

The
Department of
Transportation
1986
Report to the
Governor

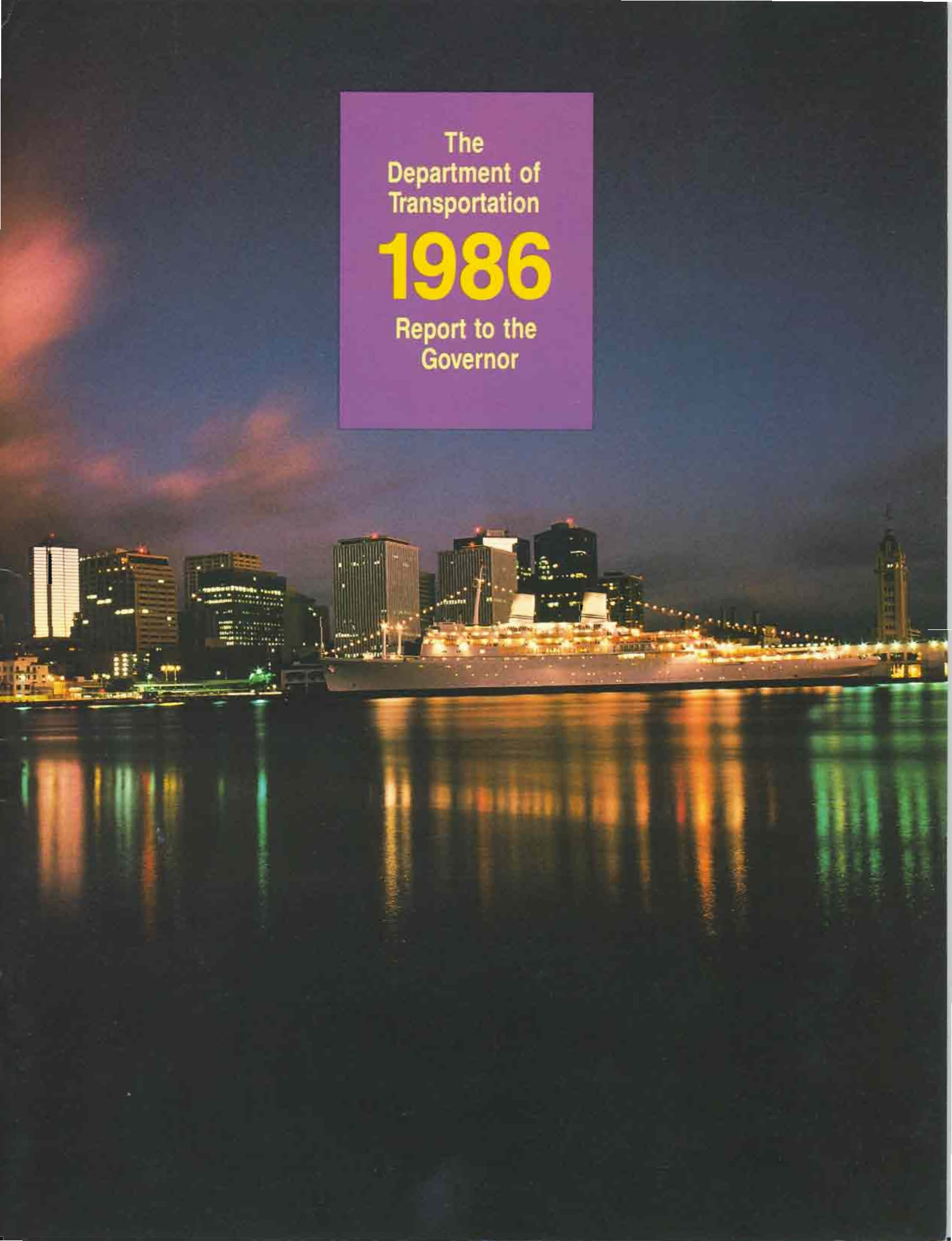


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November 28, 1986

I am pleased to submit the Department of Transportation's annual report for the fiscal year ending June 30, 1986. This has been an exceptionally busy year for the Department.

Much of our effort has been directed toward obtaining a Congressional exemption so that the H-3 Freeway can be built. A major milestone came when the House Subcommittee on Transportation approved the H-3 language on June 16 and nine days later the full Committee on Public Works and Transportation unanimously passed the exemption along with the entire Surface Transportation Assistance and Relocation Act.

Senators Inouye and Matsunaga will continue their efforts on behalf of H-3 in the Senate. Always on our mind is the September 30, 1986 deadline to withdraw H-3 and substitute other highway projects. With the support of the Legislature and the majority of Oahu residents, however, we will continue to press for the exemption which we feel will remedy the misapplication of 4(f) by the 9th Circuit Court.

This was a particularly big year for our Highways Division as they completed the H-1 Freeway, 34 years after ground was broken for the first section near University Avenue. The massive Keehi Interchange was the last section to be completed. It took 11 years to build and cost \$148 million. It consists of a complex network of four freeway lanes in each direction, High Occupancy Vehicle lanes, seven on and off ramps to Nimitz Highway and Dillingham Boulevard, east and west bound connector roads to Nimitz Highway, Mauka and Makai frontage roads, a new alignment for Nimitz and Kamehameha Highways under the Viaduct and a new bridge over Moanalua Stream.

The Legislature raised the drinking age to 21 years on October 1, 1986, guaranteeing the State its full share of future federal highway construction funds.

Flexibility has been the key word at airports statewide in FY 86 as passenger traffic increased by 6% to 26,765,849.

Work is nearly completed on the new Diamond Head Extension to the ticket lobby at Honolulu International Airport, as well as the new terminal at Lihue Airport. Design of a new Inter-island terminal in Honolulu is well underway with construction expected to begin during the next fiscal year.

The Department has continued to meet with federal Immigration and Customs Officers to improve service to passengers arriving on international flights.

The dedication was held on August 30, 1985 for the new Barbers Point Deep Draft Harbor, Oahu's second commercial harbor, which will service the growing commercial area in Ewa-Leeward. The new \$47 million harbor has an entrance channel 450-foot wide, 4,280 feet long, and is 38 to 42 feet deep. Construction of a pier and storage yard is scheduled for FY 87.

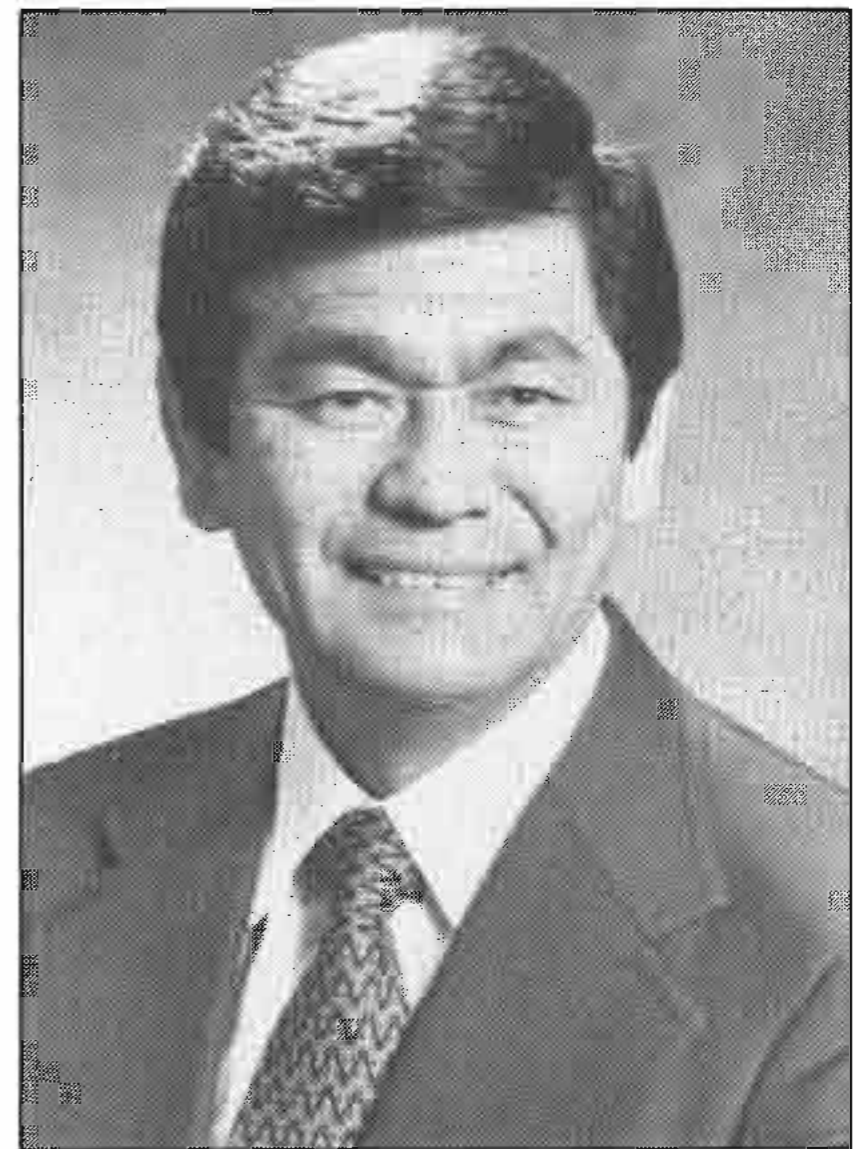
The Department continued to meet with our Congressional delegation on the issue of port user fees, which would tax all incoming cargo each time it entered an island port. I testified before both the House and Senate on this issue seeking to have Hawaii excluded from the legislation due to the state's dependence on shipping for more than 90 percent of all goods and services.

The Department continues to look for new and better ways to meet the transportation needs of the state and the commuting public.

Sincerely,



Wayne J. Yamasaki
Director of Transportation



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



*Wayne J. Yamasaki
Director
State Department
of Transportation*

Overview

Preparing for the present transportation needs of the state, as well as the future needs, is a tremendous challenge for the Department of Transportation.

The Department devoted a lot of time in fiscal year 1986 to long-range planning and updating of master plans for the statewide network of 14 airports and heliports, eight commercial harbors, 21 small boat harbors, 30 boat launching facilities and 2,324 lane miles of state highways.

While the Department always tries to plan and build facilities to meet the needs 20 years into the future, public use of many state transportation facilities has changed. Many facilities built in the 1950s and 1960s are now operating beyond capacity and growth at others has not occurred as planned.

Below left: DOT Director Wayne Yamasaki presents Employee of the Year Award to Robert K. Miyasaki, Airports Division Purchasing Clerk. Below right: The Department continued to train employees in the use of video for documenting accident sites, construction projects, for training and other informational and historical purposes.

As a result, the Department is faced with a constant challenge to meet the on-going transportation needs as well as to plan for future expansion.

Flexibility would be a one-word description of the approach to operating state airports. In the years following airline deregulation, sudden entrances and exits of airlines has kept the Airports Division constantly seeking ways to create space or fill voids at the airports in Hawaii.

In rapid succession this past fiscal year, Pan American's 50th anniversary on November 22, 1985 of their first flights across the Pacific, was followed by the announcement of the sale of their routes west of the islands to United Airlines and then the sudden closing of all operations in Hawaii on April 26, 1986.

Air Hawaii made its inaugural flight to Honolulu on November 22, 1985, and then filed for bankruptcy the following February with its last flight on February 19, 1986. After 21 years of continuous operations to all the small communities of the state, Royal Hawaiian Air Service ceased to exist on May 22, 1986.

Plagued with financial problems, South Pacific Island Airways kept changing their schedules as they attempted to reorganize their activities. After providing late night flights between Honolulu and Kahului, Maui

Airlines closed their offices on April 30, 1986. World Airways also no longer appears on the flight information screens.

Among the new starters were old names to air service in Hawaii. TWA returned to the islands on June 1, 1986. Hawaiian Air continued to expand its flights to points outside the State. Aloha began late evening B-737 QC or "quick change" jet cargo service to the neighbor islands. Regent Air continued to announce start of mainland to Hawaii flights but never appeared.

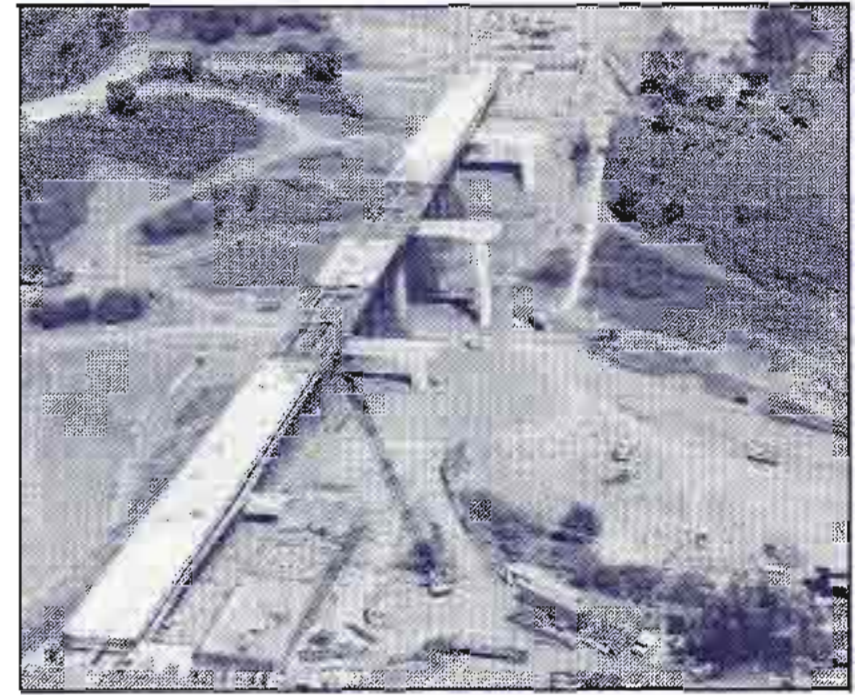
This constant coming and going by the airline companies, was accompanied by an overall increase in passenger traffic of 6%, bringing the annual number of passengers at state airports to 26,765,849 in FY 86.

Construction at state airports as you'll note in this report was constant, building of new facilities, modifications to present facilities, or reconstruction to match the changing circumstances.

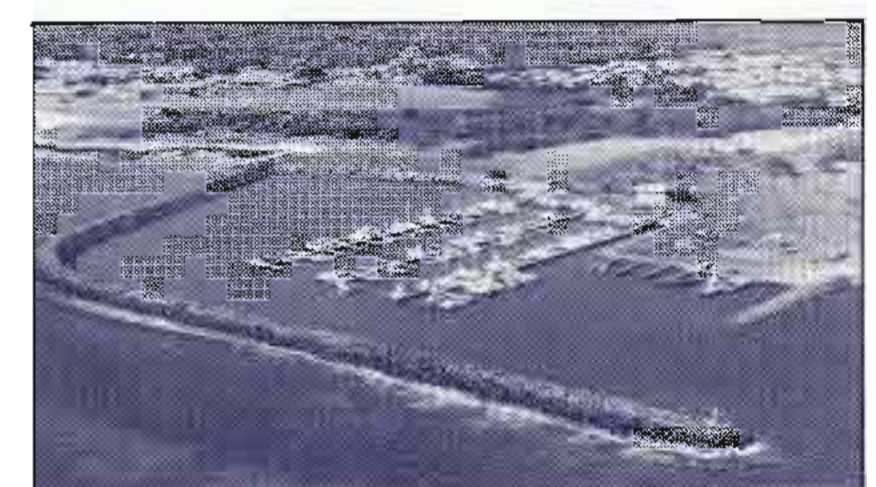
Updating the Master Plan for the statewide system of airports was started in FY 86 and will be completed in late 1987. This work, which is financed with federal assistance, complements the planning work underway at General Lyman Field, Keahole Airport, Kalaupapa Airport, Kahului Airport, Lihue Airport, Honolulu International Airport and Port Allen Airport.



Then and Now



The Kipapa Bridge on the H-2 Freeway was completed in 1977. It is the highest bridge on Oahu (156-feet) and was the first cantilivered, cast-in-place, segmental bridge in Hawaii.



The Pokai Bay small boat harbor (top) was closed when the state opened the new Waianae Boat Harbor in 1981. The Waianae harbor serves the Leeward coast of Oahu and has berthing spaces for 146 vessels, as well as seven lanes for boat launching.

A major feature of the airport studies is the "150 Study" which is the analysis of airport noise and methods to reduce its impact on the surrounding areas. Its name comes from the procedures established by Federal Aviation Regulation Part 150. With the noise map that results, planning agencies will be able to make rational decisions on land use to assure compatibility with aircraft noise.

The number of cars has increased significantly over the years, resulting in above-capacity traffic on many older state highways during peak hour traffic.

The Department has worked on many short, medium and long-range plans to solve the traffic problems on Oahu, as well as the Neighbor Islands this past fiscal year.

On Oahu, the Highways Division is moving ahead with planned improvements to all major traffic corridors.

The H-1 Freeway, although officially completed, continues to undergo modernization, widening and safety improvements. New lanes are being added from Halawa to Waiawa and Kunia to Palailai.

In addition, an interchange is being planned on H-1 at Paiwa to provide for the anticipated increase in traffic from the Waikele-Waipahu area. A new interchange is also being planned on the H-2 at Waipio. The Department continues to seek the construction of the H-3 to ease windward traffic problems.

On the East Corridor, from Hawaii Kai to downtown Honolulu, design of a two-lane reversible median on Kalaniana'ole Highway for express buses/carpools/vanpools is nearing completion. The 1987 Legislature will be asked to provide funds to begin construction.

On Maui, the Highways Division is seeking solutions to the traffic congestion on Honoapiilani Highway near Lahaina town. Among the ideas being considered are a by-pass road or widening of the present highway from two to four lanes. A decision is expected in FY 87.

Work progresses on Kauai on the

Hanamaulu-Ahukini By-pass Road which should ease traffic congestion in Lihue.

The Harbors Division continues to upgrade commercial harbor facilities to meet the needs of containerized shipping vessels. Piers are being lengthened and strengthened, and more paved storage yards provided for containers.

With the return of the popular interisland cruise ships, the Harbors Division has also had to accommodate the weekly call of the cruise ships to neighbor island ports alongside commercial vessels and barges.

Pollution of state harbors from the cruise ships was a major problem in FY 86 and resulted in a law suit being filed by the state against the cruise ship company. The suit will be heard by the court during FY 87.

Public demand for mooring at state small boat harbors continued to exceed available space, resulting in waiting lists at most harbors. Because new small boat harbors must be financed through user fees, it will be many years before the public demand is satisfied.

During the 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.

Our financial status summaries complete the report.

Oahu Airports

On Oahu, the Department of Transportation owns and operates Honolulu International Airport, the Dillingham Airfield for small airplanes and gliders and the airstrip at Ford Island.

In spite of growing direct flights to neighbor islands destinations, the increase in passenger traffic to Honolulu International Airport was only four-tenths of a percentage point below the statewide average or a 5.6% increase to 18,262,516 travelers in and out of the airport. Cargo increased 13.3% to 229,559 tons. Mail increased to 63,169,556 pounds.

Facility developments to meet this traffic demand included the Diamond Head Ticket Lobby Extension, Lagoon Drive realignment, parking and roadway improvements, group tour arrivals facilities for the International Arrivals Building and Inter-Island Terminal improvements.

Work on the ticket lobby is expected to be completed in late 1986 and in mid-1987 on Lagoon Drive. Smoother traffic flows resulted with the opening on March 19, 1986 of the second level bypass link between the H-1 Freeway Interchange and the overseas terminal building. Planning for the new exit plaza for the parking lot was completed and prepared for advertising and construction to be completed in 1987.

Apron improvements and the new Elliott Street connection to Nimitz Highway were completed as the initial steps for a new Inter-Island Terminal. Plans for Terminal 3 of the complex to house Hawaiian Airlines was close to completion. Studies were underway for the remaining structures which included urgently needed parking facilities in a multi-story structure.

Construction was started on the addition to the International Arrivals Building to accommodate group tour arrivals. In addition, visits to Washington were made to discuss the urgent need to supplement the existing

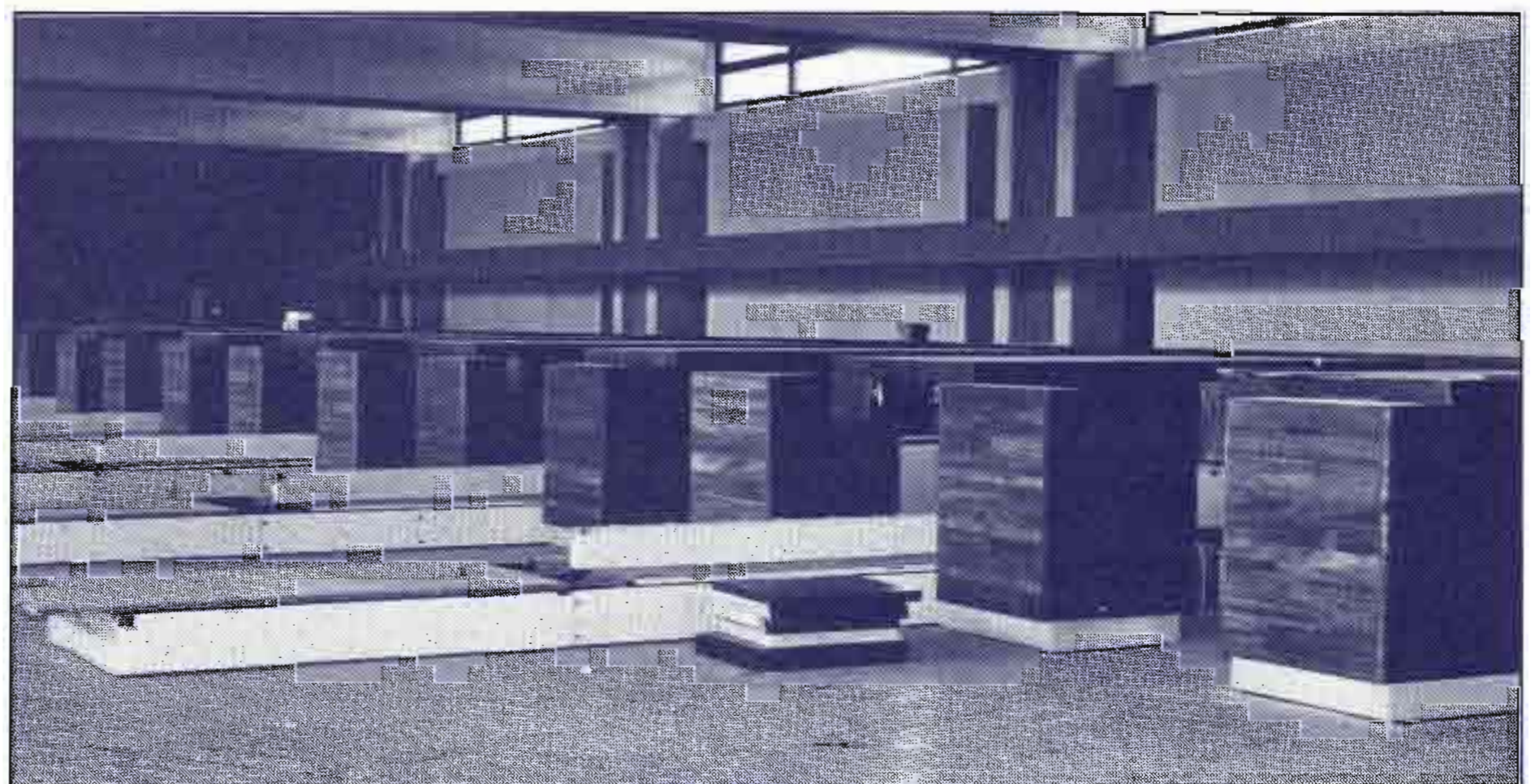
staff of federal inspectors for customs and immigration. With the assistance of Hawaii's Congressional delegation, authorization for additional personnel was approved.

Studies were conducted to improve waiting areas since it is expected that federal budget limitations will not result in the larger number of inspectors needed for the program. Among the new entrants to the international airlines using this building was United Airlines which started on February 11, 1986. Garuda Indonesia and Toa Domestic Airlines are expected to follow in the months ahead with All Nippon Airways changing from its charter operations to scheduled flights.

With the installation of energy management, fire alarm, security and other advanced control systems, it has become necessary to provide an efficient monitoring method for maintenance and management personnel.

The Airport Operations and Control System will provide this capability along with the flight information display system or FIDS. A \$4.1 million contract for a new FIDS to replace the existing, outdated equipment has been proposed.

Modifications are being made to the International Arrivals Building at the Ewa end of the Terminal to provide more space for large tour groups. Completion of the \$3.9 million project is expected in December, 1986.



Oahu Harbors

The Harbors Division on Oahu maintains several harbors and a helipad including, Honolulu Harbor, Barbers Point and Kewalo Basin (commercial facilities), Ala Wai, Heeia-Kea, Waianae, Haleiwa and Keehi small boat harbors and a helipad at the Ala Wai.

Effective May 2, 1986, the Corps of Engineers turned over control of Barbers Point Harbor to the State of Hawaii. The Barbers Point Harbor project included dredging a 92-acre harbor basin and an entrance channel 450 feet wide, 4,280 feet long, 38 feet to 42-feet deep. The project was jointly funded by the Federal government and the State of Hawaii.

Plans are underway by the Harbors Division to design a 1,000-foot long pier with back-up area to handle and store cargo at Barbers Point Harbor.

Additional berths for commercial fishing vessels were completed in Honolulu Harbor in January, 1986. Pier 16's 377-foot long pier was completed on April 17, 1986 at a cost of \$1.8 million. The 265-foot long Pier 37 was completed on January 10, 1986 at a cost of \$514,000 for the berthing of transient fishing vessels.

At Kewalo Basin, the first increment of the improvements recommended by the Kewalo Basin Task Force is under construction. New 40 and 50-foot concrete catwalks are being constructed in place of a wooden

herringbone pier along the Ala Moana Boulevard side and other catwalks on the Waikiki side of the basin.

The aku boat catwalks along the peninsula will also be replaced. The project is expected to be completed by 1986. About 1,100 lineal feet of revetment on the leeward side of the peninsula was reconstructed under a \$280,000 contract. This work was completed in January, 1986.

The Sand Island container handling complex is being expanded by an additional 14 acres. The areas being improved under a \$2.2 million contract are designated container yards 3, 5 and 7 within the complex. The improvements should be in service by October, 1986.

Bids were received for the demolition of Pier 33 shed and associated yard improvements in Honolulu Harbor. Upon the completion of this \$989,000 contract by early 1987, the Pier 33 area will be utilized for the handling of cargo.

Bids were received for the construction of sanitary sewer systems at Piers 19-21 and Piers 26-27, Honolulu Harbor, which will be connected to the City's sewer main. This \$881,000 project is expected to be completed by the summer of 1987.

Design activities are underway for the replacement of the existing fireboat for Honolulu Harbor. The new fireboat will be more efficient and effective in serving the Honolulu area and Barbers Point Harbor. The project is expected to be advertised for bids

during the summer of 1987.

Bids were received for the installation of a new lighting system for the center mole area of Ala Wai Boat Harbor. The project consists of the installation of new underground wiring and high-pressure sodium lamps that are brighter and more efficient than the existing lamps. The \$183,000 project is expected to be completed by mid-1987.

At Keehi Boat Harbor, construction is underway for the paving of 82,000 square feet of parking area and the installation of a lighting system. The \$137,067 project is expected to be completed by September, 1986.

Also, in a separate project, an additional boat launching lane was constructed and the existing loading dock was reconstructed. This work at the harbor's south launching ramp was completed in December, 1985 under a \$133,000 contract.

Bids were received for the construction of a paved parking area for boat trailers, and landscaping, at Maunalua Bay Boat Harbor. The \$118,000 project is expected to be completed by October, 1986.

Also at the Ala Wai Boat Harbor, about 1,500 feet of breakwater, damaged by storm waves generated by Hurricane Iwa, was repaired under a \$230,000 contract. The work was completed in February, 1986.

The state's new deep draft harbor at Barbers Point was dedicated on August 30, 1985.



Then and Now



The Reef Runway at Honolulu International Airport was the world's first major runway built entirely offshore. The 12,000-foot Reef Runway was under construction in 1976 (top) and opened in October, 1977. Today it is used primarily for take-offs by jets.



Honokohau Harbor has had many improvements during the last 15 years. The basin has been dredged to accommodate 156 boats. A boat repair facility and other concessions have been added to serve boaters on the west coast of Hawaii.

Kauai Airports

On Kauai, the Airports Division manages one commercial airport at Lihue and one general aviation airfield at Port Allen.

With the scheduled completion in December, 1986 of the new Lihue terminal building, planning to develop the old terminal area was started on master plan revisions. A separate terminal area for helicopter activities and for additional ground transportation storage areas is included adjacent to the new Airports Division Maintenance Baseyard.

Until the new helicopter terminal is completed, the existing helipads were the subject of careful scrutiny by the FAA and declared satisfactory based on revised layout and operating procedures.

Work was started on the update of the Master Plan for Port Allen Airport. With minor modifications, the airport will be able to accommodate helicopter operators unable to move to Lihue Airport. Plans will be presented at public meetings with the community.

Passenger growth at Lihue Airport was even more dramatic than Kahului Airport in terms of percentage points. Overseas traffic increased 30.2%, inter-island was up 7.5% and the overall increase was 8%. Total traffic was 2,384,576 passengers. Cargo increased 3.4% to 10,198 tons and mail 9.5% to 2,935,694 pounds.

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.

Reconstruction of the Port Allen Small Boat Harbor, extensively damaged by Hurricane Iwa in 1982, has been completed and some 36 boat

slips assigned to boaters on April 1, 1986.

The yard area and roadway at Nawiliwili Harbor were improved under a \$500,000 contract. The cargo handling area was expanded by about 2.2 acres. Kanoa Street was improved to allow for a future diversion of public traffic to circumvent the yard and permit a future expansion of the yard area. The project was completed in April, 1986.

A segmented pile-supported concrete pier was completed at Pier 2 of Nawiliwili Harbor. The pier is expected to provide the flexibility needed to berth barges and vessels simultaneously. The cost of the project was about \$755,000.

At Kikiaola Boat Harbor, the two breakwaters and a groin damaged by

storm waves generated by Hurricane Iwa were repaired under a \$275,000 contract. The work was complete in March, 1986.

The acquisition of a new 26-foot marine patrol boat now enables the Division to enforce Small Boat Harbors rules and regulations, shore line rules and, more specifically, to assist and educate the boating community in boating safety rules and regulations.

Below: Construction of the new \$18.7 million Lihue Airport Terminal is 90% complete. It will be three times the size of the present facility.

Bottom: The Harbors Division put its new marine patrol boats into the water on the Neighbor Islands in May, 1986 to better enforce boating and harbors regulations.



The Marine Patrol Officer has been busily engaged in fulfilling these functions. The presence of the marine patrol boat has definitely been a tremendous assistance to Kauai's boating community.

The Nawiliwili Commercial Harbor has had several CIP projects completed during the last fiscal year. Scheduling of all shipping to the port of Nawiliwili will have to be closely scrutinized to provide vessels arriving at this port a suitable berthing.

Community interests from the west side of the island are suggesting the use of Port Allen Commercial Harbor as a possible alternative to docking passenger vessels because of the congestion at the port of Nawiliwili.

The Boating Branch chaired an Ad Hoc Committee comprised of the varied interest groups of the North Shore of Kauai in producing a shore/water management plan which may well serve as the prototype for statewide use.

On Kauai, there were a total of 1,066 registered vessels.

The substructure for the Hanamaulu-Ahukini Cutoff Road was completed in June, 1986. During FY 87, the Department will begin construction of the superstructure for the 1,155-foot two-lane viaduct and the roadway which will connect Kapule Highway to Ahukini Road at Kubio Highway.



Kauai Highways

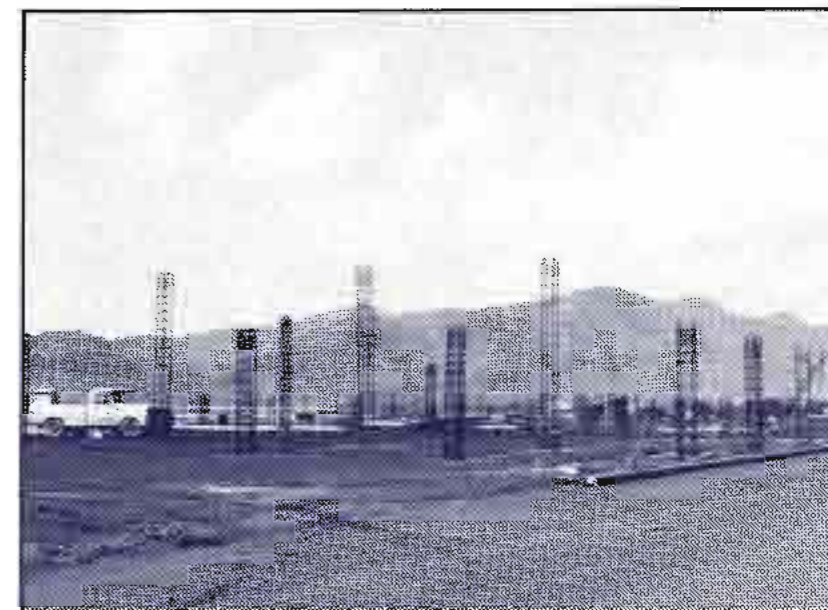
On Kauai, the Highways Division is responsible for 106 miles of primary and secondary highways.

Phase II of the reconstruction and protective measures at Kekaha was started on April 30, 1986. This project will provide about one-half mile of rock revetment to protect Kaumualii Highway from high surf and hurricanes. With the completion of this \$600,000 project, all of the highway facilities damaged by Hurricane Iwa will be repaired to present standards using Federal-Aid emergency funds.

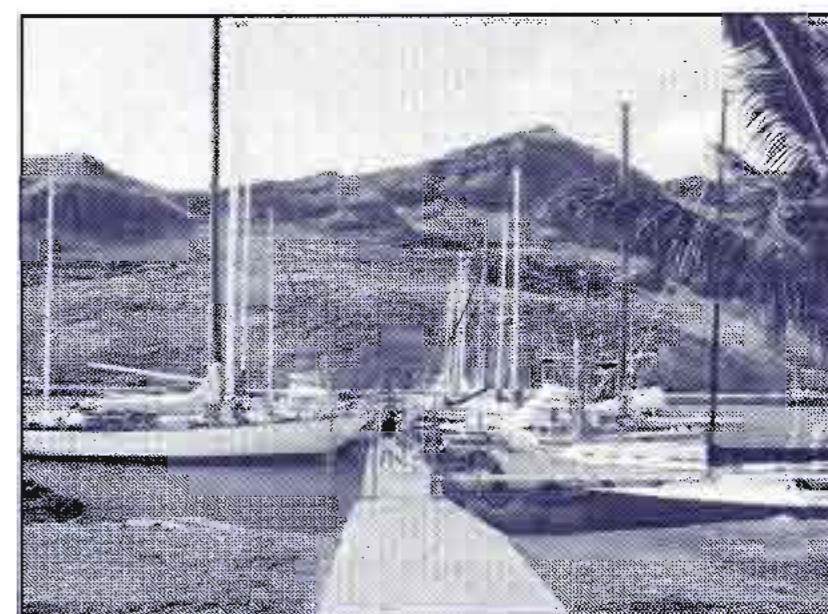
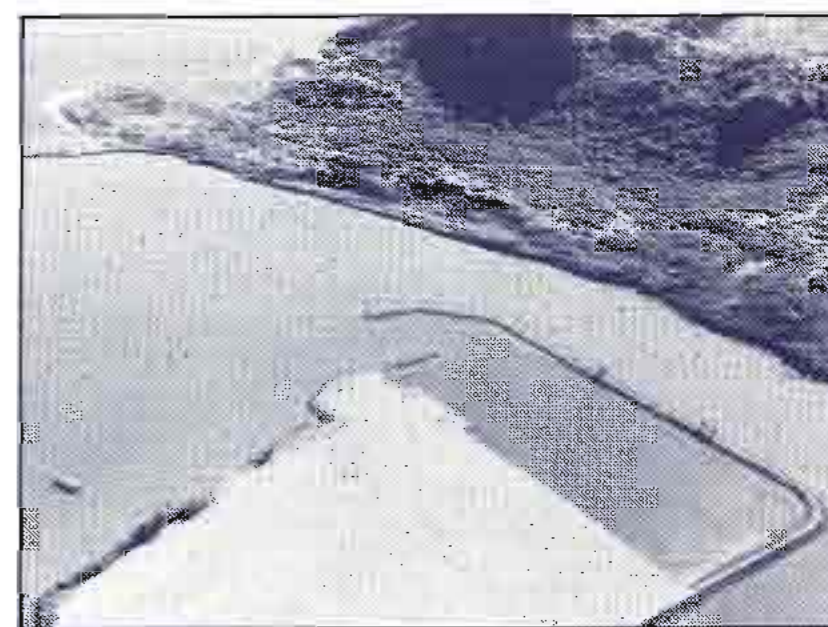
Consisting of four projects, the total amount expended for emergency relief projects from Hurricane Iwa will be \$1.5 million of 100% participating federal dollars.

The first phase of Hanamaulu-Ahukini Cutoff Road (viaduct substructure) was substantially completed. The superstructure for the viaduct and the roadway section will be let for construction during FY 1986-87.

Then and Now



Passenger travel on Kauai has increased steadily since deregulation. Construction of a new \$18.7 million terminal was begun in May, 1984 (top). The new airport will open early in 1987.



The small boat harbor at Nawiliwili was constructed in 1975. Hurricane Iwa caused substantial damage in 1982 but the harbor was rebuilt and now serves Kauai's boating community.

Maui Airports

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

Traffic indicators were the best signs of why growth in airport activity placed Kahului Airport at the top of the system. Some 4,499,324 passengers including 866,382 overseas and 3,632,942 inter-island passengers, were counted at the gates of the Kahului Airport.

This represented a 39.1% increase in overseas and a 1.3% increase in inter-island passengers or an average of 6.9% for the fiscal year. Cargo overseas increased 82.7% to 3,375 tons with a total increase of 1.7% to 22,056 tons. Mail increased 5.2% to 5,710,230 pounds.

Among new airline entrants was Western Airlines which started on December 14, 1985. Among the commuter airlines, Maui Airlines closed on April 30, 1986.

Construction of the new terminal building is being preceded by work on the new commuter terminal building and a bypass road to clear the area for development.

A contract was awarded for the new aircraft parking apron and the FAA advertised for bids to relocate the control tower.

Growth at Kahului was not without its problems as adjacent residents voiced their concern for aircraft noise. The Maui Air Traffic Association was formed by residents of the Sprecklesville area to present their concerns and recommendations.

The Airports Division is actively participating in meetings with the community and with the county planning officials to assure the long term growth of the airport. The Part 150 Study will provide the analytical tools to optimize noise abatement policies and procedures.

Maui Harbors

On Maui, the Harbors Division operates Kahului Harbor and small boat harbors at Lahaina, and Maalaea; at Manele Boat Harbor on Lanai; and Kaunakakai on Molokai.

During FY 86, bids were received for a 235-foot extension of Pier 1 at Kahului Harbor. This \$4,152,000 project is expected to reduce port congestion by enhancing multi-berthing of vessels. The pier extension is expected to be in service by 1987.

The yard area at Pier 2 of Kahului Harbor is being expanded by about 0.7 acres to enhance the handling of inter-island cargo. This \$132,000 project is expected to be completed by 1986.

Bids were received for the reconstruction of a revetment, bulkhead and portions of the yard area at Kaunakakai Harbor. This project will restore the facilities damaged by Hurricane Iwa. The contract amount is \$430,000 and the work is expected to be completed by 1986.

A \$375,000 contract was awarded for Manele Boat Harbor improvements, Lanai, consisting of dredging, and construction of a revetment and groins. The work is expected to be completed by 1986.

A \$138,000 contract was awarded for the construction of improvements at Lahaina Boat Harbor, consisting of the installation of lighting, electrical outlets and water lines in the existing marginal wharf. The project is expected to be completed early in 1987.

Below left: A new holding room was added to Kahului Airport in February, 1986 to provide passenger waiting room for Hawaiian Airlines. The holding room consists of seven trailers hooked together, and includes restrooms and telephones.

Below right: The Department operates a boat launching ramp at Hana.



Big Island Airports

On the Big Island, the Airports Division operates General Lyman Field in Hilo, Keahole Airport in Kailua-Kona, Waimea and Upolo Airports.

Expansion of the aircraft parking ramp was started and will provide badly needed space for growing activities at Keahole Airport.

Parking for helicopters in a separate location is also planned as a result of experience gained at Lihue. Plans for the modification to the ticket lobby buildings were completed and ready for advertising. When completed, airlines will have additional counter and office spaces.

Although overseas passenger traffic declined 6%, inter-island movements increased by 9.1% for an overall increase of 7.6% to 1,564,268 travelers at Keahole. Cargo rose by 7.1% and mail by 6.6%. Total cargo tonnage was 8,277 tons and mail was 2,875,212 pounds.

At General Lyman Field, overseas passengers continued to decline but inter-island activity increased to give an overall growth of 2.3% to a total of 1,084,968 passengers.

Big Island Harbors

The Harbors Division manages Hilo and Kawaihae commercial harbors and Kailua-Kona, Honokohau, Kawaihae, Keauhou, Reed's Bay, Radio Bay and Wailoa Basin small boat harbors on the Big Island.

At Hilo Harbor, construction plans are being developed for the strengthening of about 400 linear feet of pier to accommodate heavier cargo handling equipment. This improvement will facilitate the movement of cargo since terminal operators are currently restricted in their operations by structural limitations of the pier. Construction is scheduled for FY 1987 at an estimated cost of \$2.8 million.

At Kawaihae Harbor, a new small boat harbor has been planned, but funding is not yet available so the project will be programmed for the future.

Maintenance dredging was completed at Wailoa Basin. Additional dredging was accomplished at Pohoiki and Kaulana (South Point) launching ramps, necessitated by winter storms.

Bids were received for a one-acre

expansion of the yard at Hilo Harbor. Under this \$272,000 project, the cargo handling capability of the harbor will be increased. The project is expected to be completed by mid-1987.

Bids were received for a comfort station at Kawaihae Boat Harbor. This \$114,000 contract is expected to begin in November, 1986 and be in service by the first quarter of 1987.

Bids were received for the construction of a 175-foot groin at the entrance of Wailoa River to prevent the frequent shoaling of the entrance channel. The project will be completed in 1987.

Below left: Visitor Information Program Hostess M. Yoneoka assists travelers at airport.

Below right: Honokohau Harbor is one of the state's busiest small boat harbors.



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 eight departmental staff offices. These offices include Personnel, Property Management, Business Management, Programs and Contracts, PPB Management & Analytical Office, Computer Systems and Services, Office Services and the Statewide Transportation Planning Office.

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 239-85 which authorized the transfer of the excise tax on fuel from the General Fund to the Highway Special Fund, will expire on June 30, 1991.

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, commercial user fees and the fuel tax make up 90 percent of the

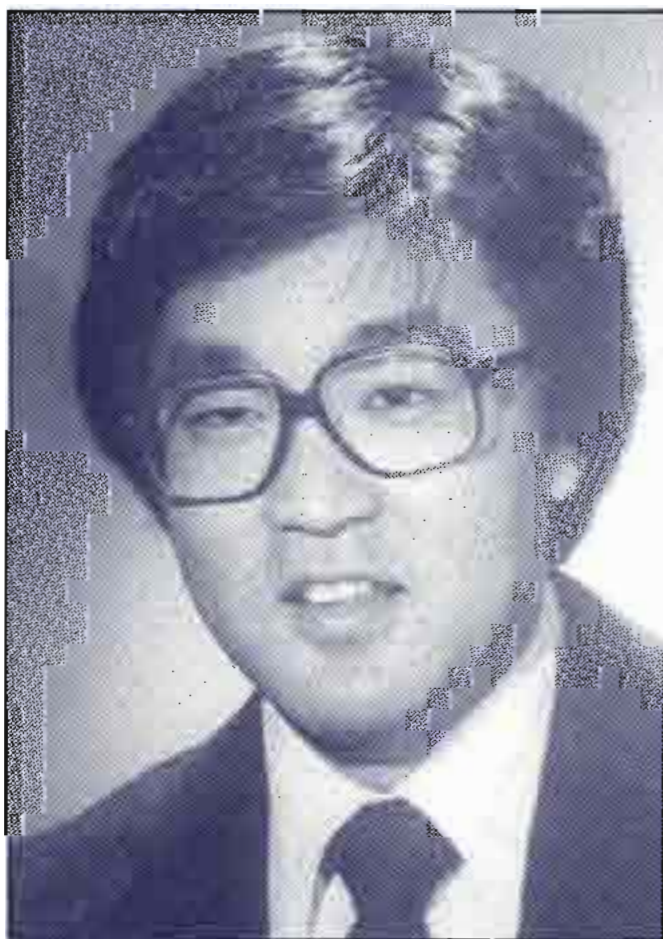
Boating Special Fund. General Funds are used for the construction of breakwaters, navigational aids, and dredging of major channels and turning basins for small boat harbors. Special Funds cover the costs of berthing facilities and other harbor backup facilities such as roadways, parking lots and utilities.

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.



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*Cheryl D. Soon
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Highways Division*



*Walter T. Ho
Deputy Director
Staff*

State of Hawaii Department of Transportation Airports Division

Statements of Revenues, Expenses and Changes in Retained Earnings

Years ended June 30	1986	1985
Operating revenues		
Concession fees	\$ 70,744,463	\$ 60,180,266
Airport use charge	14,173,522	17,924,291
Aeronautical rentals	10,013,657	10,262,603
Aviation fuel tax	5,936,654	5,137,068
Nonaeronautical rentals	2,773,039	2,187,319
Miscellaneous	2,087,408	1,772,970
Total operating revenues	105,728,743	97,464,517
Operating expenses other than depreciation	49,225,917	47,846,758
Operating income before depreciation	56,502,826	49,617,759
Depreciation	15,644,189	15,473,213
Operating income	40,858,637	34,144,546
Nonoperating revenues (expenses):		
Interest income —		
Certificates of deposit and U.S. Government Securities	18,383,360	22,619,515
Investment in financing leases	714,905	757,526
Interest expense —		
Revenue bonds:		
Airports system	(25,200,267)	(27,402,645)
Special facility	(714,905)	(757,526)
General obligation bonds	(1,940,900)	2,534,751)
Other, net	(176,448)	(904,780)
	(8,934,255)	(6,413,101)
Net income	31,924,382	27,731,445
Add depreciation expense transferred to contributed capital —		
Federal Government grants	3,173,513	3,157,647
Retained earnings at beginning of year	160,879,859	129,990,767
Retained earnings at end of year	\$195,977,754	\$160,879,859

State of Hawaii Department of Transportation

Projects Completed and in Progress Fiscal Year 1985-86

PROJECT	STARTED	COMPLETED	COST	DESCRIPTION
Diamond Head Extension, HIA, Oahu	10/82	11/86	\$38.16M	Expand passenger ticketing lobby and baggage claim areas.
Pacific Aerospace Museum, HIA, Oahu	3/85	7/85	\$0.1M	Loft space for museum in Central Concourse.
Revolving Security Doors, HIA, Oahu	6/83	3/86	\$0.5M	Install revolving security doors to eliminate posting guards.
Interisland Aprons, Taxiways, Phase I, HIA, Oahu	12/83	6/86	\$5.24M	Expanded facility.
Overseas Terminal Bypass Road, HIA, Oahu	6/84	3/86	\$1.7M	Direct road to overseas departure terminal.
Modifications to Deplaning and Enplaning Roadways, HIA, Oahu	1/85	5/86	\$0.1M	Widen roadway median.
Expansion to Baseyard, Phase I, HIA, Oahu	9/85	10/85	\$0.3M	Expansion of painter, carpenter and mechanic shops.
Signs & Graphics, Phase I, HIA Oahu	6/86	12/86	\$1.9M	
Flight Information Display System, HIA, Oahu	4/86	10/88	\$4.0M	
Energy Monitoring and Control System, HIA	2/86	5/87	\$2.1M	
Realignment of Lagoon Drive, Phase II, HIA, Oahu	1/86	6/87	\$7.6M	
Building 336 Renovations, HIA, Oahu	11/85	6/86	\$0.7M	Alterations to 9th, 10th, 11th floors
Building 342 Renovations, HIA, Oahu	11/85	8/86	\$0.6M	Alteration to Ground Level.
International Arrivals Building Modifications, Phase II, HIA, Oahu	9/85	12/86	\$3.6M	
Construction of Taxiways J & H, Lihue, Kauai	6/84	8/85	\$5.57M	New facilities.
Construction of new passenger terminal, Lihue Airport, Kauai	5/84	12/86	\$18.96M	New terminal and aircraft gates, 3 times existing size.
New maintenance baseyard, Lihue, Kauai	5/85	2/86	\$1.18M	New maintenance facility.
Loading bridges, Lihue, Kauai	7/85	8/86	\$2.3M	
Airfield Shoulder Stabilization, Lihue, Kauai	8/85	1/86	\$1.8M	
Ground Transportation Subdivision, Lihue, Kauai	7/85	2/86	\$0.9M	
Baggage Claim Devices, Lihue, Kauai	3/86	9/86	\$0.5M	
Signs & Graphics, Lihue, Kauai	5/86	10/86	\$0.5M	
Furnishings, Lihue, Kauai	5/86	10/86	\$0.6M	
Interim changes to existing Ground Transportation & Concessions Kahului Airport	9/84	6/85	\$1.21M	Relocated facilities to provide public space in existing terminal.
Apron Expansion, Kahului Airport, Maui	6/85	8/85	\$0.2M	Paved between taxiways for aircraft operational space.
Paia Holdroom, Kahului, Maui	10/85	1/86	\$0.4M	
East Ramp Improvements, Kahului, Maui	12/85	5/86	\$1.1M	
Commuter Terminal Apron & Taxiway, Kahului, Maui	3/86	8/86	\$1.5M	
Apron & Taxiway, Phase I, Kahului, Maui	7/86	7/87	\$8.8M	
Commuter Terminal Building, Kahului, Maui	5/86	11/86	\$0.7M	
Haleakala By-Pass, Kahului, Maui	2/86	6/86	\$0.4M	
Runway Safety Area, Hana, Maui	12/85	5/86	\$0.5M	
Airfield Lighting, General Lyman Field, Big Island	6/84	9/86	\$0.6M	Improved lighting and new generator.
Site Development, Keahole, Big Island	11/83	7/85	\$1.15M	Expanded access road and utility facilities.
Cargo Building & T-Hangars, Keahole, Big Island	2/85	11/85	\$1.16M	New facilities for leasing.
North Apron Expansion, Keahole, Big Island	1/86	10/86	\$0.9M	
Maintenance & Custodial Facilities	1/86	7/86	\$0.7M	
Reconstruction of Fender System at Piers 1A, 1B, & 2C, Oahu	3/85	2/86	\$560,000	New fascia beam & installing cylindrical rubber fender system.
Improvements at Keehi Boat Harbor, Oahu	3/85	6/86	\$350,000	New catwalks, water service to existing moor piers, northend.
Repair Retaining Walls at Ala Wai Canal, Oahu	12/84	8/85	\$180,000	Repairing 4,000 linear feet.
Commercial Fishing Boat Berths, Pier 16, Oahu	7/84	1/86	\$1.79M	Fourteen new berths for commercial vessels.