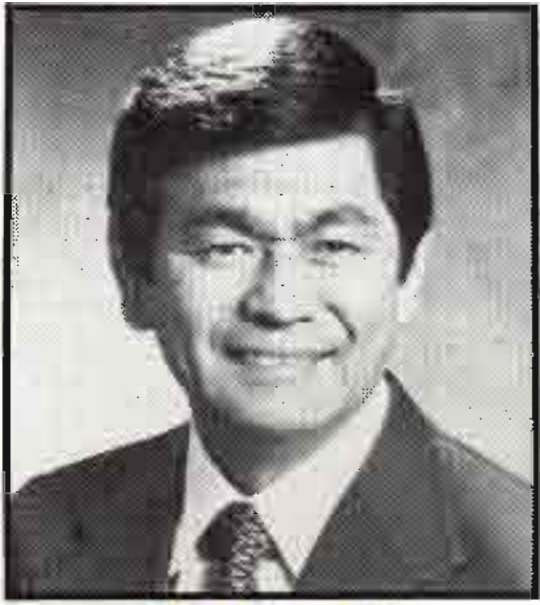


Department of Transportation
Report to the Governor
1985





The Honorable
George R. Ariyoshi
Governor
State of Hawaii



Wayne J. Yamasaki
State of Hawaii Director
Department
of Transportation

December 27, 1985

I am pleased to submit the Department of Transportation's annual report for the fiscal year ending June 30, 1985. As you read about our various projects, I would ask you to think about the efforts of the Department's nearly 2,000 employees who have made Hawaii's highways, harbors and airports safe, efficient and clean. We are pleased to dedicate this report to them.

During the fiscal year, an important bill was passed by the Hawaii State Legislature which resulted in increased revenues for the State Highway Fund. The increases came through raising the state's gasoline tax, the state vehicle registration fee, the state vehicle weight tax, the diesel oil tax and continuing the general excise tax revenues into the Highway Fund until June 30, 1991.

A controversial bill which would raise the state's drinking age to 21 was deferred by the Legislature until next session. If it is not passed, Hawaii will lose millions of dollars in federal highway construction beginning October 1, 1986.

The Legislature passed another significant bill during the 1985 session when it mandated the use of seat belts by the driver and front seat passengers of all cars and trucks effective Dec. 16, 1985. A \$15 fine was set for failure to comply.

The Interstate H-3 is still a priority project for the Highways Division. The project is under injunction from all design and construction work until a decision on compliance with 4(f) for the 1.7 mile segment around Ho'omaluhia Park is made. The propriety of the state's Conservation District Use Permit from the Department of Land and Natural Resources for H-3 was upheld by the State Supreme Court.

Expansion is the name of the game at state airports this year. The new terminal at Lihue Airport is 70% complete with completion expected in October, 1986. Interim improvements are being made at Kahului Airport while preliminary plans are on the drawing board for a new terminal. The expansions became necessary to handle the additional flights and passengers brought to the Neighbor Islands by airline deregulation.

The completion of the Barbers Point Deep Draft Harbor—the second commercial harbor on Oahu—is on schedule and should be completed by August, 1985. The state will then begin \$12 million in shoreside improvements. Additional improvements are scheduled to other commercial harbors as well as to various small boat harbors throughout the state.

We look forward to completing a number of outstanding projects this coming year, and beginning the new ones that will meet the transportation needs of the state in the coming years.

Sincerely,

Wayne J. Yamasaki
Director of Transportation

Overview

With its infrastructure nearly in place, the Department of Transportation is in the process of changing from a construction-oriented to a maintenance-oriented agency.

The Department has a few new projects under design or construction now, but when these are finished, it is expected that there will be no new major projects in the foreseeable future.

Projects currently under construction include the Keehi Interchange of the H-1 Freeway which when completed in mid-1986, will signal the completion of the H-1 Interstate Highway System. The additions at Honolulu International and Lihue Airports will provide new terminal facilities to handle the tremendous increases in flights and passengers. The Hanamaulu-Ahukini Cutoff Road on Kauai and final segment of the Honoapiilani Highway on Maui will complete the Neighbor Island highway systems. And the new Deep Draft Harbor at Barbers Point will provide a much-needed second commercial harbor on Oahu.

The major projects, still in the design stages are the new Kahului Airport on Maui, and the Interstate H-3 Freeway on Oahu.

When these projects are completed by the end of the century, DOT's role will change from construction to maintenance and upgrading of the present facilities. Highways may be widened and improved, bridges replaced, additions made to facilities to increase capacity, safety and other improvements made, and highways resurfaced, but no new infrastructure is planned.

To facilitate the use of what we have, the Department is moving into the computer age. The Department computer plan,



Construction continued on the Diamond Head Concourse of the Honolulu International Airport. Completion is expected in August, 1986.

the first stage of which was initiated this year, will eventually allow engineers and draftspersons to design and draw plans on computer terminals. Large plotters will print the finished drawings and as-built plans can be stored and retrieved at any time. Changes to the plans can be made quickly, easily and accurately. Planners will have access to mathematical models by which to make their projections.

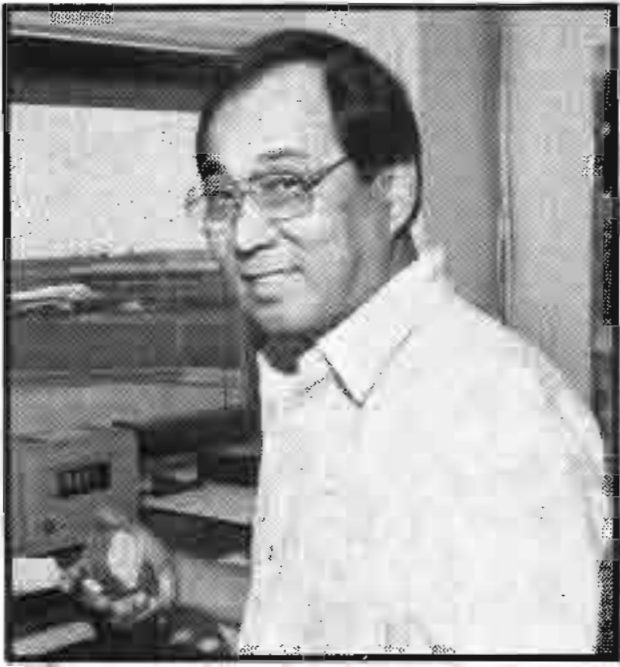
Administrative personnel will be able to report cash control, personnel, property and budget balances. District offices will be electronically tied in with the administration and central services. Financial reports will be available almost instantaneously.

The computer system will give DOT the highest technology available to streamline its work and provide better and swifter responses to the needs of the transportation system.

During this past fiscal year, DOT completed a number of important projects, and work started or continued on a number of others. Descriptions of these projects may be found on the following pages.

For the first time this year, we are also featuring the entire scope of the Department's Capital Improvement Program in chart form. This easy reference guide may be found in the centerspread.

Our financial status summaries complete the report.



Frank Sasaki, airports operations controller III

OAHU AIRPORTS

On Oahu, Honolulu International Airport, the Dillingham Airfield and the airstrip at Ford Island are all managed by the Department of Transportation's Airports Division. The calendar year 1984 ranking from the Airport Operator's Council International shows the Honolulu International Airport ranked as the 17th largest airport in the world. Some 343,818 aircraft passed through HIA—this number increasing with the addition of Delta Airlines, All Nippon Airways of Japan and Pacific Air Express all establishing operations here this past year.

Having received 16,559,673 passengers in 1984, the importance of maintaining and upgrading the terminal, surrounding structures and runways became paramount.

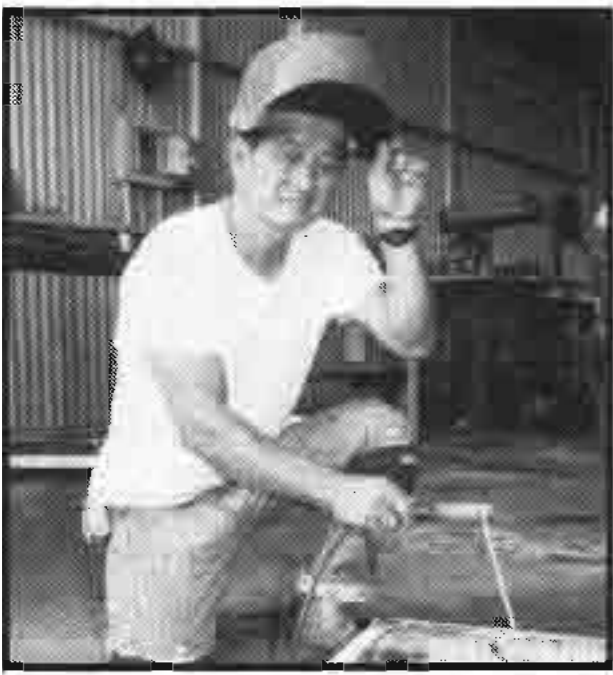
During this past fiscal year Duty Free Shoppers Limited agreed to sublease a portion of its operations at HIA to a bonafide minority business. This meant that the U.S. Department of Transportation/Federal Aviation Administration would release \$33 million of federal airport improvement grants for Hawaii's airports. Out of this amount, \$6 million was allocated for South Ramp improvements at HIA and for Neighbor Island runway safety improvements. The remaining \$27 million will be used for expansion of the Kahului Airport ramp, updating airport master plans and other safety improvements.

- The Diamond Head Extension to HIA's main terminal which began in 1982, is now 70 percent completed with end date targeted for August, 1986. This 624-foot extension adds

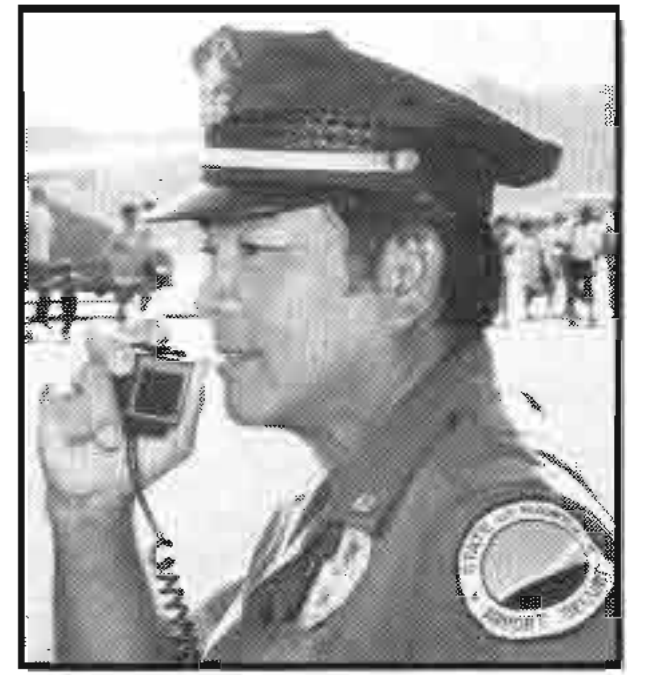


This 624 ft. extension at the Honolulu International Airport adds 19 new check-in counters and 10 new baggage claim devices.

- 19 new check-in counters on the departure level and 10 large new baggage claim devices on the ground level. The \$38 million project, when finished, will streamline passenger flow and speed up check-in and baggage claim time considerably.
- The Overseas Terminal Access Roadway at HIA is another project which will make it more convenient for overseas travelers with a viaduct connecting the Airport Interchange to the Overseas Terminal. Cost is \$1.7 million and is expected to be finished by February, 1986.
- A "first" for Hawaii, the Pacific Aerospace Museum had its ground breaking on March 4, 1985. The Department spent \$120,400 to construct the museum's exterior which is located at HIA's main overseas terminal, on the second level of the Central Concourse. The non-profit museum's goal of raising \$1.5 million will go towards developing the interiors and for displays highlighting aviation's role in helping the Pacific region expand. Special programs and exhibits will also be featured.



Mike Kikugawa, building maintenance worker I

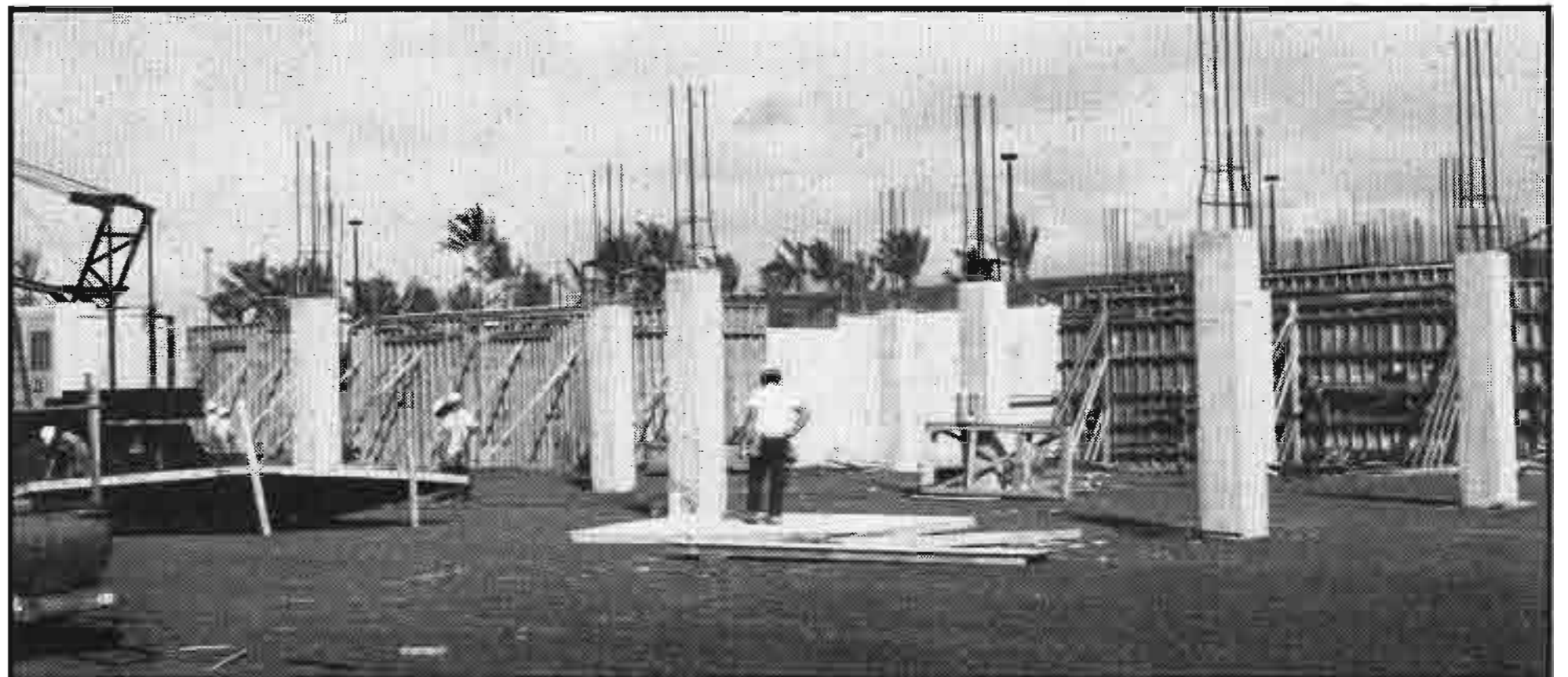


Noburo Munechika, security officer II

KAUAI AIRPORTS

On Kauai, the Airports Division manages one commercial airport at Lihue and one general aviation airfield at Port Allen. The first direct commercial flight from the mainland (Los Angeles) by United Airlines, arrived in August, 1984. The Lihue Airport was originally built to accommodate DC-3s, so it was discovered that with the large wing span of the DC-8s a dust problem developed. Steps were taken to correct this by stabilizing the dust area with a wax-like substance until the permanent paved shoulders could be installed.

- The new passenger terminal at Lihue Airport, when finished in September, 1986, will provide eight aircraft gates and more floor area—nearly three times the present facility. Cost, \$18.7 million.
- Along with the new terminal at Lihue, a roadway system, expanded parking lot and utility systems were also installed during the fiscal year for the public's convenience. Cost, \$5.42 million.



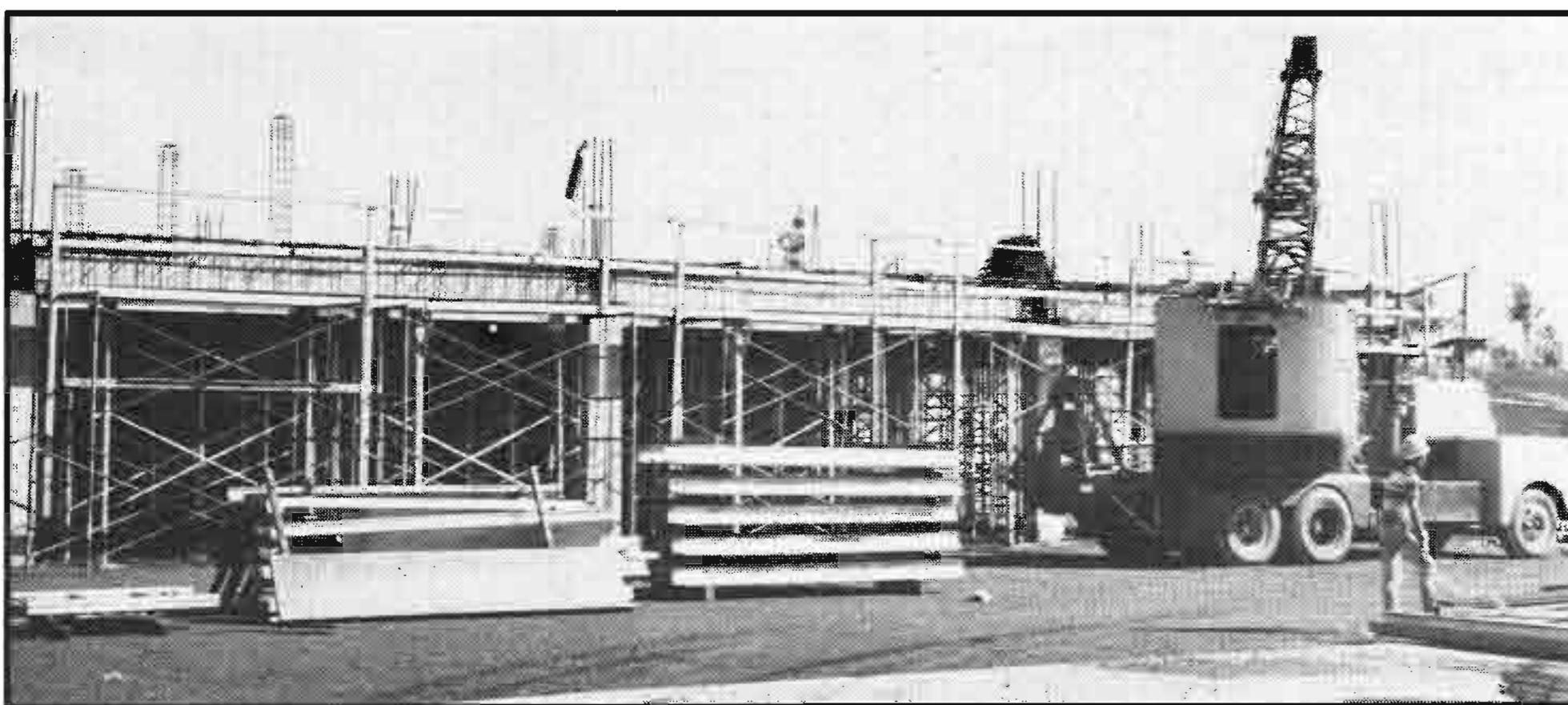
Construction of the new Lihue Airport passenger terminal was one-third completed at the end of the fiscal year. Completion of the \$19 million facility is expected in mid-1986.

- Bridges connecting the new Lihue terminal to aircraft will be installed at the cost of \$2.34 million.
- Passengers will have quicker access to U-Drive services at Lihue Airport with a new baseyard being built. Cost, \$890,000.
- A new maintenance baseyard scheduled for completion at the start of 1986 will enable the airport's staff to improve their services to the public. Cost, \$1.2 million.

KAUAI HARBORS

The Nawiliwili and Port Allen commercial harbors and the Kukuiula, Kikiaola, Port Allen and Nawiliwili small boat harbors are all operated and maintained by the Harbors Division. Future improvements in the proposal stages for Garden Island harbors include the rehabilitation of the damaged breakwater at Kikiaola Small Boat Harbor and improvement of the revetment at the Niumalu Peninsula. An additional catwalk at Nawiliwili Small Boat Harbor is being planned.

- Reconstruction of Port Allen's Small Boat Harbor, damaged extensively by Hurricane Iwa in 1981, is progressing. To date, the breakwater has been restored and the basin cleared of debris. The catwalks are under construction and the launching ramp is being restored. Plans for restoring the pavement are underway.
- The Nawiliwili Commercial Harbor had several projects which commenced during this fiscal year. Improvements to Kanoa Street and



Along with the new terminal at Lihue, a roadway system, expanded parking and utility system were also installed.

State of Hawaii Department of Transportation

Projects Completed and in Progress, Fiscal Year 1984-1985

PROJECT	STARTED	1984 JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	1985 JUN	TO BE COMPLETED	COST	DESCRIPTION
Diamond Head Extension to Main Terminal HIA, Oahu	10/4/82													8/86	\$38.16 mil	Expand passenger ticketing lobby and baggage claim areas.
Pacific Aerospace Museum, HIA, Oahu	3/4/85													7/5/85	\$120,000	Loft space for museum in Central Concourse
Security Doors to Ewa Baggage Claims Areas, HIA, Oahu	6/20/83													11/85	\$510,000	Install revolving security doors to eliminate posting guards
Inter-island Airfield Aprons & Taxiways, Phase I, HIA, Oahu	12/19/83													11/85	\$5.24 mil.	Expanded facility
Overseas Terminal Access Roadway, HIA, Oahu	6/18/84													12/85	\$1.70 mil	Direct road to overseas departure terminal
Modifications to Deplaning and Enplaning Roadways, HIA, Oahu	1/18/85													10/85	\$140,000	Widen roadway median
Expansion and Alterations to Baseyard Facilities, Phase I, HIA, Oahu	9/4/85															Expansion of painter, carpenter and mechanic shops
Construction of Taxiways J and H, Aircraft Parking Apron, Lihue Airport, Kauai	6/18/84													7/85	\$5.57 mil	New facilities and parking for eight passenger gates
Construction of Access Roads Parking Lot and Utilities, Lihue Airport, Kauai	4/16/84														\$5.42 mil	New terminal, roadway, and associated utility systems
Construction of New Passenger Terminal, Lihue Airport, Kauai	5/14/84													7/86	\$18.96 mil	New terminal and aircraft gates, 3 times existing size
New Maintenance Baseyard, Lihue Airport, Kauai	5/13/85													1/86	\$1.18 mil	New maintenance facility
Air Cargo Building, Kahului Airport, Maui	12/5/83														\$1.04 mil	Cargo building for inter-island carriers
Relocation of Ground Transportation Operators, Kahului Airport, Maui	6/12/84														\$1.81 mil	Improved areas for leasing by U-Drive operators
Interim Modifications to Existing Terminal Baggage Claim Equipment, Kahului Airport, Maui	7/30/84														\$190,000	Installed 3 baggage claim systems in expanded facility
Interim Modifications to Existing Terminal Ground Transportation & Concessionaires Facilities, Kahului Airport, Maui	9/4/84														\$1.21 mil	Relocated facilities to provide public space in existing terminal
Apron Expansion, Kahului Airport, Maui	6/17/85													8/85	\$230,000	Paved between taxiways for aircraft operational space
Airfield Lighting and Emergency Power System, General Lyman Field, Big Island	6/1/84													9/85	\$670,000	Improved lighting and new generator
Site Development, Access Road and Utilities, Keahole Airport, Big Island	11/28/83														\$1.15 mil	Expanded facilities
South Ramp Apron & Taxiways, Keahole Airport, Big Island	6/18/84														\$1.42 mil	Increased leaseable area for private flyers and cargo operators
Air Cargo and T-Hangar Facilities, Keahole Airport, Big Island	2/4/85													8/85	\$1.16 mil	New facilities for leasing
Reconstruction of Fender System at Piers 1A, 1B, & 2C, Oahu	3/18/85													1/86	\$560,000	New fascia beam & installing cylindrical rubber fender system
Improvements at Keahi Boat Harbor, Oahu	3/4/85														\$350,000	New catwalks, water service to existing moor piers, northend
Repair Retaining Walls at Ala Wai Canal, Oahu	12/17/84													8/85	\$180,000	Repairing 4,000 linear feet
Commercial Fishing Boat Berths, Pier 16, Oahu	7/18/84													12/85	\$1.79 mil	Fourteen new berths for commercial vessels



Gerald Mahadocon, airport operations and maintenance worker II



Gerald Lum, harbor agent IV

MAUI AIRPORTS

Kahului, Hana, Lanai, Molokai and Kalapapa airports are all managed by the Maui District of the Airports Division.

Since direct flights to Kahului Airport from the mainland commenced, the strength of airfield pavement has become a major concern. Solutions are now in the works to correct this.

- Modifications have been made to the claim areas and concessions at the Kahului Airport, relieving congested space during an interim period. Cost, \$1.21 million.

- The designs are underway to build a new Kahului Airport Terminal Complex. Consisting of three phases, the \$36.5 million complex will take five years to complete. Work will include additions and alterations to existing structures, roads, parking areas, aprons, a new terminal, taxiways, runways, landscaping, cargo terminal and relocation of the control tower. Support facilities, such as a new helipad and cargo terminal will also be added at the cost of \$1.65 million.
- Approximately \$385,000 will be used in the design and construction of the Molokai Airport, with modifications to the existing facilities being planned.



All is ready in the Crash Fire Station at Kahului Airport in the event of an airport emergency.



MAUI HARBORS

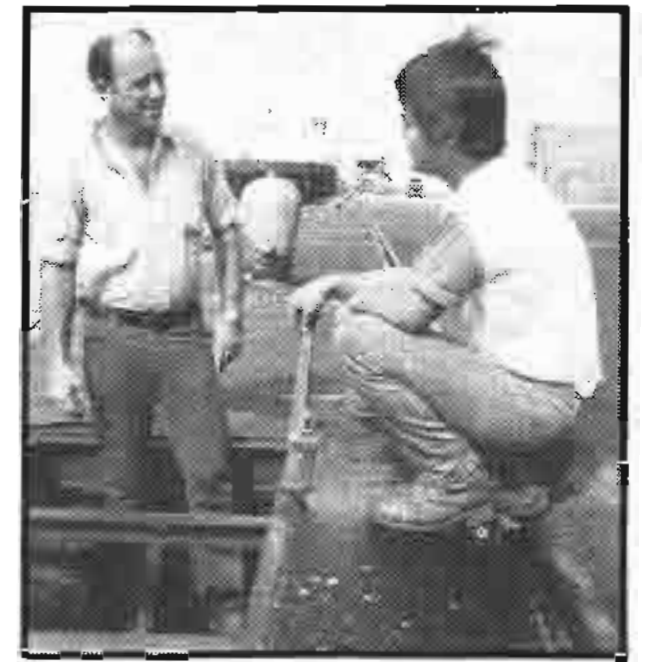
Improvements are being planned for Kahului Harbor and Lahaina and Manele Boat Harbors. At Kahului Harbor, plans are being prepared for a 235-foot extension of Pier 1 to allow multiple berthing of vessels. Also, the back-up area at Pier 2 will be improved with pavement and security fencing for inter-island cargo. The 1985 Legislature appropriated funds for enclosing the Pier 2 shed which is presently being used for inter-island cargo. This design work will be started in FY 1986.

At Lahaina Boat Harbor, plans are being prepared for improvements at the landing and the installation of new waterlines on the marginal wharf along the breakwater. The 1985 Legislature appropriated funds for the relocation of the vessel Carthaginian. The plans for this work, together with the improvement of the marginal wharf at the landing, will be initiated in FY 1986.

At Manele Boat Harbor, the berthing area will be expanded through the



Julia Castaneda, janitor II
Mary Lou De Aguiar, janitor II



Walter Mattos, building maintenance worker I

BIG ISLAND AIRPORTS

On the Big Island the Airports Division maintains four airports which include General Lyman Field in Hilo, Keahole, Waimea and Upolu. For its unique, functional building design being well-suited to the climate and culture of Hawaii, the Keahole Airport was awarded the first "Hawaiian Architectural Arts Award" by the State Foundation on Culture and the Arts this past year.

- A new emergency generator was installed at General Lyman Field,

along with improvements to the airfield's lighting. Cost, \$440,000. This was completed in September, 1985.

- At Keahole Airport, the site development was completed for extended roads and utilities at the cost of \$1.15 million.
- Increased leasable area for private flyers and cargo operators is now available at Keahole with expanded aprons and an extended taxiway at the South Ramp. Cost, \$1.4 million.
- Air Cargo and T-Hangar facilities were constructed at Keahole Airport. Cost, \$1.16 million.



The Air Cargo Building at Keahole Airport was completed at a cost of \$1 million.

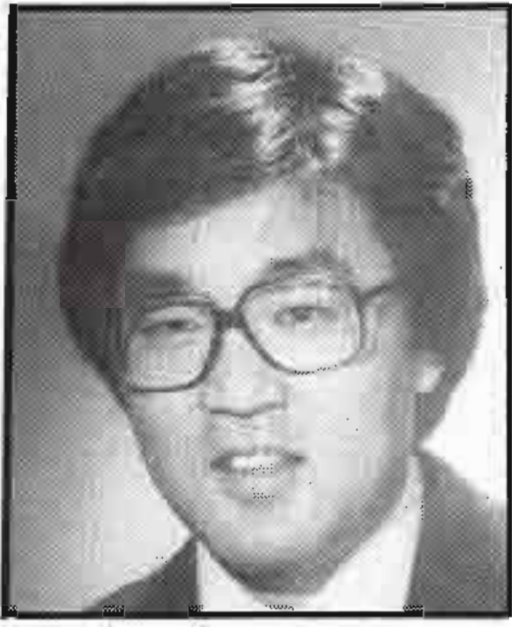
BIG ISLAND HARBORS

The Harbors Division manages Hilo and Kawaihae commercial harbors and Kailua-Kona, Honokohau, Kawaihae and Wailoa Basin small boat harbors on the Big Island.

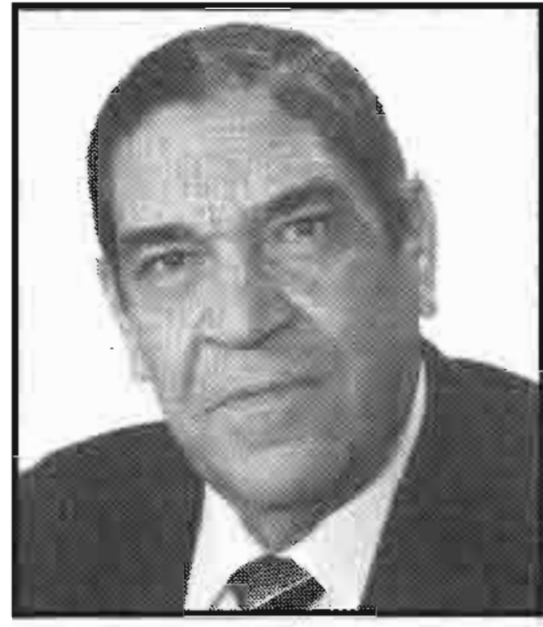
At Hilo Harbor, construction plans are being developed for the strengthening of about 400 lineal feet of pier which is considered substandard for today's terminal operations. This improvement will facilitate the movement of cargo since the terminal operators are currently restricted in their operations by the embedded structural pier limitations. Construction is scheduled for FY 1986.

A new Kawaihae Boat Harbor is being planned. An environmental impact statement and master plan are being prepared for review by the public. Funds for the design and construction are not available and will be programmed for the future.

- The container handling yard at Hilo Harbor was expanded by approximately 27,000 square feet. The project consisted of the construction of paved surfaces, with a drainage drywell and area lighting. Cost, \$100,373.
- Security fencing and gates were installed at Hilo Harbor, which also included clearing and grading of .7 acres of land. The \$21,000 project was completed at the close of the fiscal year.
- A maintenance dredging of the Wailoa River is planned. Sand is accumulating again at the mouth of the river and corrective action will be undertaken to ensure passage of vessel traffic.



Jonathan K. Shimada
Deputy Director
Airports Division



Adam D. Vincent
Deputy Director
Harbors Division



Cheryl D. Soon
Deputy Director
Highways Division



Walter T. H. Ho
Deputy Director
Staff

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 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 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 backup 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

Statements of Revenues, Expenses and Changes in Retained Earnings
Years ended June 30, 1985 and 1984

	1985	1984
Operating revenues:		
Concession fees	\$ 60,180,266	\$ 57,947,361
Airport use charge	17,924,291	12,903,566
Aeronautical rentals	10,262,603	10,621,285
Aviation fuel tax	5,137,068	4,932,977
Nonaeronautical rentals	2,187,319	1,796,612
Miscellaneous	1,772,970	1,471,786
Total operating revenues	97,464,517	89,673,587
Operating expenses other than depreciation	47,846,758	44,691,487
Operating income before depreciation	49,617,759	44,982,100
Depreciation	15,473,213	14,628,164
Operating income	34,144,546	30,353,936
Nonoperating revenues (expenses):		
Interest income:		
Certificates of deposit and U.S. Treasury notes	22,619,515	17,761,105
Investment in financing leases	757,526	772,139
Interest expense:		
Revenue bonds:		
Airports system	(27,402,645)	(22,482,554)
Special facility	(757,526)	(772,139)
General obligation bonds	(2,534,751)	(2,807,034)
Gain on early redemption of bonds	904,780	913,787
Net income	27,731,445	23,739,240
Add depreciation expense transferred to contributed capital—		
Federal Government grants	3,157,647	2,730,407
Retained earnings at beginning of year	129,990,767	103,521,120
Retained earnings at end of year	\$160,879,859	\$129,990,767