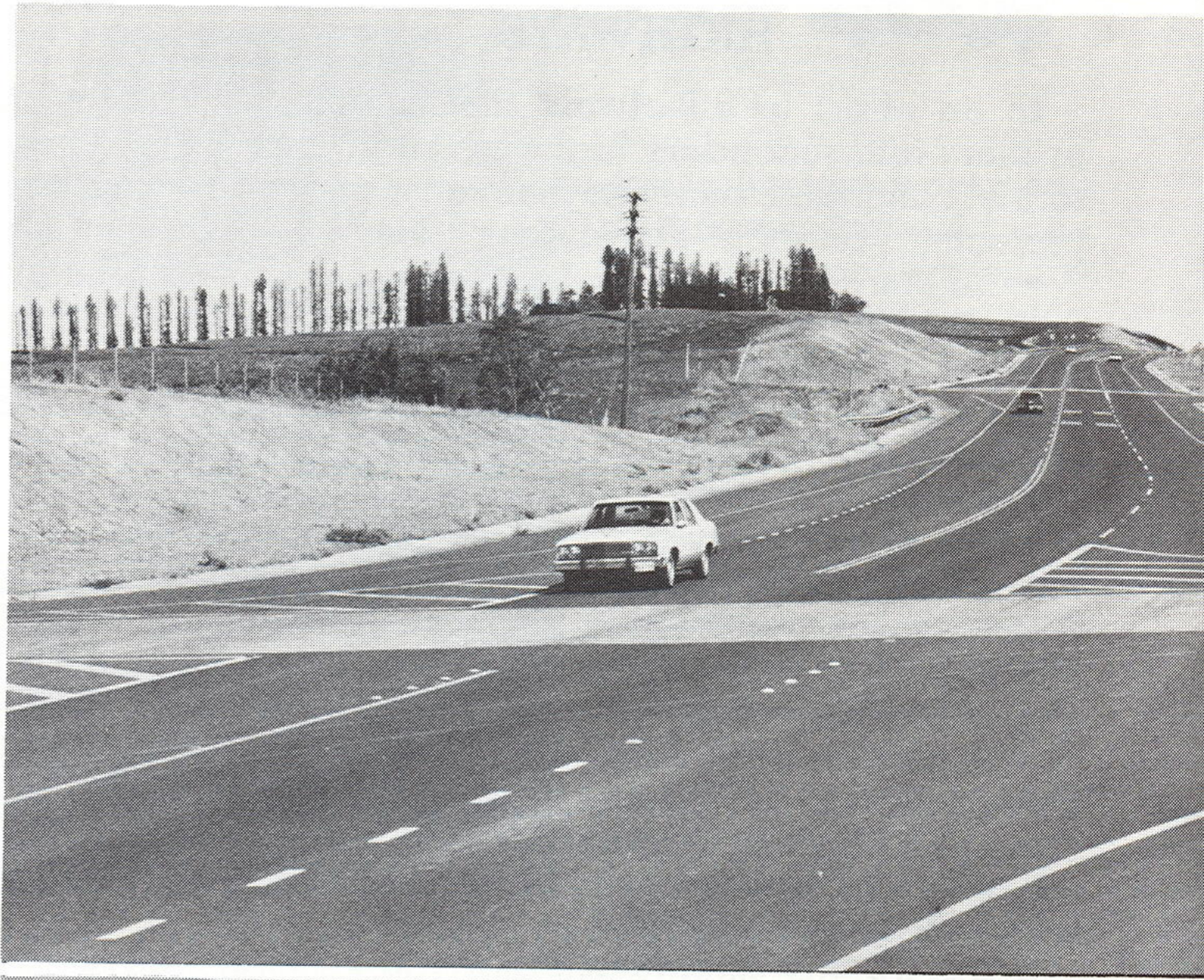
- Interim modifications, to be accomplished in four phases at a cost of \$1.7 million, began at the Kahului terminal facility. Phase I called for the covering of the open court area in the terminal. The \$68,000 project is scheduled for completion in Fiscal Year 1985.

Phase II involves the installation of three new baggage claim devices, similar to those found at HIA, for the three interisland carriers. The project is currently under construction and should be finished in January, 1985.

Revision of the roadway and parking system for ground transportation comprise Phase III of the interim modifications. Included in the plan is construction of U-Drive car rental pickup/drop off islands and additional lanes for thru traffic. Once completed in December 1984, the \$333,000 project should help alleviate traffic congestion and facilitate traffic flow.

Phase IV includes modifications to existing Mid Pacific and Aloha Airlines baggage claim areas, new ground transportation facilities for U-Drive operators, new restrooms, and relocation of concession and gift shop facilities. Once

Honoapiilani Highway in West Maui



New ground transportation facilities at Kahului Airport

completed in April, 1985, the \$1.2 million project will provide new baggage claim devices for Mid Pacific and Aloha Airlines, facilitate passenger flow and better utilize existing space within the terminal area.

Construction of a new \$50 million terminal facility for the Kahului Airport is tentatively scheduled to begin in 1986 and be fully completed in 1990.

- Ground transportation operators were relocated in a separate project at the Kahului terminal facility. The grading and subdivision of existing ground transportation space will create an expanded area for their operations. The \$1.7 million project is scheduled for completion in December 1984.

- Future plans for the Hana Airport include clearing and grading of runway areas to meet FAA rules and regulations. Site work will also include new fencing to keep out unwanted people and cattle and reduce the size of a mound in the area. The \$500,000 project is expected to get underway in Fiscal Year 1985.

- Future projects at the Molokai Airport call for the grooving of the runway for safer take offs and landings, painting of new lines and relocation of existing threshold lights. The project is estimated to cost \$141,000.



KAUAI HIGHWAYS

The 106 miles of primary and secondary highways on the Garden Island were not spared Hurricane Iwa's wrath in 1982. Although division personnel had most roads passable within a week after the devastating storm, work continued during Fiscal Year 1984 to rebuild facilities destroyed by Iwa.

- Restoration and replacement of guardrails damaged by Hurricane Iwa continued islandwide. The division initiated \$220,000 worth of guardrail improvements to make Kauai's highways safer for vehicular traffic.

- Reconstruction work continued on approximately 4,000 feet of Kaumualii Highway in Kekaha damaged by Hurricane Iwa. The project includes a new road base, resurfacing and installation of guardrails. Phase I of the \$380,000 project is scheduled for completion in September, 1984. Phase II of the project calls for the construction of rock revetments along the shoreline to dissipate the force of the waves and protect the highway from future sea damage. Phase II is planned to begin in late 1985.

- Two new traffic lights were installed at the intersection of Kuamoo Road and Kuhio Highway, and Laukona Street and Kuhio Highway. The two projects were completed in Fiscal Year 1984 at a cost of \$132,000.

- Future highway projects in the Kauai district include a new two-mile Hanamaulu to Ahukini cut off road to relieve traffic congestion in Hanamaulu and the Lihue business districts. Scheduled to commence in Fiscal Year 1985, the project will be accomplished in three phases.

Finally, division personnel are looking at constructing a new bridge on Kaumualii Highway over the Huleia Stream. The area is presently served by a wooden bridge. The new two-lane concrete structure will cost approximately \$5 million and is scheduled for construction in Fiscal Year 1986.



AIRPORTS

On Kauai, the Airports Division manages one commercial airport at Lihue and one general aviation airfield at Port Allen. Originally built in the 1950's to accommodate

Kaumualii Highway in Kekaha



Site work at Lihue Airport



Breakwater at Port Allen Small Boat Harbor

planes such as the DC-3, the Lihue facility is now among the busiest in the state.

Division personnel continued to expand and improve airport facilities to handle direct flights from the mainland and the subsequent rise in passenger traffic.

- The new \$13.3 million, 6,500 foot runway 17-35 at Lihue Airport was dedicated on April 26, 1984. The new runway is designed for aircraft approaches over water, thereby reducing noise levels in urban areas and providing safer flight operations with the installation of an instrument landing system by the FAA. The completion of the runway marks the beginning of a master development plan to modernize the Lihue Airport facility.

- On May 24, 1984, DOT personnel and government officials attended a groundbreaking ceremony for the new Lihue Airport Terminal Complex. When completed in Fiscal Year 1986, the new \$23 million complex will have four times the covered space as the existing terminal, four enclosed holding rooms, eight passenger loading bridges, energy conservation and closed circuit television systems, flight information displays and other terminal conveniences. The new terminal will also house a flower shop, newsstand, gift shop, restaurant and car rental agencies.

- Other Lihue Airport support facilities scheduled for construction in Fiscal Year 1985 include a new maintenance baseyard, ground transportation subdivision, drainage work and installation of a new telephone system.

- At Port Allen, division personnel have nearly completed installing \$132,000 worth of security fencing. The project is designed to keep out intruders and allow small plane operators to occupy a more secured facility.



HARBORS

On the Garden Island, the division maintains two commercial harbors (Nawiliwili and Port Allen) and four small boat harbors (Port Allen, Nawiliwili, Kukuiula and Kikiaola).

- Division personnel are planning improvements to the roadway and backup yard at Nawiliwili Harbor, thereby increasing cargo capacity. To make room for additional cargo space, the improvement plan also calls for the removal of a water tank in the area. The estimated cost of the project is \$500,000.

Pier 2 at Nawiliwili Harbor will be extended with a 75 foot x 60 foot segmented pier to expand its berthing capacity. Included in the design is a new loading dock for commercial fishermen. Scheduled for construction in Fiscal Year 1985, the project should cost approximately \$700,000.

Also in the design stage is a new fender system for Piers 1 and 2. The fender system is designed to protect both the vessel and the pier facilities against damage. The \$115,000 project is scheduled for completion in Fiscal Year 1985.

Repairs continued to the various small boat harbors within Kauai County damaged by Hurricane Iwa.

- Approximately \$1.6 million worth of repairs were initiated at the Port Allen Small Boat Harbor during Fiscal Year 1984. Site work included reconstructing the inner and outer breakwater, dredging of the harbor basin to remove debris and repair of rock revetments. All work will be completed in Fiscal Year 1985.

Phase II of the project, scheduled to commence in Fiscal Year 1985, calls for repairs to the launching ramp and construction of approximately 40 berths. Project cost is set at \$432,000.

Other improvements at the Port Allen Small Boat Harbor include a \$38,000 renovation of the comfort station set to begin in September, 1984.

MEET THE DEPARTMENT OF TRANSPORTATION

The Department of Transportation was formed shortly after Hawaii became a state in 1959. Since that time, the DOT has grown. Today, the department's airports, harbors and highways divisions are supported by ten departmental staff offices. These offices include Personnel, Property Management, Business Management, Programs and Contracts, PPB Management & Analytical Office, Computer Systems and Services, Office Services, Motor Vehicle Safety Office, the Statewide Transportation Planning Office and the Visitor Information Program.

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 the State General Fund for central services. This fee is set at five percent of each special fund'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 8 1/2¢ per gallon fuel tax, a 1/2¢ per pound weight tax and a four percent general excise tax levied on the sale of motor vehicle fuel.

Act 163LH 1984 which authorized the transfer of the excise tax on fuel from the General Fund to the Highway Special Fund, will expire on June 30, 1987.

BOATING SPECIAL FUND

The Boating Special Fund was established in accordance with Section 266-19 and 277-20, HRD, as amended. Mooring fees, residence service charges, commercial user fees and the fuel tax make up 90 percent of the Boating Special Fund. General Funds are used for the construction of breakwaters, navigational aids, and dredging of major channels and turning basins for small boat harbors. Special Funds cover the costs of berthing facilities and other harbor back-up facilities such as roadways, parking lots and utilities.

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.

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 rental of land and wharf space constitute the majority of the revenues with the remaining amount generated from various service charges, permits and licenses.

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1984 and 1983

	1984	1983
Operating revenues:		
Concession fees	\$57,947,361	\$50,384,163
Airport use charge	12,903,566	19,283,150
Aeronautical rentals	10,621,285	9,251,531
Aviation fuel tax	4,932,977	4,879,845
Nonaeronautical rentals	1,796,612	1,800,532
Miscellaneous	1,471,786	1,435,545
	89,673,587	87,034,766
Operating expenses other than depreciation	44,691,487	43,112,800
Operating income before depreciation	44,982,100	43,921,966
Depreciation	14,628,164	13,235,409
	30,353,936	30,686,557
Nonoperating revenues (expenses):		
Interest income:		
Certificates of deposit	17,761,105	16,101,490
Investment in financing leases	772,139	705,690
Interest expense:		
Revenue bonds:		
Airports system	(22,482,554)	(21,854,138)
Special facility	(772,139)	(705,690)
General obligation bonds	(2,807,034)	(3,078,373)
Gain on early redemption of bonds	913,787	1,215,733
	(6,614,696)	(7,615,288)
Net income before extraordinary item	23,739,240	23,071,269
Extraordinary item — loss from advance refunding of revenue bonds	—	(20,521,025)
Net income	23,739,240	2,550,244
Add depreciation expense transferred to contributed capital — Federal Government grants	2,730,407	2,463,357
Retained earnings at beginning of year	103,521,120	98,507,519
Retained earnings at the end of year	\$129,990,767	\$103,521,120