

DEPUTY DIRECTOR



# STATE OF HAWAII

IN REPLY REFER TO:

HONOLULU, HAWAII 96813

June 30, 1964

HONORABLE JOHN A. BURNS Governor, State of Hawaii Honolulu, Hawaii

Dear Governor Burns:

The Department of Transportation submits its annual report for the fiscal year ended June 30, 1964.

During the first full year of your administration, the Department moved ahead with major airport, harbor and highway projects which promise long-range benefits to all Hawaii.

Remodeling began on Piers 8 through 11 at Honolulu Harbor to create a new passenger-freight terminal. A half-million-dollar project was completed at Kahului Harbor on Maui to permit extension of container service to that island, and each of our four major islands now has a deepwater harbor which is handling containers.

We granted a contract to complete the new jet runway at General Lyman Field, Hilo. The first Hawaii unit of the National Interstate and Defense Highway System went under construction.

The Department has been taking part in the Oahu Transportation Study, a coordinated effort of agencies concerned with the Capital Island's transportation problems.

We look forward to continued progress in every area of transportation.

Very truly yours,

Lujio Matsuda FUJIO MATSUDA

Director

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#### DEPARTMENTAL AND STAFF ACHIEVEMENTS

The Department of Transportation, created by an Executive Order dated January 20, 1960, has brought together under a single cabinet officer the functions of three previously independent agencies.

The principal functions formerly performed by these agencies are now being carried out by the Airports, Harbors and Highways Divisions of the Department of Transportation.

In addition to the three program divisions, the Department's organization includes staff offices and units which coordinate the divisions' budgeting and long-range capital improvements programming, handle land acquisition and property management matters, provide personnel, fiscal and office services, and carry out special projects, such as the organization and direction of studies assigned to the Department by the Legislature.

The Administrative Services Office during fiscal year 1963-64 strove to improve the quality of current services being rendered to the program divisions. The principal results of these efforts were the following accomplishments:

- 1. Detailed accounting coding procedures were completely revised and installed to conform to the new state-wide accounting system established by the State Comptroller.
- 2. Data processing of the fiscal accounts of the Highways Division was converted from the IBM 1620-407 to the IBM 1401 computer system as a part of the newly instituted state-wide informational system established and maintained by the State Department of Accounting and General Services.
- 3. Accounting of the Harbors Division funds was changed from a single entry to a double entry system to secure better control of revenues and expenditures which will enable the department to present a fairer picture of the operations to the bondholders and other interested parties.
- 4. Purchasing activities were further centralized to secure better planning and control of expenditures and to implement the central purchasing plan established by the State Comptroller.
- 5. The filing system in the Central File Office was changed from the cabinet filing plan to a vertical open shelf plan with resultant savings in space, equipment cost and staff time.

- 6. Plans to print all departmental forms previously purchased from commercial firms on the department's offset printing machines were effected with resultant savings in expenditures. Likewise, a plan to make memo pads, route slips and other similar office supplies previously purchased from commercial firms was installed with favorable results.
- 7. Specific out and in-service training plans were devised and implemented in coordination with the state-wide training program established by the Governor's Office. In this process, a total of 563 employees (47% of the department's personnel) received 4,993 man-hours of selected training.

The Planning and Programs Office is responsible for co-ordinating the development of the Department of Transportation's statewide long-range transportation program, preparing the annual departmental capital improvements budget, and maintaining constant check on the present and future availability of funds for harbor, airport, and highway projects.

Planning program development is a continuing process. The six-year capital improvements programs developed by the divisions are reviewed and revised annually by the Planning and Programs Office to assure implementation of the department's goals and plans, and to prevent duplication or conflicts between divisions or other agencies. After reviewing and coordinating each division's program, the Planning and Programs Office consolidates the divisions' programs into a departmental capital improvements program for presentation to the Governor. After review and amendment by the Governor, the department's program is incorporated into the Executive Capital Budget for consideration by the Legislature.

Estimates of revenues from both state and federal sources are made from information furnished from the divisions, the departmental fiscal section, and from other agencies involved. After allowances for the operating needs of the divisions are made, the remaining funds estimated to be available to each division for capital expenditure are determined. Such remaining funds are allocated to specific projects for each division to be financed on a pay-as-you-go basis, until the funds are depleted. The remaining projects must then be financed by bonds or by general revenues of the state. The Planning and Programs Office recommends the best means of financing for each project.

In the past year, concerted effort was directed by the Planning and Programs Office, working with the Fiscal Section, in clarifying the status of the various highway project funds which were authorized from the Highway Special Fund. Detailed review was also made to determine the status of federal reimbursements receivable by the

state for airport projects. Finally, procedures for the use of job authorizations as a means of project control were prepared for implementation by the three divisions commencing with fiscal year 1964-65.

It is the responsibility of the Planning and Programs Office to determine means of financing our highway fund needs. With the Interstate and Defense Highway Program placing heavy demands upon our highway funds, the department proposed an ad-valorem tax on motor vehicles for legislative consideration. This tax was to have increased the revenues of the Highway Special Fund by assessing a tax on motor vehicles based on the value of the vehicles. This proposal was not adopted by the Legislature. Proposals will and must be presented to our next Legislature since the financial situation is now very critical.

During the past fiscal year, in line with legislative authority, the Department of Transportation made further studies into the feasibility of establishing an Inter-Island Ferry System. The Hawaii State Legislature by Act 186, SLH 1963, authorized the Department of Transportation to "acquire by lease, charter, contract, purchase, condemnation or construction, and partly by any or all of such means, and to thereafter operate, improve and extend, as a public undertaking and enterprise, a system of ferries between the islands of the State and connecting with the public streets and highways in the State, such system of ferries to include such boats, vessels, wharves, docks, approaches, landings, franchises, licenses, and appurtenances, as shall be determined by the department to be necessary or desirable for the efficient operation of a ferry system to best serve the public."

Engineering, financial and legal consultants from New York were engaged to help the Department of Transportation in its studies to determine the feasibility of financing the proposed ferry system by the sale of revenue bonds. A public opinion poll was also conducted in which the views of the general public were sought concerning modes of inter-island transportation and to develop information about the vacation habits and preferences of the public that might facilitate estimates of probable passenger and automobile ferry traffic. Members of the department also availed themselves of opportunities to obtain independent information and make observations on various modes of transportation which might be suitable for use in the proposed ferry system, now or in the future.

The reports of the New York consultants revealed that the recommended system of two ferry ships would necessitate an extremely high subsidy by the State to operate the system.

Also, that certain amendments would have to be made to Act 186, SLH 1963 in order to make the revenue bonds marketable.

Presentations of the Department's studies of the past year were made to the Legislature; however, no action to amend the bill was taken. The Legislature, however, requested that an independent study be conducted by the University of Hawaii to determine the impact and benefits that a ferry system would have on neighbor island economy.

The highlight of the acquisition program for the fiscal year was the completion of rights of way acquisition for that section of the Interstate Highway from First Avenue to Koko Head Avenue in Kaimuki. Thirteen parcels, three easements and access rights along one boundary were acquired during the past year at a cost of \$105,629, completing the acquisition.

The Property Management Office also took part in the preparation of the "1965 Estimate to Complete the System of Interstate and Defense Highways in the State of Hawaii."

The estimate of right-of-way costs was prepared by this office in accordance with Section 104(b)(5), Title 23, U. S. Code, High-ways, and showed that a total of \$78.8 million will be required to acquire the rights of way necessary to complete the system.

Act 187, S.L.H. 1963, which became effective on June 4, 1963 provided for assistance to families and businesses displaced by Federal-aid highway construction. The Act provides for payments for moving costs in amounts not to exceed \$100 in the case of families and \$300 in the case of businesses affected. This office assisted 51 families and eight businesses to receive payments during the past year.

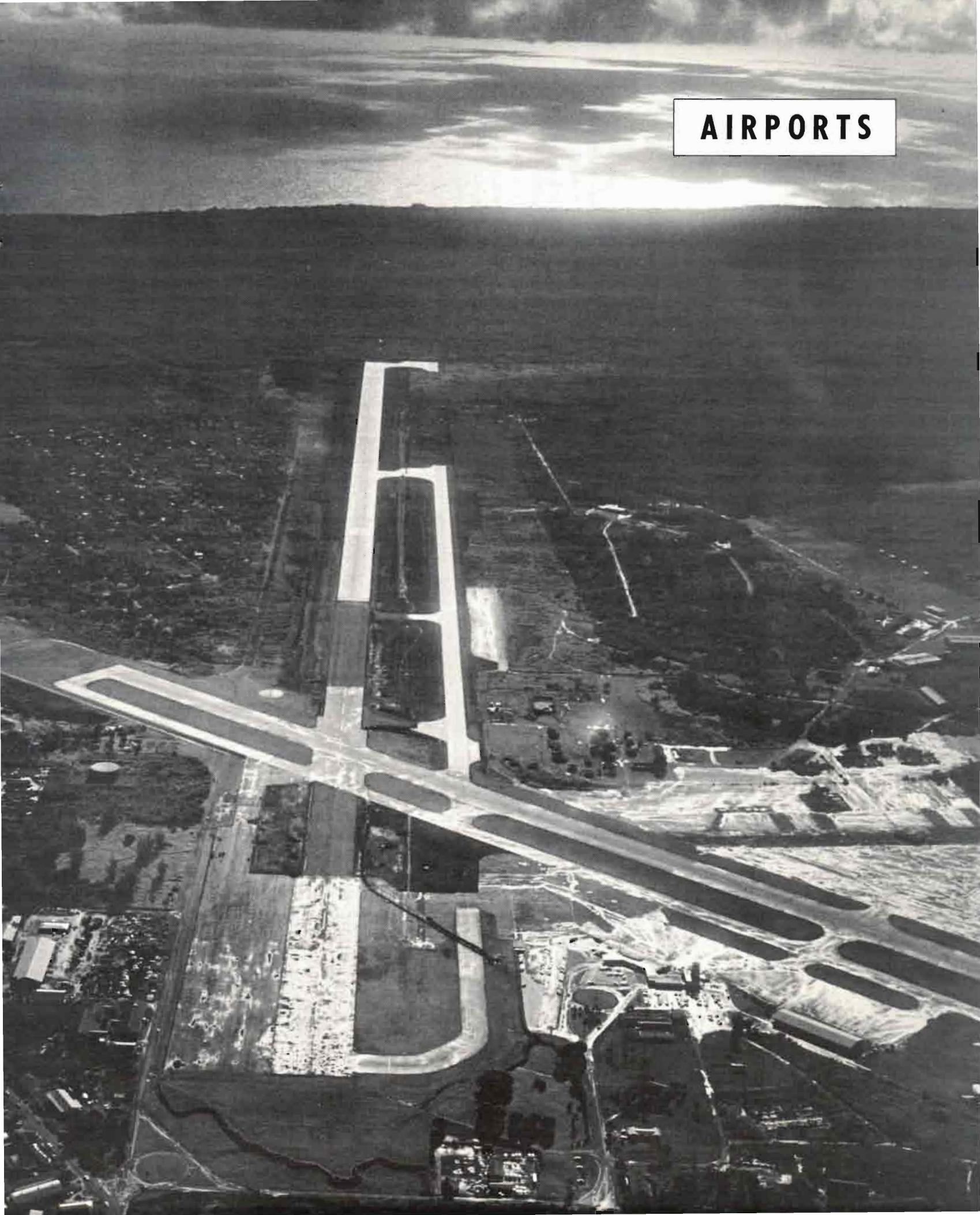
Properties containing buildings, acquired for highway purposes but not needed immediately for construction, are rented through this office. An average of 140 units of this type were rented during the fiscal year, returning a rental income of \$148,827.

Sales, by public auction, of buildings within the right of way are also handled by this office. Seven auction sales were conducted during the past year, returning \$10,258 to the State.

The Acquisition Section acquired 164 parcels and remnants for \$1,051,329.74, including 134 acquired by deed at \$713,969.16 and 27, for \$337,360.58, by final order of condemnation.

In addition, 27 easements and access rights were acquired for token sums.

The Abstracting Section issued 249 certificates and 218 continuations.



#### AIRPORTS DIVISION ACHIEVEMENTS

Fiscal Year 1963-1964 was a year of continued progress in Airports Division's unceasing efforts to provide the citizens of our State and our many visitors, from all over the globe, with the safest and best airports system possible.

The fiscal year which ended June 30, 1964, saw 296,198 air-craft operations at Honolulu International Airport, including 87,834 air carriers, 63,667 general aviation and 144,697 military.

At Honolulu International Airport, the two largest physical improvements were: (1) the resurfacing of the two parallel Runways 4L-22R and 4R-22L and the taxiways providing access to them, and (2) the installation at the end of Runway 8 of a cable barrier-type arresting gear designed to save fighter planes with landing or takeoff problems. This system operates on the same principle as that used aboard aircraft carriers where a hook descending from the tail of the plane holds onto one of the cables stretched across the end of the runway and prevents the plane from overrunning the end of the landing strip.

The continuing increase in air carrier activity at Honolulu International Airport in turn creates a greater need for a general aviation airfield in the central or southern part of Oahu, where most of the State's population lives. The private and light plane flying should be separated from the military and commercial air carriers at Honolulu International Airport. So far the State has not been able to find a suitable site for a general aviation airfield and to finance its acquisition.

Because of its rather remote location on northern Oahu, Dillingham Field is not considered a satisfactory answer to the needs of Oahu's small plane operators.

In December, 1963, a representative of the Division was employed at Dillingham Field on a regularly scheduled full-time basis. The airport custodian provides a custodial-maintenance function at the airfield during daylight hours, which is especially appreciated over the weekends. His standard equipment includes an Ansul Dry Chemical Fire Jeep for crash fire protection for general aviation flyers.

The problem of providing a seaward jet runway at Honolulu International was not solved this fiscal year and the difficulties of acquiring land and financing are still the major hurdles holding up the solution of this costly project. In the meantime, heavily laden fuel tankers continue takeoffs over Honolulu. This fiscal year did, however, see more governmental agencies and private citizens intensifying their interest and concern and the Division hopes this greater interest and effort will soon bear fruit.

To provide better administrative and operational control, the Visitor Information Program was integrated into the Airports Division. The General Manager of the Visitor Information Program for the Transportation Department is still responsible for the planning, coordinating, and implementation of the various activities of the program.

Total statewide airport and harbor operations of the Visitor Information Program during the year included assistance to 390,840 visitors, distribution of 95,154 pieces of literature and conducting of 138 airport tours.

At the close of the year, the staff included the equivalent of about 32 full-time employees.

On February 13, 1964, Hilo was the scene of a near-catastrophe when an inter-island aircraft rolled off the end of the runway, across a road and into a ditch, after landing at General Lyman Field. Several passengers received minor injuries and the plane was declared a total wreck.

An instrument landing system for Runway 2-20 at Kahului Airport was installed and commissioned by the Federal Aviation Agency on November 9, 1963. Kahului thus became the second airport to have an all-weather instrument runway, the other being Honolulu International.

On December 18, 1963, the Department of Transportation engaged the firm of Vladimir Ossipoff and Associates to prepare plans, specifications and estimates for the new terminal building at Kahului Airport, Kahului, Maui, with anticipated completion of the terminal scheduled for the fall of 1965.

The United States Weather Bureau commenced construction of a new balloon inflation building at the airport at Lihue during the first part of 1964. Work should be accomplished by the end of the summer.

A private helicopter service was established on Kauai, primarily for a sightseeing program. It employs a Bell helicopter carrying three passengers plus crew. Acceptance of the Na Pali Coast helicopter tour from Lihue Airport has been enthusiastic, and additional equipment is now being considered.

Among the interesting "firsts" for island aviation in 1963 was the inauguration of the first U. S. jet service to Tahiti by Pan American on December 28. Earlier in the year (April 1), Aloha Airlines inaugurated Hawaii's first inter-island scheduled night flight by offering night service to Kauai at a reduced fare. The flights proved so popular that both Aloha and Hawaiian now offer regular night service and include not only Kauai but also Maui and Hawaii.

One of the problems at Honolulu International Airport that has slowly resolved itself was the complaint by the concessionaires, during the first few months of operation at the new terminal, that sales and profit margins were not up to expectations. As this fiscal year drew to a close, the cash registers were jingling a brighter tune.

The Federal Aviation Agency for the calendar year 1963 rated Honolulu's airport the tenth busiest in the nation. Aircraft movements, including arrivals and departures of all types of aircraft totaled 258,869 for that period.

The following list summarizes projects which were under construction at State airports during fiscal year 1964.

The contract amounts may reflect revisions and may differ from the original contract amounts reported in the "Airport Construction Contracts" lists.

PROJECTS STARTED PRIOR TO FISCAL YEAR AND COMPLETED DURING FISCAL YEAR

#### OAHU

#### Honolulu International Airport

Stage 20, Part 1 - Construction of Road "U" in satellite storage area, extension of Road "S" in fixed-base operators area, extension of Taxiway "E", and construction of Taxiways "Z" and "E" - FAAP Project No. 9-52-007-6307.

Contract amount, \$782,230.46; completed September 24, 1963.

#### KAUAI

### Lihue Airport

K-23 - Addition and alteration to Menehune Restaurant Construction of a hollow-tile and wood-frame addition to dining and bar area; construction of a patio.

Contract amount, \$41,862.03; completed September 27, 1963.

K-20 - Erection of T-hangars
Assembly and erection of pre-fabricated steel building
33 feet by 131 feet for light aircraft.

Contract amount, \$9,344.92; completed July 5, 1963.

PROJECTS STARTED AND COMPLETED DURING FISCAL YEAR

#### OAHU

# Honolulu International Airport

Stage 24 - Strengthening of Runway 4R-22L and Taxiways "C" and "E" and widening of Taxiway "Y" - FAAP Project No. 9-52-007-C308.

Contract amount, \$534,267.11; completed April 15, 1964.

# PROJECTS STARTED DURING FISCAL YEAR AND NOT COMPLETED AT END OF FISCAL YEAR

#### OAHU

## Honolulu International Airport

Project No. S0-64-1 - Resurfacing of Runways 8-26 and 4L-22R and Taxiways "B", "D" and "G".

Contract amount, \$279,245.00.

#### HAWAII

# General Lyman Field

FAAP Project No. 9-52-008-C307 - Completion of Extension and Reconstruction of Runway 8-26.

Contract amount, \$2,191,760.50.

## AIRPORT CONSTRUCTION CONTRACTS

Project and Location	Contractor and Date	Amount
Strengthening Runway 4R-22L, Taxiways C and E and Widening Taxiway Y, Honolulu International Air- port, Stage 24	Haw'n. Bitumuls & Paving Co., Ltd. August 6, 1963	\$ 540,148.60
Completion of Extension and Reconstruction of Runway 8-26, General Lyman Field, FAAP Project No. 9-52-008-C307	James W. Glover, Ltd. September 4, 1963	2,191,760.50
Resurfacing of Runways 8-26 and 4L-22R and Taxiways B, D & G, Honolulu International Airport, Project No. S0-64-1	Haw'n. Bitumuls & Paving Co., Ltd. March 25, 1964	279,245.00
	TOTAL	\$3,011,154.10

# AIRPORTS DIVISION FINANCIAL STATISTICS

Combined Balance Sheet - June 30, 1964 and 1963

	- J U N E 1964	3 0 <b>-</b> 1963
<u>ASSETS</u>		
CASH:		
With Director of Finance, State of Hawaii Time Certificates of Deposits On Hand, Undeposited With Fiscal Agents	\$ 5,162,288 329,000 3,853 322,522	\$ 4,597,037 1,264,000 1,858 313,965
Total Cash	5,817,663	6,176,860
RECEIVABLES: Accounts, net Aviation Fuel Taxes Recoverable Costs from U. S. Government	615,765 132,763	549,309 117,841
For Grants-In-Aid		41,013
	748,528	708,163
DUE FROM OTHER FUNDS DEPOSITS INVENTORY, MATERIALS & SUPPLIES AVIATION PROPERTIES	652,703 1,500 49,463	425,801 1,506 51,522
Land	5,421,038 7,961,068 728,300 31,396,111	5,413,823 7,832,338 690,567 28,947,701
AMOUNT AVAILABLE AND TO BE PROVIDED FOR RETIREMENT OF BONDS AND PAYMENT OF INTEREST	45,506,517 36,331,724 3,000,000	42,884,429 37,607,145 3,000,000
TOTAL ASSETS	\$92 <b>,</b> 108,098	\$90,855,426
LIABILITIES, RESERVES AND FUND BALANCES LIABILITIES:		
Vouchers and Contract Payables	\$ 176,258 123,772 322,414 36,326 179,231 627,399	\$ 124,943 228,131 313,965 44,721 153,830 426,094
LONG TERM DEBT	1,465,400	1,291,684
Bonds Payable Interest Payable - Future Years RESERVE FOR INVESTMENT IN AVIATION PROPERTIES RESERVE FOR ENCUMBRANCES FUND BALANCES	22,047,953 14,283,771 45,506,517 181,498 8,622,959	22,451,746 15,155,399 42,884,429 766,966 8,305,202
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	\$92,108,098	\$90,855,426

# AIRPORTS DIVISION FINANCIAL STATISTICS

Combined Analysis of Changes in Fund Balances Fiscal Years Ending June 30, 1964 and 1963

	Fiscal Year	
	1964	1963
	· · · · · · · · · · · · · · · · · · ·	
FUND BALANCES, JULY 1, 1964 and 1962		
Revenue Fund	\$ 710,792	\$ 1,496,650
Aviation Bond Fund	72,500	5,000
Aviation Bond Reserve Fund	1,206,857	1,261,523
Aviation Operation & Maintenance Fund	262,871	84,543
Aviation Renewal & Replacement Fund	411,668	433,072
	458,044	1,149,868
Series A Construction Fund	3,000,000	3,000,000
Airport Bond Fund, 1961 Authority	20,553	975,547
Capital Improvements Fund	2,161,917	1,642,019
	8,305,202	10,021,222
Add Reserve for Encumbrances, prior years	766,966	3,012,621
Deduct allowance for Doubtful Accounts		
for Prior Year	(24,798)	-
	\$ 9,047,370	\$13,033,843
RECEIPTS:		
Aviation Fuel Taxes	\$ 1.394.986	\$ 1,299,826
Federal Grants in Aid	268,265	1,236,379
Airport Revenues	1,833,541	1,476,989
Airport Use Charges	1,821,460	1,581,014
Interest Earned	80,294	89,440
Concessionaires' Contributions	_	17,023
Legislative Appropriations, State General		
Obligation Bond Fund	259,560	200,000
Transfers From Other Funds		6,757,757
	\$10,943,439	\$12,658,428
EXPENDITURES:	<b>*</b> 5 001 000	¢ 4 000 150
Transfers to Other Funds	\$ 5,321,333	\$ 6,889,158
Construction Costs	2,455,625	7,002,831
Operating Expenses	2,774,751	2,179,535 74,591
Equipment and Motor Vehicles	50,221	74,091
Principal and Interest Payments	504 400	473,988
State General Obligation Bonds	584,422 \$11,186,352	\$16,620,103
	<b>p</b> 11,100,332	
DEDUCT RESERVE FOR ENCUMBRANCES	\$ 181,498	\$ 766,966
FIND DALANCES TIME 20 1064 and 1062		
FUND BALANCES, JUNE 30, 1964 and 1963	¢ 761 007	\$ 710,792
Revenue Fund	\$ 761,927 214,694	72,500
Aviation Bond Fund	1,238,154	1,206,857
Aviation Bond Reserve Fund	816,486	262,871
Aviation Operation & Maintenance Fund	411,168	411,668
Aviation Renewal & Replacement Fund	549,780	458,044
Series A Construction Account	3,000,000	3,000,000
Airport Bond Fund, 1949 Authority 2	12,783	20,553
Capital Improvement Fund		2,161,917
	\$ 8,622,959	\$ 8,305,202
1/ Legislative Authorization Only		
Bonds Unissued, Act 381, SLH 1949		

# ADMINISTRATIVE DIRECTORY

Director of Transportation Fujio Matsuda Deputy Director of Transportation Kaipo Francis Kauka
Staff Officers
Administrative Services Officer John Miki Planning and Programs Officer Munny Y. M. Lee Special Projects Engineer Mrs. Mae Nishioka Property Management and Acquisition Officer
Division Chiefs
Airports
District Officers
Oahu
Airport Manager Eugene L. McManus Harbor Master Eugene L. McManus Highway Construction Engineer . Tetsuo Harano, succeeded in November by Lorenzo C. Fruto Highway Maintenance Engineer Calvin A. Tottori
Hawaii
Airport Manager
Maui
Airport Manager , William Neilson Harbor Master Erich H. Steir Highway District Engineer Hideo Hayashi
Kauai
Airport Manager John W. Cooper Harbor Master William S. Latham Highway District Engineer Fred L. Schumacher

#### DEPARTMENT OFFICES

#### Departmental Administration Offices

Director
Department of Transportation
State of Hawaii
869 Punchbowl Street
Honolulu, Hawaii
Phone - 50-511

#### Airports Offices

Airport Manager, Hawaii Department of Transportation State of Hawaii General Lyman Field Hilo, Hawaii Phone - 3-100

Airport Manager, Maui Department of Transportation State of Hawaii Kahului Airport Kahului, Maui, Hawaii Phone - 729-302 Airport Manager, Oahu Department of Transportation State of Hawaii Honolulu International Airport Honolulu, Hawaii Phone - 855-981

Airport Manager, Kauai Department of Transportation State of Hawaii Lihue Airport Lihue, Kauai, Hawaii Phone - 26-601

#### Harbors Offices

Harbor Master, Hawaii
Department of Transportation
State of Hawaii
Pier 1, Hilo
P. O. Box 1555
Hilo, Hawaii
Phone - 3-957

Harbor Master, Maui Department of Transportation State of Hawaii Pier 2, Kahului P. O. Box 201 Kahului, Maui, Hawaii Phone - 76-051 Harbor Master, Oahu
Department of Transportation
State of Hawaii
700 Fort Street
P. O. Box 397
Honolulu, Hawaii
Phone - 59-372 or 501-461

Harbor Master, Kauai
Department of Transportation
State of Hawaii
Nawiliwili, Kauai
P. O. Box 821
Lihue, Kauai, Hawaii
Phone - 2-901

# Highways Offices

District Engineer, Hawaii
Department of Transportation
State of Hawaii
50 Makaala Street
P. O. Box 403
Hilo, Hawaii
Phone - 53-347

District Engineer, Maui Department of Transportation State of Hawaii 962 Keaoolu Street Kahului Kai (NASKA) P. O. Box 700 Kahului, Maui, Hawaii Phone - 75-061 or 75-062 District Engineer, Oahu Department of Transportation State of Hawaii 721 Kelikoi Street Honolulu, Hawaii Phone - 50-511

District Engineer, Kauai
Department of Transportation
State of Hawaii
New Court House Building
Corner of Umi & Hardy Streets
P. O. Box 287
Lihue, Kauai, Hawaii
Phone - 2726

#### FOR FURTHER INFORMATION

The Annual Report of the State Department of Transportation is intended to provide an over-all view of the Department's activities.

The three major divisions of the department and their various branches also issue periodical or special reports of a more technical nature.

Persons interested in a special phase of the department's operations are invited to direct specific requests for information to the division concerned.

Copies of major reports are usually available for examination at the Public Archives, the University of Hawaii Library, the State of Hawaii Library, the Municipal Reference Library, and the County libraries of Hawaii, Maui and Kauai.

Persons interested in details of the department's tentative long-range construction program are referred to the Governor's Capital Improvements Program.