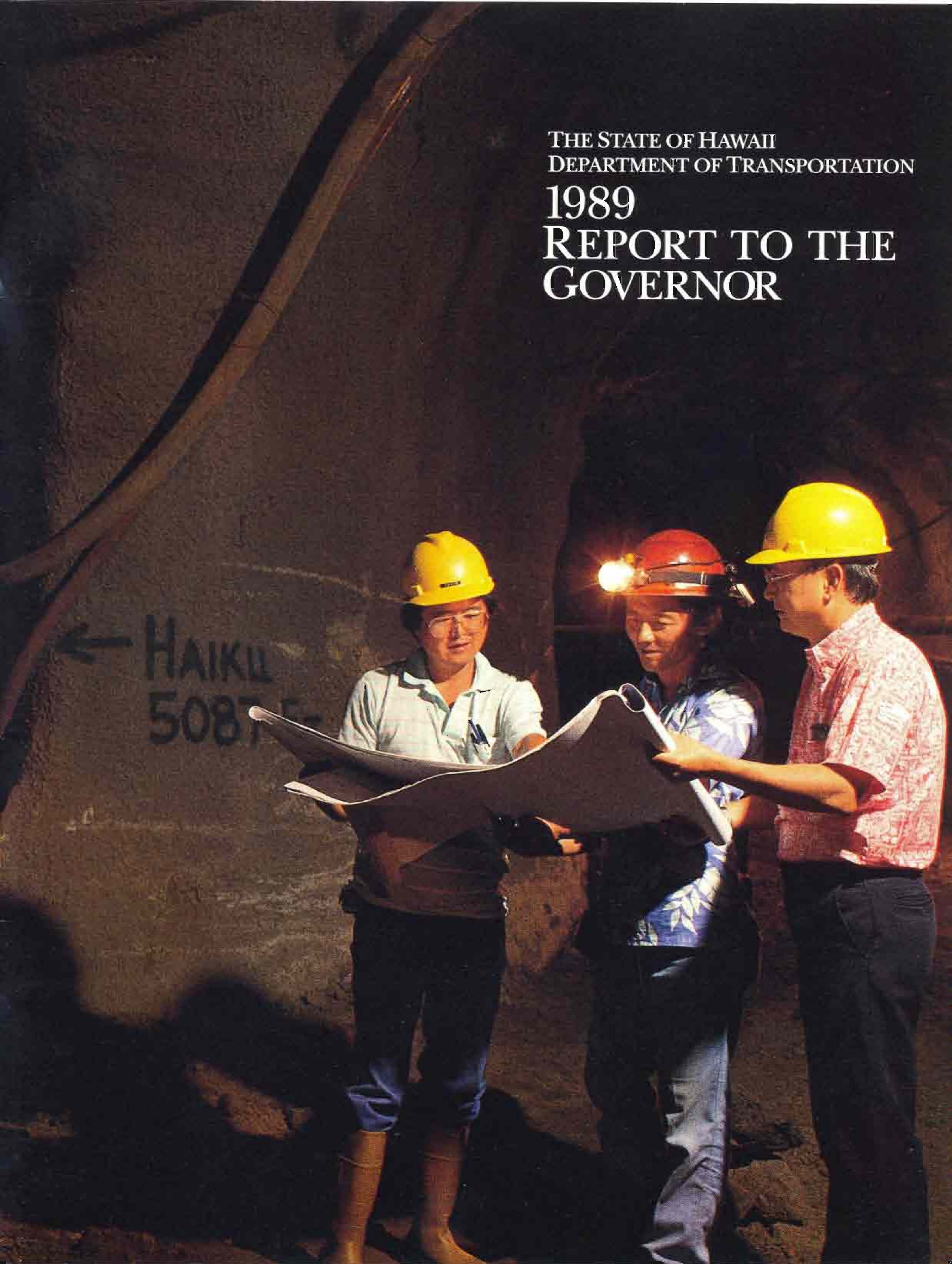


THE STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
1989  
REPORT TO THE  
GOVERNOR



## LETTER FROM THE DIRECTOR

I am pleased to submit the Department of Transportation's annual report for the fiscal year ending June 30, 1989.

The third year of our administration has been a busy and successful one. It has been a year of people working for people. The people who make up the Department have worked to make innovative and successful strides toward meeting our Department's three goals.

Our first goal is to provide economic development by improving our airports, harbors and highways to meet the growing demands being placed on them. Our second goal is to reduce traffic congestion and our third goal is to keep the public informed on what our Department is doing.

In an effort to meet the increasing demands on our airports, harbors and highways, we have continued to

build new facilities while maintaining and improving existing ones.

Exciting work is underway at both Honolulu International Airport and Kahului Airport. Designs for the new Interisland Terminal Complex, new International Terminal Building and South Ramp expansion project are in progress at Honolulu International Airport. In order to accommodate travellers during the interim design and construction phases, we've been renovating our existing airport facilities.

Strides toward reducing traffic congestion have also continued. With the use of contra-flow lanes on Kahekili Highway from Haiku Road to Likelike Highway, we have reduced travel time for motorists by 10 to 15 minutes.

Also, in an effort to increase the utilization of High Occupancy Vehicle lanes, we were successful in getting the

State Legislature to reduce the minimum occupancy requirement from three people to two in April, 1989. Approximately 500 more vehicles are able to use the HOV lanes with this reduction.

We are currently seeking approval from the Federal Highway Administration to extend the HOV lane system so that we may provide motorists with a continuous HOV lane starting from the Mililani and Palailai Interchanges, through Pearl City, past Honolulu International Airport and ending at Nimitz Highway near Middle Street.

During FY 89, planning and work on the Telework Center began. Teleworking will allow employees to work near their homes in centers equipped with computers, modems, fax and copying machines and other state-of-the-art equipment. The concept is to move work along electronic highways, instead of moving people along our freeways to work. We consider Telework Centers to be the highways of the future and we are excited to be pioneers in this new age using communication to attack traffic congestion. We expect to open our first Telework Center in Mililani in July, 1989.



*Traffic congestion is one of the Department's top concerns.*

In response to a request by the Thirteenth State Legislature in House resolution 170, H.D. 1 to reduce conflicts among motorized watercraft and other ocean recreation users, the Department implemented the Ocean Recreation Management Plan in October, 1988. The plan has undergone proposed changes since then. The major proposed changes to the rules prohibit thrill craft operation in marine conservation areas from December 15 to May 15 to avoid any adverse impacts on humpback whales. Public hearings were held to discuss the proposed changes and the Department is striving to come up with an effective plan that will address the needs of our residents and our visitors as well as the whales.

To keep the public well informed of our various projects, we held 35 public informational meetings and hearings during FY 89.

In November, 1988, we kicked off our Menehune Program to help both tourists and residents find their way through construction detours and improvements at Honolulu and Kahului airports. Through construction updates, directional signage and helpful airport employees, the Menehune Program helped to ease the construction burden on all airport users.

We have also installed a 24-hour toll-free telephone line to respond to public inquiries relating to aircraft incidents statewide.

For the second consecutive year, we held a "Beat the School Jam" program with the City and County of Honolulu Department of Transportation Services to inform the public that a surge in traffic would occur with the start of school. Through radio ads, flyers, posters and bumper stickers we encouraged the public to prepare in advance by adjusting their travel times, carpooling, staggering work hours or riding the bus.

We hope to continue to work with the public and rapidly move forward to create innovative ways of reducing traffic congestion.

By continuing our Department's grab-the-bull-by-the-horns approach where we tackle the problem head-on, review the various alternatives, decide on a course of action and implement it, we hope to provide the people of Hawaii with first-class airports, harbors and highways.

Sincerely,



Edward Y. Hirata  
Director of Transportation



*The Honorable John Waihee  
Governor, State of Hawaii*



*Edward Y. Hirata, Director  
State Department of  
Transportation*



## AIRPORTS

**O**n Oahu, the Department of Transportation owns and operates Honolulu International Airport, the 13th busiest airport in the United States, and the Ala Wai Heliport.

Dillingham Airfield for small airplanes and gliders and the airstrip at Ford Island are also operated by the Department.

The Airports Division's Maui District manages Kahului, Hana, Lanai, Molokai and Kalaupapa airports.

On the Big Island, the Airports Division operates Hilo International Airport, which until May, 1989, was known as General Lyman Field; Keahole Airport, Waimea-

Kohala Airport and Upolu Airport.

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

For the FY ending June 30, 1989, passenger traffic at all state airports totalled 33,937,191, which is 3.7 percent greater than the previous year.

Hawaii's major airports - Honolulu International Airport, Kahului Airport, Keahole Airport, Hilo International Airport and Lihue Airport all experienced an increase in passenger traffic.

To better accommodate

and serve the increased number of passengers, the Airports Division continued its efforts to upgrade and renovate airports statewide.

**P**assenger traffic totalled 22,340,041 at Honolulu International Airport in FY 89, a 7 percent increase over the previous fiscal year. \$41.8 million was spent in FY 89 upgrading airport lobbies, concessionaire shops and restroom facilities in the Main Overseas Terminal complex to give Honolulu International Airport a first-class look and provide airport users with pleasant and convenient areas to eat, buy gifts or just relax while waiting for planes.



*Planning has begun on a new international terminal to reduce waits for passengers entering the U.S. at Honolulu International Airport.*

*Left: Work on Phase I of the new terminal building at Kahului Airport began in FY 89.*

While designs on the multi-level Interisland Terminal Complex, new International Terminal Building and South Ramp expansion project are in progress at Honolulu International Airport, the Department initiated the renovation of many of the existing airport facilities to accommodate travellers during the



*Renovated concessions in the Main Overseas Terminal complex give Honolulu International Airport a first-class look.*

interim design and construction phases.

Renovations to the Aloha Airlines gate areas and expansion of its passenger waiting areas were undertaken to accommodate travelers until the new interisland terminal is completed.

In preparation for the next phase of the new Interisland Terminal Complex, construction of a temporary steel up-ramp to the Main Terminal began in May, 1989.

Waiting room and restroom facilities of the existing International Arrivals Building were expanded to accommodate more foreign arrival passengers and the air-conditioning system was also improved to provide a more comfortable atmosphere for the passengers.

In response to the long lines in U.S. Immigration and Naturalization Service and U.S. Customs, the Department hired additional Visitor



*A "menehune" program was started to guide tourists and residents through airport construction.*

Information Program specialists and International Arrival Passenger Coordinators to expedite the processing of foreign arrival passengers.

Improvements to develop the South Ramp for fixed base operators, air cargo, general aviation and other aeronautical activities contin-



*Dedication ceremonies were held in February, 1989, to name the Richard A. Kawakami Terminal and a tile mural by Kauai artist David Kuraoka.*

ued in FY 89. United Parcel Service began operating at the South Ramp after contractors finished grading and paving the area. Sewer, water, electric and telephone utilities were also installed.

**I**n May, 1989, Honolulu International Airport's Reef Runway was chosen as one of several emergency landing sites nationwide for the National Aeronautical and Space Administration's space shuttle and the Corp of Engineers began installation of navigational and landing aids.

In FY 89, passenger traffic at Kahului Airport, the second busiest in the state, totalled 4,550,904 for a 3.1 percent increase over FY 88.

A groundbreaking ceremony to kick off the construction of the New Terminal Building at Kahului Airport was held on July 14, 1988, and Phase I of the project is currently underway with the construction of a new passenger terminal facility. The facility includes new ticketing and central buildings, hold-rooms, modernized gates with loading bridges and added facilities for ground transportation to serve the increased passenger traffic. Also, work to furnish and install eight aircraft loading bridges for the new terminal building began in February, 1989, under Phase I of the project.

**C**onstruction of the new terminal building required relocation of the old Federal Aviation Administration Air Traffic Control Tower. On December 16, 1988, the Department and the FAA participated in the dedication of the new tower on the opposite side of the airport.

The Department continued efforts to provide motorists with more easily accessible and efficient roadways to Kahului Airport and surrounding areas with the realignment of Keolani Place and the construction of additional vehicular parking for airport users. Widening of Keolani Place from two to four lanes and reconstruction of the bridge over Kalia Gulch were initiated during FY 89.

The development of Kahului Airport and surrounding roadways stimulated public interest on the impact these changes would have on Maui. The Department actively addressed these concerns through public information meetings.

For FY 89, passenger traffic at Keahole Airport totalled 1,983,854, an increase of 13.4 percent from the previous fiscal year. Passenger traffic at Hilo International Airport totalled 1,251,666, a 5 percent increase over FY 88.

Current construction to expand the South Ramp and ground transportation lease lots at Keahole Airport began in August, 1988. The South Ramp project includes adding more parking and enlarging the cargo apron. The 12 existing U-drive lots will be enlarged and six new lots will be added on the South Ramp.

**D**esign of the Astronaut Ellison S. Onizuka Space Center, which will be located at Keahole Airport, was completed during the fiscal year. The Space Center will highlight America's manned



**34 million**  
passengers  
passed through  
the gates of  
Hawaii's  
airports during  
FY 89.

and unmanned journey's into space.

Passenger traffic at Lihue Airport totalled 2,795,935, for a 4.2 percent increase over the previous fiscal year.

**T**he Department's efforts were primarily focused on initiating the planning and construction of helicopter facilities at Lihue Airport. Community interest was high because of the considerable number of helicopter operators engaged in sightseeing activities over the island. Public information meetings were held to discuss plans for the development of future helicopter facilities to ease congestion at the existing helipad at Lihue Airport.

Plans are currently underway to finalize the decision on a site for an inland heliport that will be designed and built by the state. Once completed, the inland heliport is expected to reduce noise and the number of flights over populated areas and reduce airway

congestion adjacent to Lihue Airport. Until the inland heliport is completed, interim heliport facilities will be built to ease congestion and provide room for a new taxiway. Twenty helipads will be built at the interim location at a cost of \$2.4 million.

The Richard A. Kawakami Terminal, named in honor of the late Kauai Speaker of the House of Representatives, was dedicated at Lihue Airport on December 2, 1988. A bronze bust of Kawakami was unveiled and a tile mural by Kauai artist David Kuraoka, which is located in the lobby of the terminal, was also dedicated during the ceremony.

**R**ealignment of the Service Road at Lihue Airport and utility improvements were completed in April, 1989. The project involved the realignment of

Ahukini Road and the installation of new drainage pipes and underground sewer and electrical systems.

Efforts to improve airport security statewide, particularly at Honolulu International Airport was initiated through installation of an operation control system and a new computerized security access system.

New public address and potable water systems were also installed at Honolulu International Airport during FY 89 along with new flight information displays.

The Department completed Noise

Exposure Maps (NEM), describing levels of disturbance by aircraft on areas

adjacent to airports, for Honolulu International Airport and Keahole Airport in FY 89.

Also, the Noise Compatibility Program (NCP) for Keahole Airport was completed. Both NEM and NCP studies at Hilo International Airport continued. NCP studies continued at Honolulu International Airport and Lihue Airport.

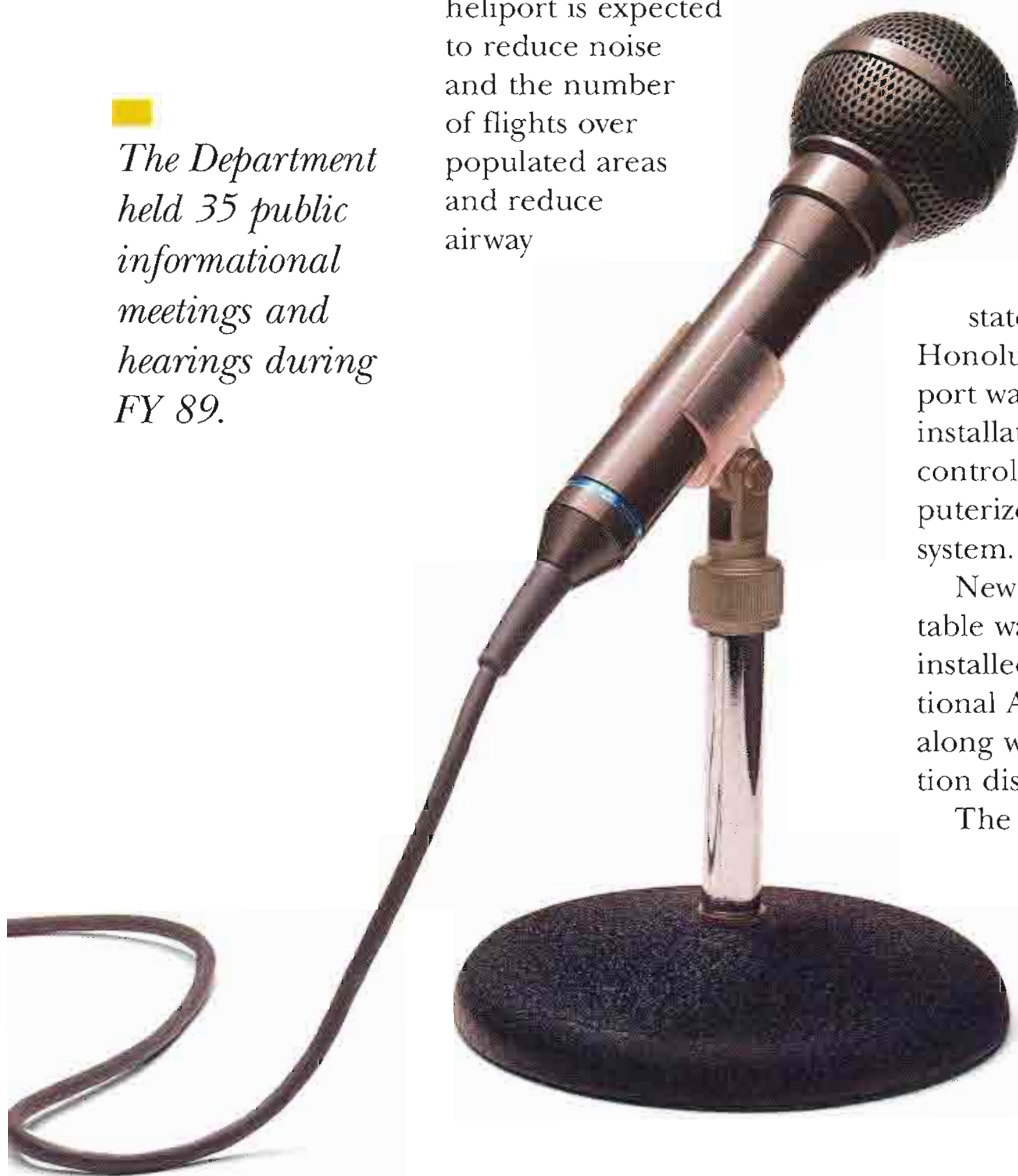
**I**n addition to the noise studies, the Airports Division continued its efforts in updating the Statewide Airport System Plan which forecasts movements of passengers and cargo by air into and throughout the state. During the process of developing and detailing these studies, the Department held several public information meetings and public hearings to discuss findings and alternative methods to reduce noise conflicts.

The master plan for Keahole Airport was completed in December, 1987, and the Honolulu International Airport master plan was completed in 1988. Proposed plans were presented to the public at information meetings.

Work on the Lihue Airport master plan, which includes a series of facility improvements to accommodate the anticipated increase in passenger traffic and aircraft operations up to the year 2005, continued with public information meetings.

The construction development plan for the new overseas terminal building and extension of the runway at Keahole Airport began in September, 1988, and was completed in May, 1989. The plan focuses on developing Keahole Airport for expanded overseas activity by extending the existing 6,500-foot runway to 11,000 feet

*The Department held 35 public informational meetings and hearings during FY 89.*







*“Aloha Friday” returned to HIA in March, 1989.*

and constructing terminal facilities that will accommodate widebody overseas aircraft.

To help both tourists and residents find their way through construction detours and airport improvements, the Department launched its innovative Menehune Program on November 16, 1988. Through construction updates, directional signage and helpful airport employees, the Menehune Program helped to ease the construction burden on passengers and aided all airport users.

When all the renovations and improvements are finished, Hawaii will have first-class airports for both residents and visitors. With the help of airport “menehunes,” who exhibit the spirit of Aloha, construction work will be completed quickly and efficiently.

In an effort to create an

extra-special aloha welcome for visitors, “Aloha Friday” was initiated on March 31, 1989. Each Friday, hula dancers and musicians play Hawaiian favorites like “Sweet Leilani,” “Little Grass Shack,” “Blue Hawaii” and “Lovely Hula Hands” to arriving passengers at the various gates and at Immigrations.

To keep an open line with the public, the Department installed a 24-hour toll-free telephone line to respond to public complaints relating to aircraft noise statewide.



# 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 nine Departmental staff offices. These offices include Statewide Transportation Planning, Hazardous Materials, Public Affairs, Visitor Information, PPB Management and Analytical, Personnel, Business Management, Computer Systems and Services and Property Management.*

## 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 its program's operating and maintenance costs and contribute a fee to the State General Fund for central services. This fee is set at 5 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 11 cent per gallon fuel tax, a 1/2 cent per pound weight tax and a 4 percent general excise tax levied on the sale of motor vehicle fuel.

Act 239-85 which authorizes 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, HRS. 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.



*John K. Uchima, First Deputy Director*



*From left:  
Ronald Hirano,  
Second Deputy Director*



*Dan Kochi, Second Deputy Director*



*Jeanne Schultz,  
Second Deputy Director*

# AIRPORTS DIVISION

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

<i>Years ended June 30</i>	<i>1989</i>	<i>1988</i>
Operating revenues:		
Concession fees	\$213,728,500	\$121,334,221
Aeronautical rentals	10,720,892	9,390,919
Aviation fuel tax	7,381,683	6,914,188
Airport use charge and landing fee	6,804,772	6,805,471
Nonaeronautical rentals	3,183,124	3,124,481
Miscellaneous	3,717,313	2,502,447
Total operating revenues	\$245,536,284	\$150,071,727
Operating expenses other than depreciation	74,901,196	54,571,091
Operating income before depreciation	170,635,088	95,500,636
Depreciation	20,682,319	18,393,348
Operating income	149,952,769	77,107,288
Nonoperating revenues (expenses):		
Interest income -		
Certificates of deposit and U.S. Government Securities	26,074,235	15,760,995
Investment in financing leases	675,049	671,270
Interest expense -		
Revenue bonds:		
Airports system	(22,860,171)	(23,803,709)
Special facility	(675,049)	(671,270)
General obligation bonds	(1,072,458)	(1,325,910)
Other, net	62,033	84,365
	2,203,639	(9,284,259)
Net income	152,156,408	67,823,029
Add depreciation expense transferred to contributed capital - Federal Government grants	4,003,786	3,673,756
Increase in retained earnings	156,160,194	71,496,785
Retained earnings at beginning of year	305,025,677	233,528,892
Retained earnings at end of year	\$461,185,871	\$305,025,677

# PROJECTS COMPLETED & IN PROGRESS FISCAL YEAR 1988-89

<i>Project</i>	<i>Started</i>	<i>Completed</i>	<i>Cost</i>	<i>Description</i>
Honolulu International Airport, Parking & Exit Plaza	2/87	8/88	\$3M	Public parking lots & rental
Honolulu International Airport Concession, Phase IB	3/88	11/88	\$3.3M	Diamond Head extension
Honolulu International Airport Administrative Tower	6/88	12/88	\$900,000	Exterior modification & improvements
Honolulu International Airport Administrative Tower	10/87	12/88	\$3.8M	Interior renovations
Honolulu International Airport Flight Information Display System	4/86	12/88	\$4.4M	Installation
Honolulu International Airport Operating & Control System	8/88	12/88	\$100,000	Phase II
Honolulu International Airport Baggage Claim	5/88	4/90	\$9.5M	Modification to Ewa baggage claim
Honolulu International Airport Ewa Ticket Lobby	10/87	9/89	\$11.4M	Ewa ticket lobby, mall & curbside improvements
Honolulu International Airport Central Ticket Lobby	10/87	9/89	\$14.9M	Central lobby improvements, new atrium area
Honolulu International Airport International Arrivals Building	1/89	9/89	\$2.2M	Phase III, Modification to Gates 6, 10-11, 26-31
Honolulu International Airport International Arrivals Building	12/88	7/89	\$1.2M	Phase IV-A, Modification to 2nd fl., federal offices
Honolulu International Airport International Arrivals Building	7/89	11/89	\$2.1M	Phase IV-C, Modification to processing facilities
Honolulu International Airport Concession, Phase III	3/88	12/89	\$9.7M	Renovate concessions in central waiting lobby
Honolulu International Airport Gates 12/13 & 24/25	9/88	12/89	\$2.5M	Restroom improvements, waiting area expansion
Honolulu International Airport Signage & Graphics	10/88	9/89	\$1M	Phase II, Main Terminal roadway
Honolulu International Airport Energy Monitoring & Control	3/86	7/90	\$2.5M	Phase I
Honolulu International Airport Energy Monitoring & Control	12/88	12/89	\$4.1M	Phase II
Honolulu International Airport Operating & Control System	5/88	10/90	\$2M	Phase I, New system
Honolulu International Airport Security System	10/88	12/89	\$4.9M	New system
Honolulu International Airport Public Address System	9/88	12/89	\$2.5M	New system
Honolulu International Airport Potable Water System	6/88	8/89	\$900,000	Installation
Honolulu International Airport Overseas Parking Garage	9/88	6/89	\$2M	Exterior guardrail replacements
Honolulu International Airport Aloha Airlines Interim Project	3/89	8/89	\$700,000	New waiting room space
Honolulu International Airport Ground Level Roadways	5/89	10/89	\$800,000	Phase II, Temporary steel up-ramp, site prep.
Honolulu International Airport South Ramp Air Cargo Facility	4/89	4/90	\$8.5M	Aircraft hardstands, site preparation
Honolulu International Airport Baseyard Facilities	4/88	9/89	\$2.8M	Landscape, labor and storage facilities
Dillingham Airfield Fueling System	9/88	8/89	\$400,00	Installation of underground fuel tank & dispenser
Keahole Airport South Ramp Ground Transportation	8/88	11/89	\$5.7M	South Ramp & U-Drive lease lots
Lihue Airport Service Road Realignment & Utility Improvements	7/88	3/89	\$3.3M	Improvements at old terminal area
Lihue Airport Interim Helicopter Facilities	8/89	3/90	\$3M	Interim helicopter parking apron & improvements
Kahului Airport Aircraft Hardstands, Phase II	2/88	2/89	\$7.4M	Parking apron, taxiway "A"
Kahului Airport Runway Safety Area	7/89	7/90	\$10.3M	Construction of runway safety area
Kahului Airport New Terminal Building, Phase I	7/88	8/90	\$44.6M	Construction of passenger terminal facility
Kahului Airport Loading Bridges, Phase I	2/89	7/90	\$2.7M	Installation of 8 aircraft loading bridges
Kahului Airport Access Roads & Parking, Phase II	3/89	1/90	\$5.8M	Keolani Place realignment, additional parking
Kahului Airport Keolani Place Improvements	1/89	11/89	\$5.5M	Widen Keolani Pl., Kalialinui Gulch bridge work
Kewalo Basin, Office and Roadway	6/88	6/89	\$435,000	Reconstruct building interior, realign roadway
Kewalo Basin	5/89	10/89	\$450,000	Replace electrical system
Replacement of Fireboat	11/88	1/90	\$3M	Construct new fireboat
Fort Armstrong	11/88	10/89	\$655,000	Paving and lighting