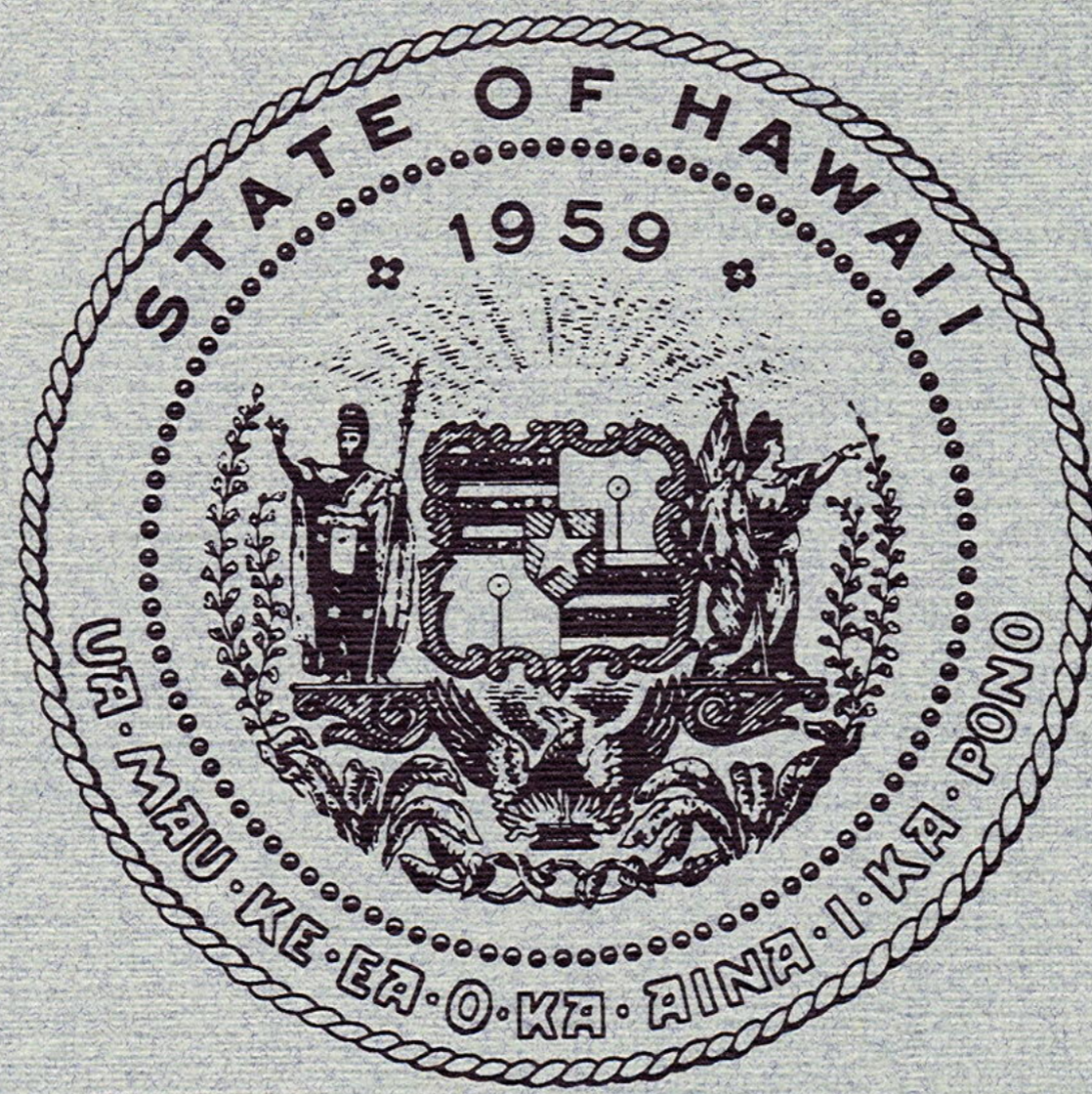


# Department of Transportation



## Report to the Governor

1998

## Director's Letter

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I am pleased to submit the Department of Transportation's annual report for the fiscal year ending June 30, 1998.

This year we opened a new freeway, utilized the market for air cargo, continued to build on innovations introduced last year and added new ways of accomplishing our goal of operating transportation facilities that promote the rapid, safe and economical movement of people and goods into, within and out of the state.

United Airlines is slated to complete its new state-of-the-art cargo facility in August.

The Airports Division continues to work with the Barbers Point Redevelopment Commission to acquire 750 acres at Barbers Point Naval Air Station for use as Kalaeloa General Aviation Reliever Airport when the naval station closes in 1999.

Relocating general aviation activity from Honolulu International Airport to Kalaeloa, will increase airfield capacity and make Honolulu International a safer facility.

Kalaeloa Airport will also be designated as an alternate landing site for commercial carriers serving Hawaii, thereby saving fuel and reducing costs for them.

Modifications to the International Arrivals Building (IAB) at Honolulu International Airport have been completed. This provided exterior improvements to the IAB for passenger comfort. Work included repairing and renovating the existing ground level Tour Group Baggage Loading Area and the existing second floor Tour Group Assembly Area, and constructing a new glass roof over the Mall Tour Group Bus Waiting Area. In addition, a "Hawaiian Sense of Place" will be created through the use of landscaping and interior decor featuring Hawaiian patterns, natural materials, art work and music.

Our Harbors Division issued its 2020 master plan for the Oahu Commercial Harbors.

The plan, developed by harbor users and government agencies, will guide facility enhancements at Ala Wai Boat Harbor, Kewalo Basin, Honolulu Harbor, Keehi Lagoon and Barbers Point Deep Draft Harbor to support commercial cargo and fishing operations and maritime recreation.

Efforts are underway to update the master plans for the Neighbor Island commercial harbors as well.

After years of anticipation, the H-3 Freeway opened on Friday, December 12, 1997. At 3 p.m., the electronic signs displayed the message, "H-3 Now Open" and the freeway's state-of-the-art Traffic Operations Center began its 24-hour operation monitoring traffic and responding to incidents. In addition to the 24-hour traffic operations center, features included vehicle detectors, closed circuit television cameras, dynamic message signs and a temporary service patrol.

The H-3 Freeway is designed to take windward motorists to destinations west of Halawa and to provide motorists from central and leeward Oahu access to the windward side without heading first into the congestion of Honolulu traffic.

One month after the H-3 opened, traffic counts indicated that 30 percent of all trans-Koolau trips were on the H-3, while 28 percent of drivers used Likelike and 42 percent Pali. Prior to this, Pali and Likelike each carried an average of 53,000 vehicles per day.

Highways has also begun its intelligent transportation system project as part of its Freeway Management System. This project

involves active monitoring of traffic conditions, so that delays can be identified.

Motorists will be notified via message signs about any delays so they can make alternate travel plans.

The system will also include an incident management team that will help remove congestion-causing events as soon as possible.

In addition to these efforts to reduce congestion through systems management, our Transportation Demand Management Office continues to work on reducing congestion through alternatives to single occupant vehicles.

It provides a matching service for people interested in finding one or more partners, either drivers or riders, to share the commute to and from work.

The office also oversees Vanpool Hawaii, the state's vanpool program. Vanpool Hawaii provides comfortable seven to 15-passenger vans to groups that wish to ride together to and from work.

Through Transportation Demand Management congestion can be reduced without incurring huge construction costs and at the same time the functional life of our existing system of roads and highways can be extended.

Hawaii residents are part of the automobile culture just like residents throughout the rest of the United States. It will take time and pro-active efforts to convince them to give up the convenience of driving by themselves to and from work.

One pro-active measure we are working on combines both system and demand management.

The ZipLane project, which is near completion, will reduce morning congestion from west Oahu, by adding an additional Honolulu-bound lane on the H-1 Freeway.

This lane will be created using a movable concrete barrier to enable us to contraflow an existing Ewa-bound lane.

The ZipLane will be limited to use by motorcycles, buses and other vehicles with three or more passengers.

It will also provide space for police to issue tickets to violators of the three or more rule.

The ZipLane will provide an incentive for drivers of single occupant vehicles to either add riders to their vehicles or join up with other drivers.

The Department also initiated Safe Communities, which focuses on preventing traffic related injuries, the leading cause of death for persons from age 1 to 44. It also combines strategies used in traffic safety, injury prevention and health programs.

The program operates at the grass roots level and seeks to form new partnerships between those involved in traffic safety, health care, law enforcement, the business community and community members.

Safe Communities also provides an opportunity to create an integrated and comprehensive injury control program to solve community traffic safety problems.

The Legislature passed a pickup truck law which prohibits anyone under the age of 12 from riding in the bed of a truck.

The Legislature also passed a Zero tolerance law that addresses underage drinking and driving. The law states that if anyone under the age of 21 drives with alcohol in their blood they will have their license suspended for 180 days; will attend 10 hours of alcohol education programs and counseling with their parents or guardian; and may have to perform up to 36 hours of community service, or pay a fine of \$150 to \$500 or both.

If you break the law a second time, your license is suspended for one year. You may

have to perform up to 50 hours of community service work, or pay a \$300 to \$1,000 fine, or both. You may also have to enroll in an alcohol treatment program.

If you break the law a third time, your license is suspended for two years. You also have to perform up to 100 hours of community service work, or pay a \$300 to \$1,000 fine, or both, and alcohol treatment might be ordered by the court.

The Department has entered the information superhighway with its home page on the internet's World Wide Web.

The page, which is accessible at [www.hawaii.gov/dot](http://www.hawaii.gov/dot) provides information on departmental structure, projects, procedures, facilities, public meetings, bid results and statistics to anyone in the world with a connection to the internet.

We have received many comments from the public, both local and out-of-state, on how useful the page is and asking that we add other information.

It is obvious to us that the home page is a very important communications tool for the department and one that will increase in importance as we move into the 21<sup>st</sup> century.

My congratulations go to our Employee and Manager of the Year, Denise Dunn and Bob Crowell, respectively. They embody the "can do" attitude of DOT employees that ensures the department of future success.



**Kazu Hayashida**

*Director*

# Airports Division

The statewide airport system consists of twelve airports serving commercial airlines and general aviation flights and four airports serving general aviation flights only. In Fiscal Year 1998, these airports handled 36,829,257 passengers, a 0.5 percent decrease over the previous year.

Airports Division will acquire approximately 750 acres of Barbers Point Naval Air Station when it closes July 1, 1999 for use as Kalaeloa General Aviation Reliever Airport. Kalaeloa Airport will be used by general aviation aircraft currently based at Honolulu International Airport. Relocating these general aviation aircraft to Kalaeloa Airport will increase safety and airfield capacity at Honolulu International Airport.

A planning study for cargo marshaling facilities at various airports statewide is in

progress. This study, which will be completed by mid 1999, is looking at existing cargo operations in order to determine facility and site requirements needed for agricultural and perishable goods.

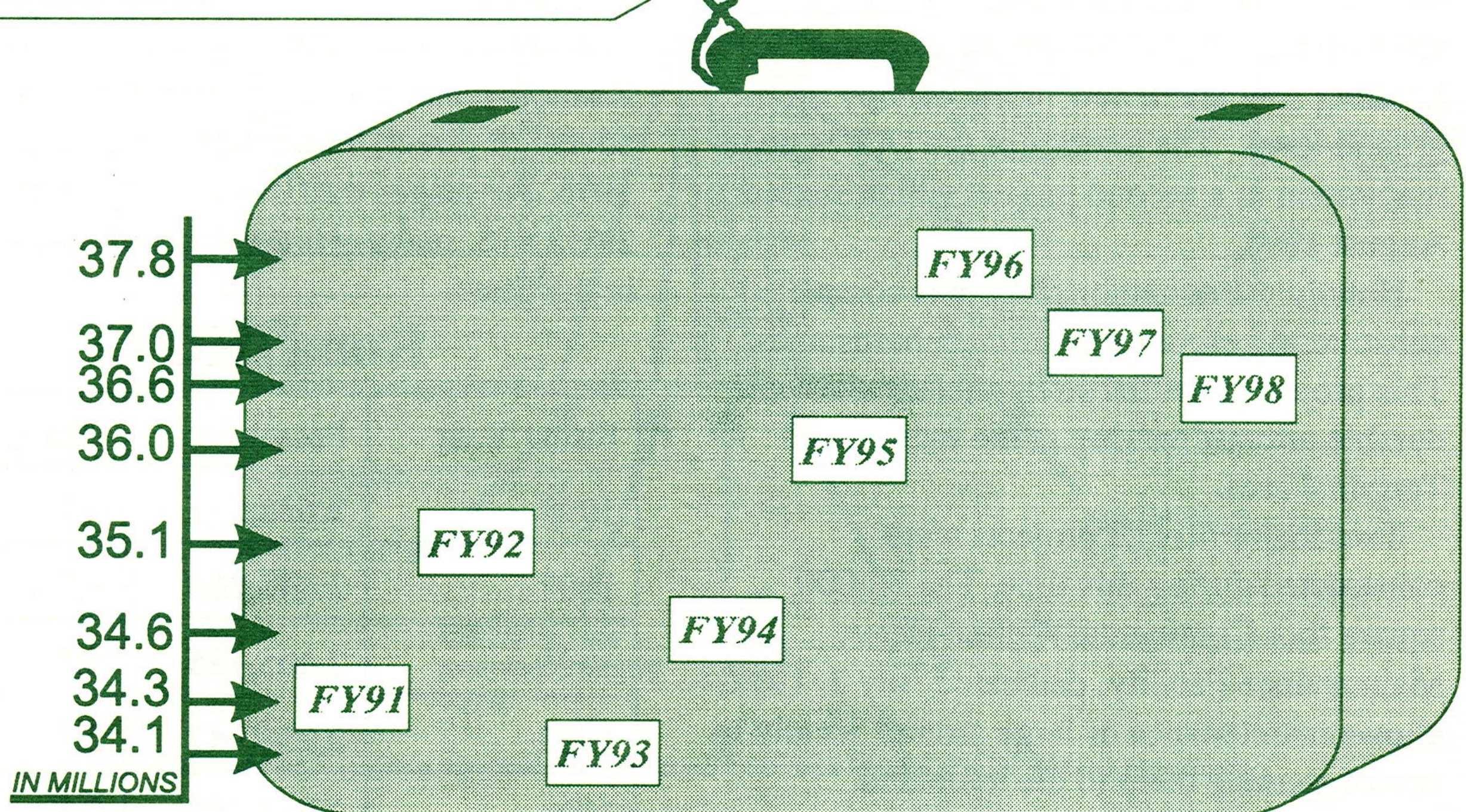
In Calendar Year 1997, Honolulu International Airport was the 18th busiest airport in the United States, 33rd in the world.

## Honolulu (HNL)

Fiscal Year	Passengers	Change
1998	23,458,853	(2.1)
1997	23,954,711	(2.1)
1996	24,464,866	5.3
1995	23,232,778	1.6
1994	22,449,366	1.1

## Passenger Traffic

HAWAII AIRPORTS



Airport	Cargo (tons)			Mail (tons)			Operations		
	FY97	FY98	% Change	FY97	FY98	% Change	FY97	FY98	% Change
HNL	392,278	416,986	6.3	97,316	97,501	0.2	368,188	338,002	(8.2)
OGG	44,237	38,739	(12.4)	6,039	9,363	55.0	176,563	170,599	(3.4)
ITO	27,761	25,197	(9.2)	3,931	3,495	(11.1)	89,530	112,070	25.2
KOA	23,932	24,385	1.9	2,437	2,193	(10.0)	83,182	85,759	3.1
LIH	12,484	14,551	16.6	2,673	2,962	10.8	110,454	107,837	(2.4)
LNY*	706	917	29.9	100	118	18.0			
MKK	773	1,186	53.4	104	149	43.3	47,119	45,050	(4.4)
MUE*	122	35	(71.3)	36	583	1,519.4			
HNM*	1	1	0	0	0	0			
LUP*	11	79	618.2	7	5	(28.6)			
JHM*	708	730	3.1	0	1	100.0			

Empty cells mean data not recorded. MUE=Waimea-Kohala; HNM=Hana; LUP=Kalaupapa; JHM=Kapalua.

Work has been completed on modifications to the International Arrivals Building (IAB) at Honolulu International Airport. This project provided exterior improvements to the IAB to improve passenger comfort. The project included a new glass roof on the second level, renovation of the Group Tour area on the second level, renovation of the Baggage Loading area and a new fabric canopy on the ground level. The interior of the IAB is under renovation in a second project which started August 1998.

Honolulu International Airport completed constructing eleven new aircraft hardstands. This project provided strengthened and more durable aircraft parking at the Interisland Terminal area.

Two major private projects were constructed during this time. The 85,000 square foot Continental Airline Heavy Maintenance Facility, dedicated July 3, 1998, allows maintenance of large aircraft locally in lieu of sending them to the mainland.

United Airline's new state-of-the-art cargo facility, is scheduled to be completed in August, provides more than 65,000 square foot of cargo space.

The State assisted the airlines with their projects through site work, tax credits and special facility bonds.

Traffic at Kona International Airport at Keahole continues to increase since the advent of direct, international flights in June 1996. Passenger traffic was up 7.7% to 2,632,515, making it the third busiest airport in the State.

### Kona (KOA)

Fiscal Year	Passengers	Change
1998	2,632,515	7.7
1997	2,445,265	1.7
1996	2,405,435	6.5
1995	2,258,947	2.1
1994	2,211,497	0.1

Kahului Airport is the second busiest airport in the State, with 5,919,532 passenger in Fiscal Year 1998

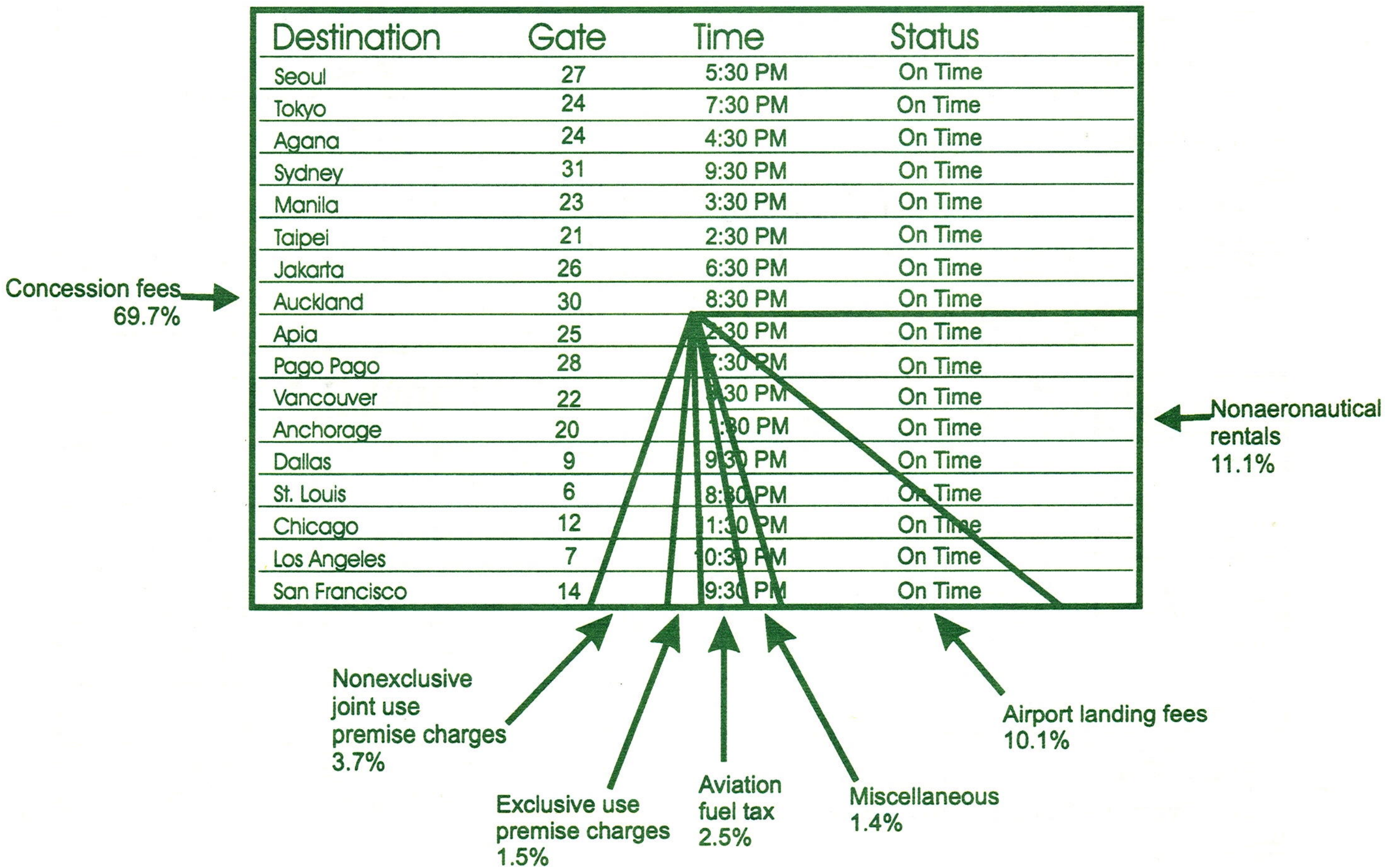
### Kahului (OGG)

Fiscal Year	Passengers	Change
1998	5,919,532	1.9
1997	5,806,325	(4.4)
1996	6,073,465	2.8
1995	5,909,863	7.5
1994	5,499,374	1.9

Most of the Kahului Airport projects were delayed until the Federal Environmental Impact Statement (EIS) could be approved. The Record of Decision (ROD) on the master plan was made by the Federal Aviation Administration (FAA) on August 26, 1998. The ROD gave unconditional approval to all projects except for the long-range projects. Mitigation measures includes a Alien Species Action Plan.

Lihue Airport is the fourth busiest airport in the State, with 2,583,365 passengers in Fiscal Year 1998 an increase of 1.3% over Fiscal Year 1997.

## Airport Revenues



Note: Airport system support charges made up less than 0.0% of Airport revenues.

## Lihue (LIH)

Fiscal Year	Passengers	Change
1998	2,583,365	1.3
1997	2,550,621	(0.7)
1996	2,569,741	8.1
1995	2,376,211	11.1
1994	2,139,630	16.3

On April 21, 1998, the General Aviation Apron and T-Hangars were dedicated. This project constructed two small aircraft hangars to replace the facilities that were damaged by Hurricane Iniki.

Work is also ongoing on an Environmental Impact Statement for the master plan at Lihue Airport. Once approved, it will allow for various improvements, including runway extension, at Lihue Airport.

Hilo International Airport traffic increased slightly to 1,635,964 passengers in Fiscal Year 1998.

## Hilo (ITO)

Fiscal Year	Passengers	Change
1998	1,635,964	0.2
1997	1,633,153	0.0
1996	1,633,066	1.0
1995	1,624,787	2.0
1994	1,593,522	(0.1)

Master Plans are in progress for Port Allen, Upolu, Waimea-Kohala, Lanai and Molokai Airports.

Design is in progress for Precision Approach Path Indicators (PAPI) at Lanai, Hana, Port Allen and Kaulapapa Airports. A

PAPI system will provide for safer landings at these airports. Also, the FAA is installing an Instrument Landing System (ILS) at Lanai Airport to assist bad weather landing.

## Molokai (MKK)

Fiscal Year	Passengers	Change
1998	244,180	(7.3)
1997	260,217	8.2
1996	240,420	(3.3)
1995	248,519	(6.0)
1994	264,290	(12.4)

## Kapalua (JHM)

Fiscal Year	Passengers	Change
1998	156,642	(14.7)
1997	183,678	22.1
1996	150,404	8.0
1995	139,273	(54.7)
1994	307,363	(7.8)

## Lanai (LNY)

Fiscal Year	Passengers	Change
1998	182,226	10.7
1997	164,594	(5.8)
1996	174,773	1.6
1995	172,052	11.2
1994	154,716	10.7



# Department of Transportation

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**T**he Department of Transportation was formed shortly after Hawaii became a state in 1959. It has three divisions, Airports, Harbors and Highways, which are supported by 10 departmental staff offices. The offices are Statewide Transportation Planning, Hazardous Materials, Public Affairs, Visitor Information, PPB Management and Analytical, Personnel, Business Management, Contracts, Computer Systems and Services, and Property Management.

The objective of the Department of Transportation is to facilitate the rapid, safe and economical movement of people and goods into, within, and out of the state by providing and operating transportation facilities and supporting services.

## 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 revenue to pay for program operation and maintenance costs and to 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 after 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.

Since the Capital Improvement Program is large, the DOT continues to rely on reimbursable General Obligation Bonds and federal aid to help fund programs and projects.

## Airport Revenue Fund

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

## Harbor Special Fund

The Harbor Special Fund was established under Section 266-19, HRS. The majority of the fund's revenues come from fees and charges for wharfage, dockage, demurrage, and the rental of land and wharf space at the state's commercial harbors. The remaining amount is generated from various service charges, permits and licenses.

## Highway Fund

The State Highway Fund was established under Section 248-8 HRS, as amended. The principal sources of revenue are a 16 cent per gallon fuel tax and a vehicle weight tax of 3/4 cent per pound for vehicles weighing less than 4,000 pounds, 1 cent per pound for vehicles between

# Airports Division

## Statements of Revenues, Expenses and Changes in Retained Earnings

Years ended June 30	1998	1997
<b>Operating Revenues</b>		
Concession Fees	174,111,548	170,484,774
Airport landing fees	3,854,843	34,370,967
Aeronautical rentals:		
Nonexclusive joint use premise charges	27,732,606	27,600,084
Exclusive use premise charges	25,278,608	24,823,584
Nonaeronautical rentals	9,217,126	11,570,000
Aviation fuel tax	3,527,963	3,674,762
Airports system support charges	78,478	561,395
Miscellaneous	6,148,372	6,324,147
<b>Total Operating Revenues</b>	<b>249,949,544</b>	<b>279,409,713</b>
<b>Operating expenses other than depreciation</b>	<b>125,158,064</b>	<b>119,248,811</b>
Operating income before depreciation	124,791,480	160,160,902
Depreciation	73,512,592	72,630,158
<b>Operating Income</b>	<b>51,278,888</b>	<b>87,530,744</b>
<b>Nonoperating revenues (expenses):</b>		
Interest income:		
Certificates of deposit, repurchase agreements and U.S. Government securities	44,043,117	38,533,124
Investment in direct financing leases	3,127,386	2,458,081
Notes receivable	85,200	19,946
Interest expense:		
Revenue Bonds:		
Airport system	(77,229,759)	(78,448,623)
Special facility	(3,127,386)	(2,458,081)
General obligation bonds	(92,509)	(136,316)
Loss on disposal of property, plant and equipment	(36,793,750)	(31,287,577)
<b>Total nonoperating expenses, net</b>	<b>(69,987,701)</b>	<b>(71,319,446)</b>
<b>Net income</b>	<b>(18,708,813)</b>	<b>16,211,298</b>
Depreciation expense transferred to contributed capital - Federal Government grants	10,403,892	10,457,206
<b>Retained earnings at beginning of year</b>	<b>1,059,425,788</b>	<b>1,032,757,284</b>
<b>Retained earnings at end of year</b>	<b>1,051,120,867</b>	<b>1,059,425,788</b>

## PROJECTS COMPLETED & IN PROGRESS FISCAL YEAR 1997-1998

PROJECT	STARTED	COMPLETED	COST	DESCRIPTION
Kona Int'l Airport Terminal Improvements Phase II	4/97	9/98	\$6.9M	Lighting/security improvements
Kona Int'l Airport Road N	9/96	8/98	\$5.2M	Construct service road
Kona Int'l Airport Upgrading of Utilities Phase I	9/96	9/98	\$3.4M	Improvements to elec/com/water system
Lihue Airport Apron and T-Hangars	10/96	6/98	\$6.2M	Construct apron and t-hangars for G.A. aircraft
Kahului Airport ARFF Training Facility	1/97	11/97	\$2.1M	Construct ARFF training facility
Honolulu Int'l Airport Architectural Barrier Removal	10/97	7/98	\$1.6M	Upgrades for ADA compliance
Honolulu Int'l Airport Renovation of District Office	3/96	10/97	\$800,000	Renovate 4 <sup>th</sup> and 5 <sup>th</sup> floor offices
Honolulu Int'l Airport Modifications to Int'l Arrival Building	10/97	8/98	\$3.6M	Improvements to Int'l Arrival Building exterior
Honolulu Int'l Airport United Airlines Cargo Facility Site Prep	10/97	1/98	\$1.4M	Site Preparations for UAL Cargo Facility
Honolulu Int'l Airport Intermodal Landscaping	9/97	12/97	\$796,262	Landscaping on Elliot Street and Lagoon Drive
Honolulu Int'l Airport Animal Quarantine Holding Facility	5/97	10/97	\$594,000	Animal Inspectional Service Kennels
Honolulu Int'l Airport Security System Phase IIIB	11/96	12/97	\$463,567	Access control and video monitoring system
Honolulu Int'l Airport Fire Alarm System Phase II	11/96	6/98	\$2.3M	Update airport fire alarm system
Honolulu Int'l Airport Emergency Power System	10/96	3/98	\$7.1M	Improvements to Airfield Emer. Power System
Honolulu Int'l Airport Electrical Distributions Sys Modernization	10/96	6/98	\$1.6M	Improvements to Terminal Emer. Power System
Honolulu Int'l Airport Relocate Elliot St. Employee Parking	5/97	10/97	\$760,000	Relocation due to Federal Detention Center
Honolulu Int'l Airport Interisland Terminal Hardstands	1/98	7/98	\$1.1M	Construct eleven concrete aircraft parking pads
Honolulu Int'l Airport Reconstruction of Main Sewer Line	5/98	8/98	\$1.2M	Reconstruct under overseas terminal
Harbor Facilities on Oahu	8/96	8/98	\$20,000	Provide fire sprinkler system services
Harbor Facilities on Oahu	8/96	8/98	\$10,000	Provide fire extinguisher services
Harbors Maintenance Baseyard, Honolulu	6/98	8/98	\$85,000	Repaint exterior of sheds
Harbors Maintenance Baseyard, Honolulu	3/98	6/98	\$12,000	Repaint exterior of office
Harbors Maintenance Baseyard, Honolulu	2/98	4/98	\$340,000	Roofing repairs
Honolulu Harbor, Pier 39	5/95	2/98	\$5.4M	Improvements Phase 2
Honolulu Harbor, Pier 40	1/97	11/98	\$12.8M	Shed and storage yard
Honolulu Harbor, Pier 51-53 & CFS Building	4/97	8/97	\$12,200	Improvements Phase 2
Honolulu Harbor, Libby/Auiki Streets Intersection	7/96	8/97	\$900,000	Roadway improvements
Honolulu Harbor, Pier 15 Improvements	6/98	7/99	\$1.43M	Improvements to pier
Honolulu Harbor	7/96	7/98	\$45,000	Maintenance of elevators & escalators
Honolulu Harbor, Pier 1	8/97	11/97	\$80,000	Pavement repairs
Honolulu Harbor, Piers 1-2	4/98	7/98	\$400,000	Replace waterline
Honolulu Harbor, Fort Armstrong	4/97	8/97	\$265,000	Repaint shed interior
Honolulu Harbor, Fort Armstrong	1/97	8/97	\$100,000	Pavement repairs
Honolulu Harbor, Fort Armstrong	4/98	6/98	\$40,000	Repaint lightpoles
Honolulu Harbor, Fort Armstrong	12/97	3/98	\$57,000	Repair control tower stairs
Piers 8-9 Honolulu	3/98	7/98	\$220,000	Replace waterline
Pier 8 Honolulu	6/98	8/98	\$85,000	Repair fender system
Honolulu Harbor, Piers 10-11	5/97	8/97	\$130,000	Repair fender system
Honolulu Harbor, Pier 11	2/97	8/97	\$220,000	Repair air conditioning system
Honolulu Harbor, Piers 13-14	6/98	8/98	\$60,000	Repair roll-up doors
Honolulu Harbor, Aloha Tower	6/97	7/98	\$825,000	Interior improvements
Piers 19-21 Honolulu	8/97	2/98	\$185,000	Replace waterline
Honolulu Harbor, Pier 21	11/97	7/98	\$125,000	Electrical system improvements
Honolulu Harbor, Pier 23	1/97	3/98	\$14,000	Repair underside of shed roof
Honolulu Harbor, Pier 24	8/97	10/97	\$175,000	Pavement repairs
Honolulu Harbor, Pier 26	6/97	6/98	\$15,000	Vapor extraction system services
Honolulu Harbor, Pier 31	2/98	4/98	\$125,000	Repair gutters and downspouts
Honolulu Harbor, Piers 31-33	10/96	2/98	\$310,000	Repair substructure
Honolulu Harbor, Piers 31-33	2/98	7/98	\$150,000	Repair substructure
Honolulu Harbor, Pier 31-36	3/98	5/98	\$52,000	Repaint lightpoles
Honolulu Harbor, Pier 32	1/98	7/98	\$626,500	Tank farm demolition and remove pipeline