



The Hawai`i Airports Modernization Program

The \$2.3-billion Hawai`i Airports Modernization Program announced by Governor Lingle in March 2006 is now well under way, with important improvements already completed or under construction at all major airports in the system.



Economic Stimulus

Estimated results from the direct expenditure of \$2.3 billion for the Modernization Program:

- \$5.1 billion in cumulative economic output or activity for the State of Hawaii
- \$1.9 billion in cumulative earnings
- 40,300 jobs from FY 2006 through FY 2021.



Honolulu International Airport



As part of the larger statewide \$2.3 billion Airports Modernization Program, the HNL Modernization Program will transform Honolulu International Airport into a distinctive, functional airport, worthy of a first class visitor destination.

Honolulu International Airport

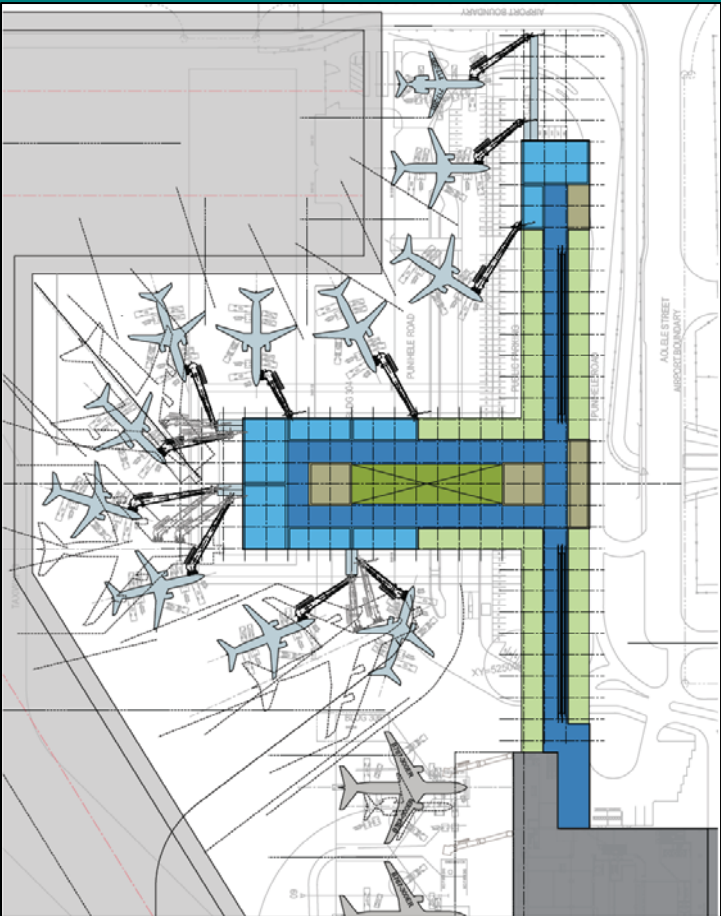


State of Hawaii, Department of Transportation Airports Division, Darryll Akamine

Interisland Maintenance Facility Groundbreaking
December 10, 2008

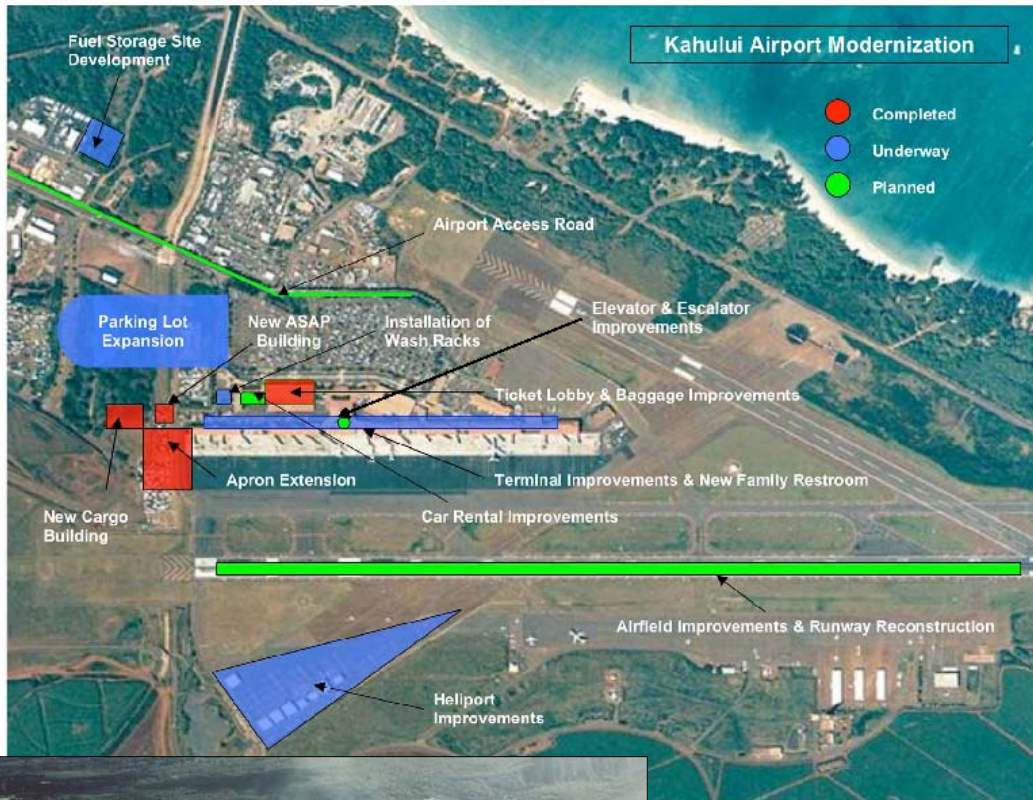
Honolulu Modernization Program	Cost
Completed	
• FIDS and PA System Upgrade	\$9,886,315
• Common Chilled Water Loop	\$10,408,600
• DH Chilled Water Plant	\$12,030,350
Current	
• New Parking Structure	\$40,100,000
• Security Improvements	\$2,709,000
• 3rd Level Sterile Corridor	39,221,000
• Explosive Detection System Phase II	\$58,222,194
• Elliott Street Support Facilities	\$180,083,562
• Reconstruct Runways and Taxiways	\$15,411,000
• Air Conditioning System Replacement	\$3,009,237
Future	
• Airfield Waterline Replacement	\$9,035,000
• Reconstruct Runways and Taxiways	\$13,159,000
• New Mauka Concourse	\$338,980,000
• Interisland Maintenance Facility Imp.	\$8,105,000
• Isolation Units at Gates 33 and 34	\$22,000,000
TOTAL	\$762,360,258

Honolulu International Airport



New Mauka Concourse

Kahului Airport



Hana Airport

Kahului Modernization Program	Cost
Completed	
• Runway Safety Area Improvements	\$6,827,000
• Kahului Terminal Improvements – phase IB	\$15,000,000
• General Purpose Apron & ASAP Bldg.	\$24,351,000
• Common Use Passenger Processing System	\$7,866,000
Current	
• Runway Safety Area Improvements	\$4,845,000
• Access Control & CCTV Systems	\$5,117,000
• Part 107 Security Improvements	\$2,000,000
• Kahului Parking Lot Expansion	\$17,105,000
• Passenger Information Systems	\$7,000,000
• Installation of Washracks	\$4,201,000
• Reroof Terminal	\$5,170,000
• Kahului EDS	\$23,900,000
• Fuel Storage Site Development	\$1,113,840
• Heliport Improvements	\$3,600,000
• Replacement of Passenger Loading Bridges	\$10,170,000
• Master Plan Update	\$3,000,000
Future	
• Elevator and Escalator Improvements	\$6,460,000
• Water System Improvements	\$2,000,000
• Car Rental Facility Improvements	\$5,500,000
• Runway Reconstruction	\$44,000,000
• Airfield Pavement Improvements	\$3,522,000
• Kahului Airport Access Road	\$85,648,000
TOTAL	\$288,395,840

Moloka`i and Lana`i Projects



Moloka`i Modernization Program	Cost
Current	
• New ARFF Station	\$6,910,000
Future	
• Security System Improvements	\$1,505,000
TOTAL	\$8,415,000

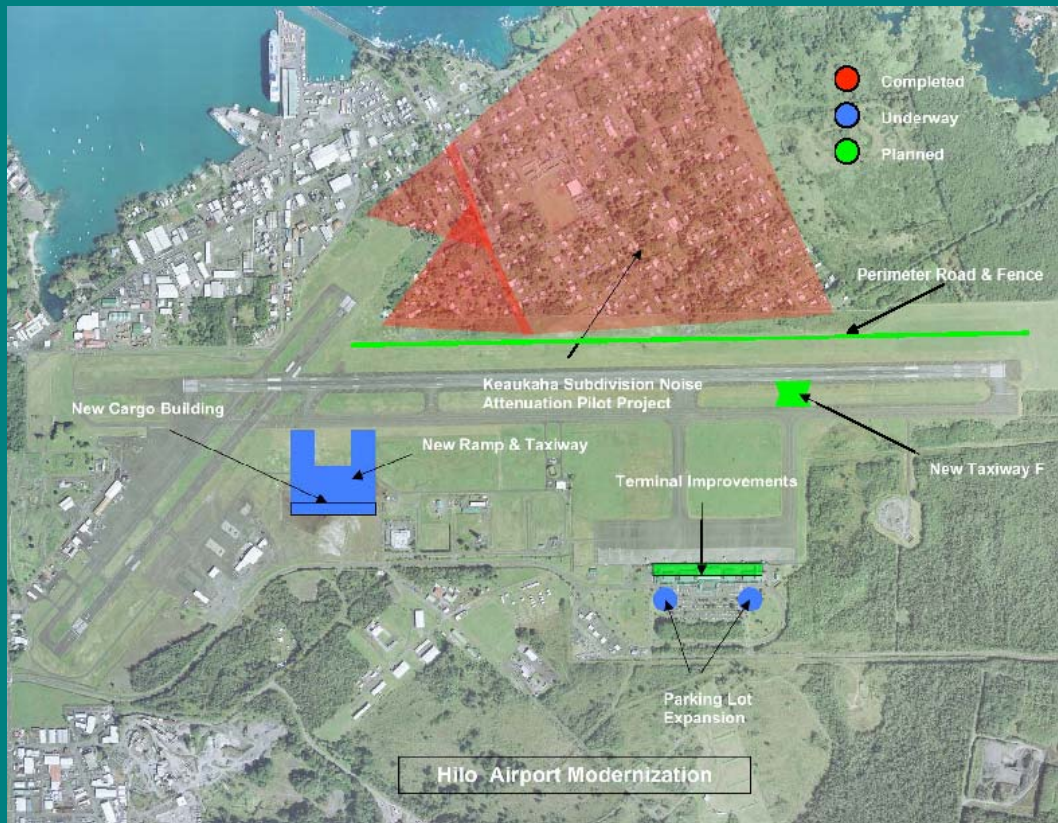
Lana`i Modernization Program	Cost
Current	
• New ARFF Station	\$7,655,000
• General Aviation Apron	\$6,217,818
Future	
• Security System Improvements	\$1,382,000
TOTAL	\$15,254,818

Kona International Airport



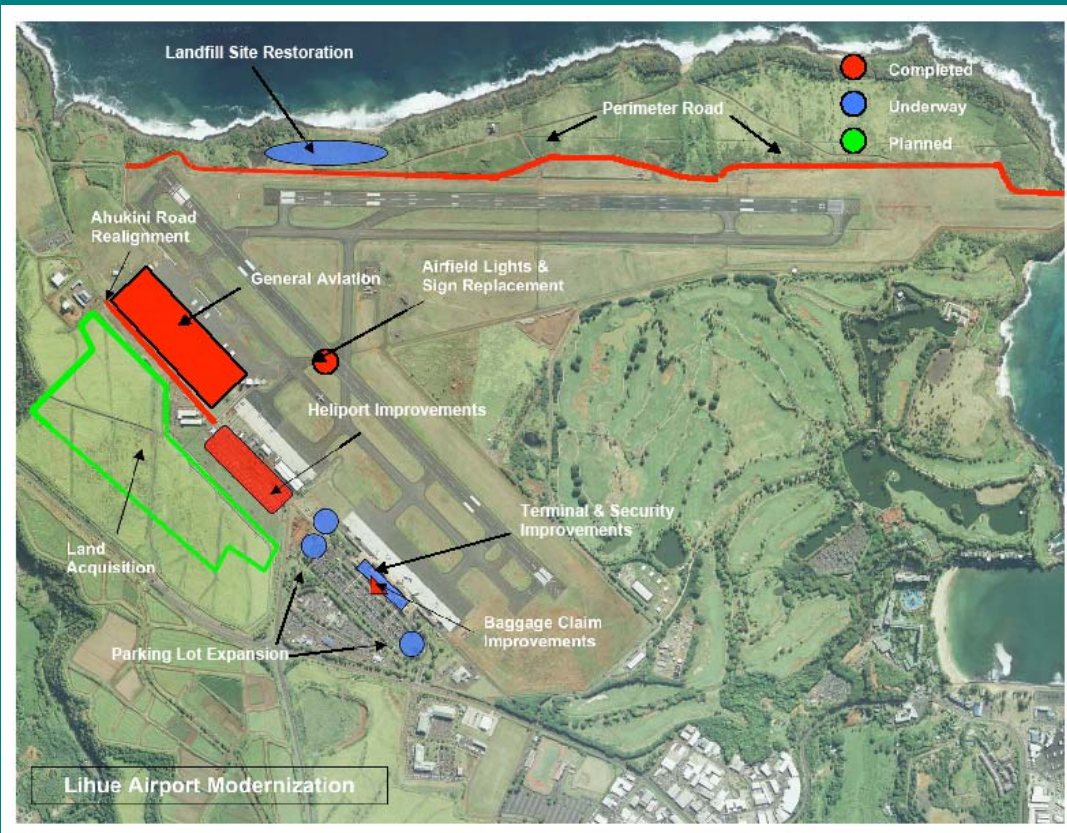
Kona Modernization Program	Costs
Completed	
• Perimeter Road and Fence	\$2,333,250
Current	
• Kona Terminal Improvements - Design	\$4,000,000
• Kona Terminal Expansion Program	\$9,460,000
• Kona Parking Lot Expansion	\$6,819,493
• Kona Installation of Washracks	\$667,000
Future	
• Part 107 Security – Phase I	\$1,120,000
• Kona Access Control & CCTV Systems	\$2,947,000
• Kona ARFF Building	\$15,885,000
• Terminal Improvements, Phase 1	\$100,000,000
TOTAL	\$143,231,743

Hilo International Airport



Hilo Modernization Program	Costs
Completed	
• Keaukaha Subdivision Noise Program	\$665,000
Current	
• Hilo Cargo Facilities	\$34,780,000
• Hilo Noise Monitoring System	\$394,000
• Hilo Noise Attenuation, Keaukaha Homes	\$11,000,000
• Hilo Parking Lot Improvements	\$3,235,000
• Reconstruct T-Hangars, Ph. 1	\$1,171,116
Future	
• Hilo Access Control & CCTV Systems	\$2,765,000
• Replace Passenger Loading Bridges	\$4,582,000
• New Taxiway F	\$2,550,000
• Perimeter Road and Security Fence	\$2,798,000
• Reconstruct T-Hangars, Ph. 2	\$1,531,000
TOTAL	\$65,471,116

Lihue Airport

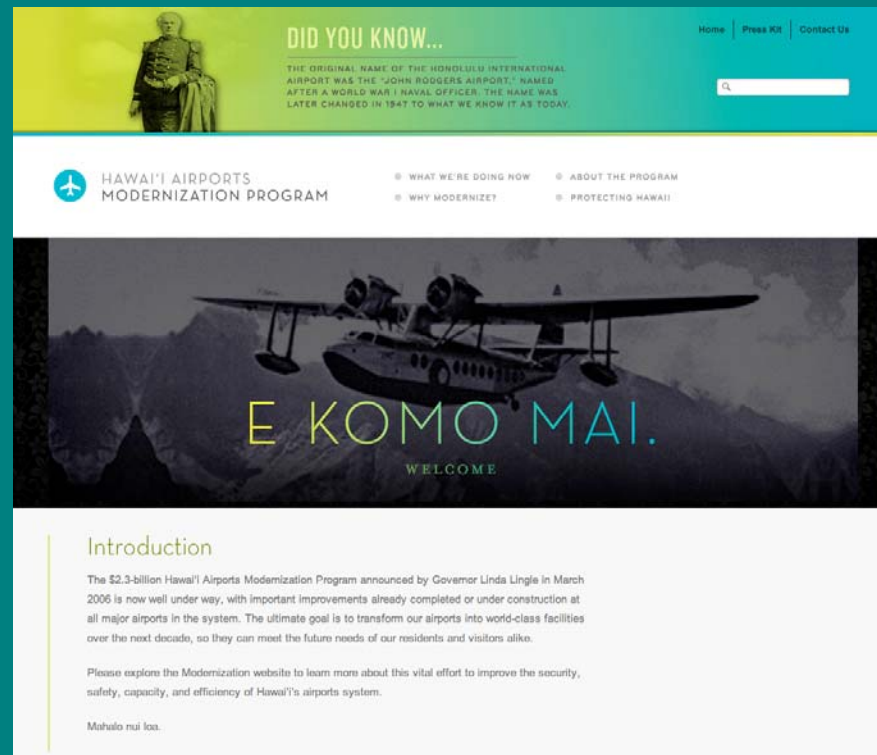


Lihue Modernization Program	Cost
Completed	
• Airfield Lights & Sign Replacement	\$1,066,819
• Lihue Heliport Improvements	\$8,330,073
• Lihue Airport Baggage Claim Improvements	\$4,528,742
• Lihue Airport Baggage Claim Improvements II	\$4,375,471
• Lihue Perimeter Road & Security Fence	\$4,630,000
Current	
• Former Landfill Site Restoration	\$1,154,408
• Former Landfill Site Restoration – Phase II	\$784,000
• Part 107 Security - Phase I	\$1,580,000
• Access Control & CCTV Systems	\$1,899,000
• Lihue Parking Lot Expansion	\$3,185,000
• Air Conditioning System Replacement	\$3,009,237
Future	
• Noise Monitoring System	\$746,000
• Lihue EDS	\$6,460,000
• Lihue EDS – Phase II	\$15,000,000
• Land Acquisition	\$17,100,000
TOTAL	\$73,848,750

Mahalo!

Please Visit the Hawaii Airports Modernization Website at:

www.hawaiiairportsmodernization.com



DID YOU KNOW...

THE ORIGINAL NAME OF THE HONOLULU INTERNATIONAL AIRPORT WAS THE "JOHN RODGERS AIRPORT," NAMED AFTER A WORLD WAR I NAVAL OFFICER. THE NAME WAS LATER CHANGED IN 1947 TO WHAT WE KNOW IT AS TODAY.

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HAWAII AIRPORTS
MODERNIZATION PROGRAM

- WHAT WE'RE DOING NOW
- ABOUT THE PROGRAM
- WHY MODERNIZE?
- PROTECTING HAWAII

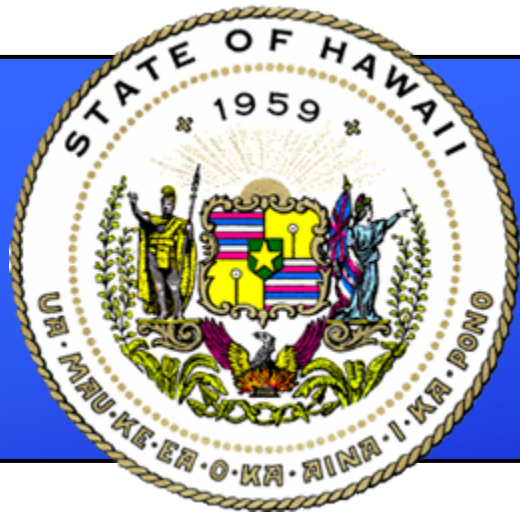
E KOMO MAI.
WELCOME

Introduction

The \$2.3-billion Hawaii Airports Modernization Program announced by Governor Linda Lingle in March 2006 is now well under way, with important improvements already completed or under construction at all major airports in the system. The ultimate goal is to transform our airports into world-class facilities over the next decade, so they can meet the future needs of our residents and visitors alike.

Please explore the Modernization website to learn more about this vital effort to improve the security, safety, capacity, and efficiency of Hawaii's airports system.

Mahalo nui loa.



Harbors Modernization Plan

HMP Update



HMP

Harbors Modernization Plan

- **HMP Financial Plan**
 - **Original Concept**
 - **Changes due to economic considerations**
 - **Tariff Increases**
- **Impact of Delayed Bond Issuance on Project Schedules**
- **Project Status**
- **Federal Economic Stimulus Funds**
- **Kahului West Harbor Infrastructure**



HMP Financial Plan

- **Original Concept: \$842M in 6 years**
 - Harbors Revenue Bond based – no federal funds
 - Debt Service on \$842M was roughly \$62+M/yr at 6 year point (current revenue bond debt service at \$23M/yr)
 - Aggressive increase in tariffs necessary to support the debt service on \$842M
 - NCL redeployed two home-ported vessels
- **Revised Concept: \$618M in 6 years**
 - Mid 2008: HHUG and State de-scoped HMP to \$618M after eliminating Kahului West Harbor Cruise Terminal and Ferry Terminal, Kawaihae Pier 4 and Nawiliwili inner jetty project



HMP Financial Plan

- **Fall-2008: Further Revised Concept: \$618M over 6+ years**
 - **Economic stagnation affected Harbors' revenue projections**
 - **Multi-year financial plan could not support debt service on \$618M in 6yrs**
 - **FY2009 \$120M bond issuance on track**
 - **FY2011 bond issuance delayed to FY2013 with push-out of project schedules and reprioritization of some projects**
 - **FY2012 bond issuance delayed to FY2014**
 - **Debt service on FY2009 (\$120M), FY2013 (\$200M) and FY2014 (\$155M) bond issuances roughly \$34M a year at 6 year point on \$475M**

HMP Financial Plan

- **Tariffs last increased in 1997**
 - **Tariff increases necessary to support continued operations, maintenance, CIP projects and underwrite HMP debt service**
 - **State Core Group and HHUG have met extensively on issues relating to tariff distribution and reasonable tariff increases**
 - **Tariff increases must be in place by end of FY2009 to proceed with initial \$120M bond issuance (SBRRB, AG, Gov, Public Hearings)**



HMP Financial Plan

- **Tariff Revision Goals**
 - Simplified tariff system
 - Auditable revenue stream
 - Distribute costs across the system
 - Sound Harbors Financial Plan
- **Impact of Increased Tariffs**
 - Impact very low on per consumer product basis
 - Inefficiency tax (if no improvements) would be much greater
 - Autos: \$1,055 to ship/\$17.50 current (\$19.25 - \$32.83 proposed over 6 years)
 - Container 40ft: \$3,200 to ship /\$77.20 current (\$99.00 - \$168.84 proposed over 6 years)

Impact on costs of:

	Canned Bev	Lettuce	20lb Rice
2010	\$0.0004	\$0.001	\$0.010
2011	\$0.0004	\$0.001	\$0.009
2012	\$0.0003	\$0.001	\$0.008

Impact of Delayed Bond Issuance

on HMP Project Schedules

- **Projects originally scheduled to start with FY2011 bond issuance were pushed out or re-prioritized**
- **Two main considerations in project adjustments**
 - **Continuity of project development and completion**
 - **Pier 4 Hilo (dredging/terminal yard DOT-H/pier ATDC)**
 - **Urgency of need**
 - **Land acquisition Kahului**
 - **Pier 2A terminal improvements Kawaihae**
 - **South Gate/Security Fencing Kawaihae**
 - **KMR/Pier 35 site work**



Project Status

- **Kahului Harbor**
 - SSFM to initiate a development plan for land acquisition & future improvements
- **Hana Harbor**
 - Development plan consultant selection/Coordination with DLNR-DOBOR
- **Kawaihae Harbor**
 - Consultant selection for development plan, on-going
 - Consultant selection for Pier 2A Terminal Improvements (Design), on-going
 - Consultant selection for Pier 4 Fencing/Gate Improvements (Design), on-going
- **Hilo Harbor**
 - ATDC advertising for Pier design consultant in Feb 2009
- **KMR Honolulu Harbor**
 - EA work order with Belt Collins being finalized
 - Pier 35 UH SOEST development plans finalized end January 2009
 - Pier 35 design project



Federal Economic Stimulus Funds

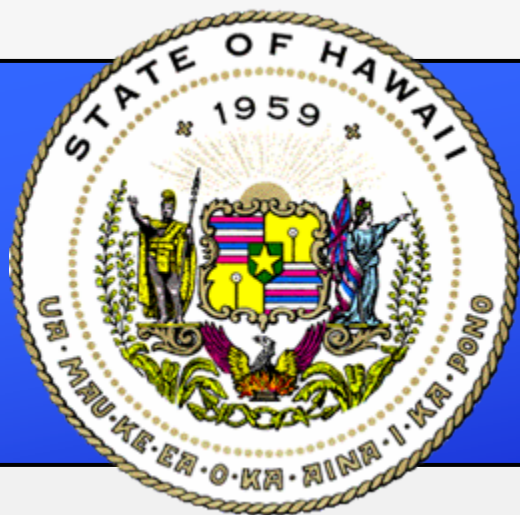
- DOT Harbors requested \$250M in Federal Economic Stimulus Funds
 - \$169M are projects or portions of projects currently included in HMP
 - MARAD would be implementing office
 - MARAD solicitation on the street for programmatic consultant
 - 3% administrative fee
 - Funds requested through Port Harbor Infrastructure Program
 - Working closely with Senator Inouye's office



Kahului West Harbor Infrastructure

- **Kahului Masterplan/EIS will include non-cruise terminal/cargo alternative**
- **Plan to look for funding via credits from federal economic stimulus funds**





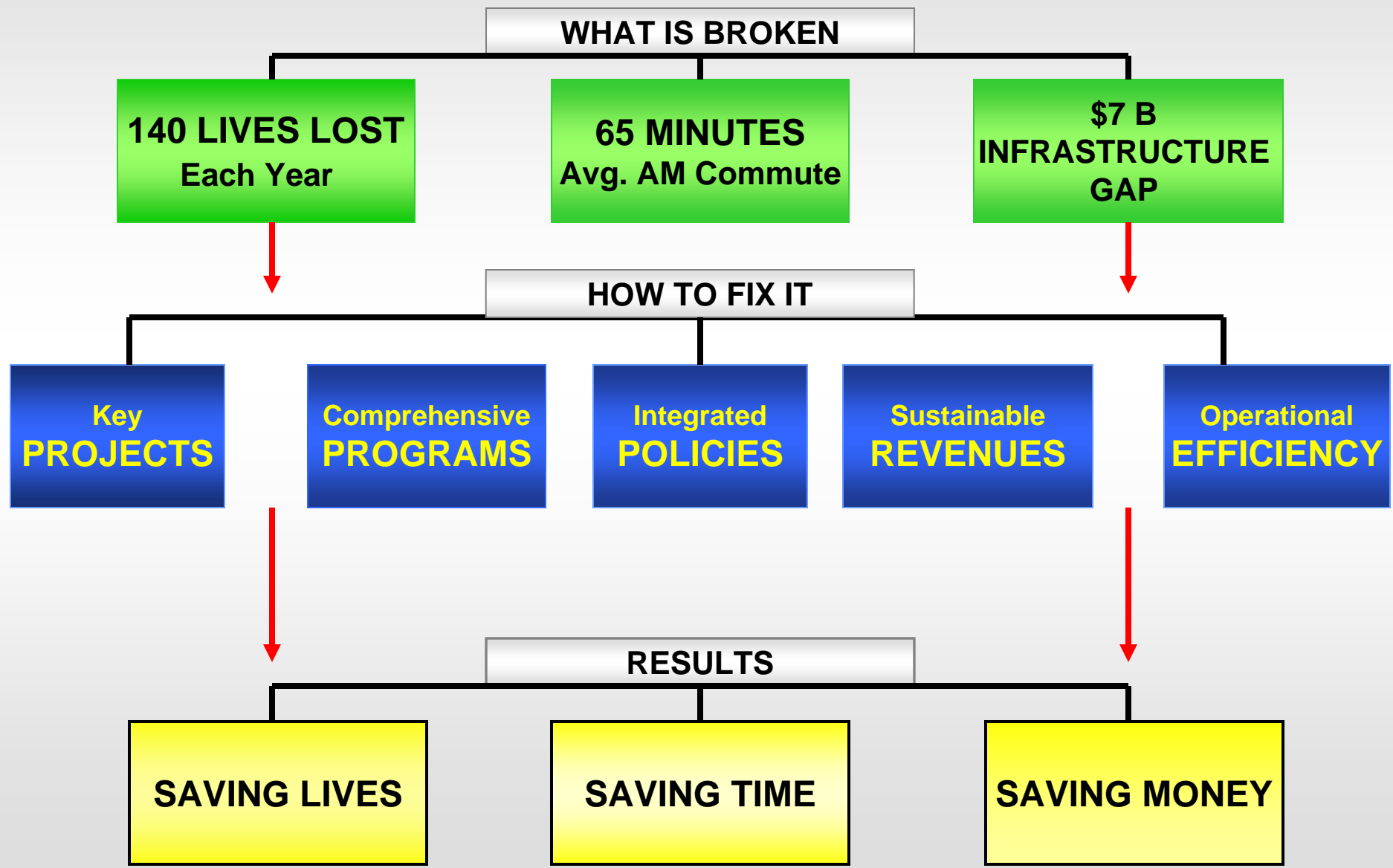
Highways Modernization Plan Saving Lives, Saving Time, Saving Money

Joint Administration/Legislature Initiative



New Strategic Plan

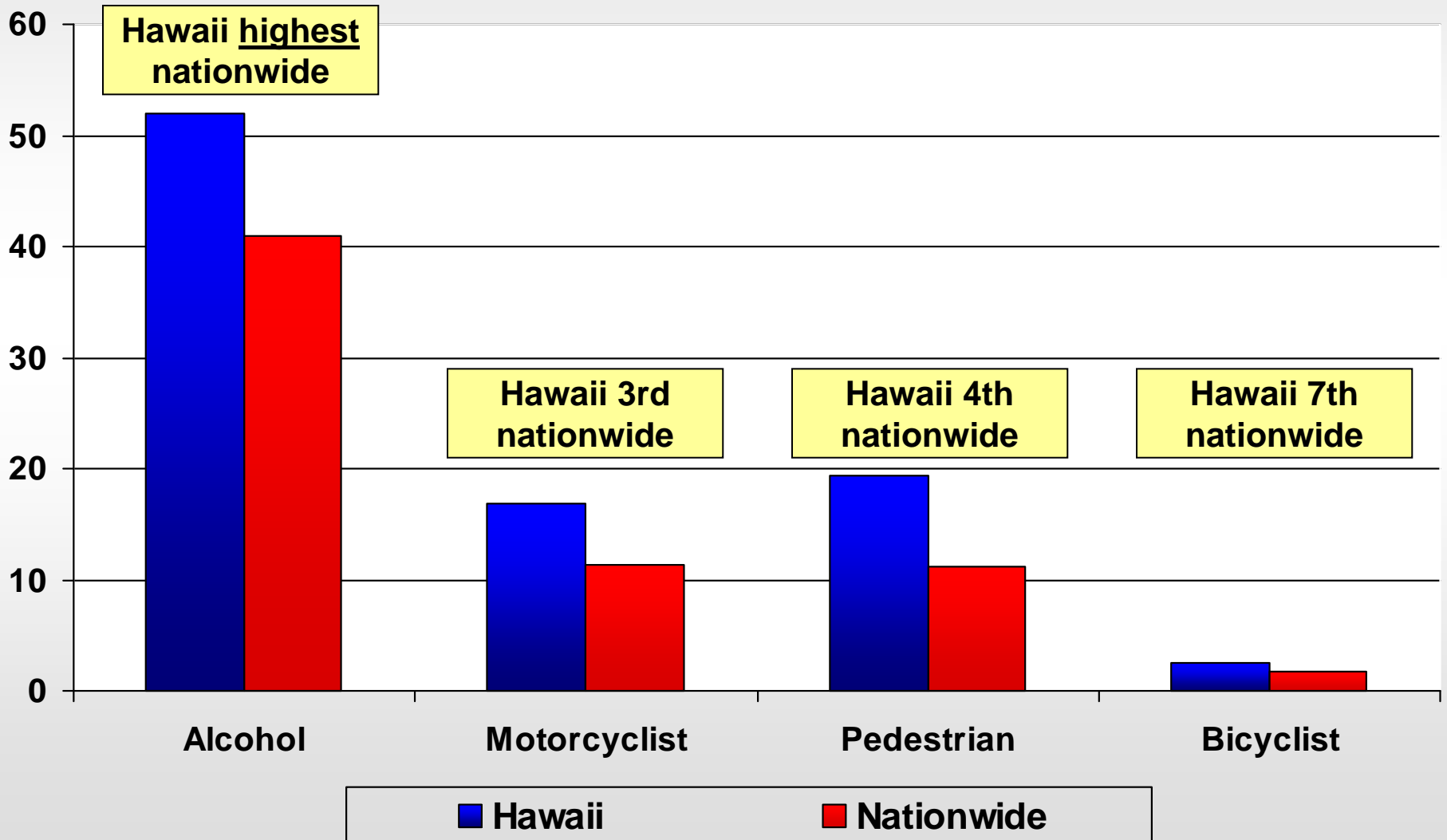
Saving Lives, Saving Time, Saving Money





Saving Lives

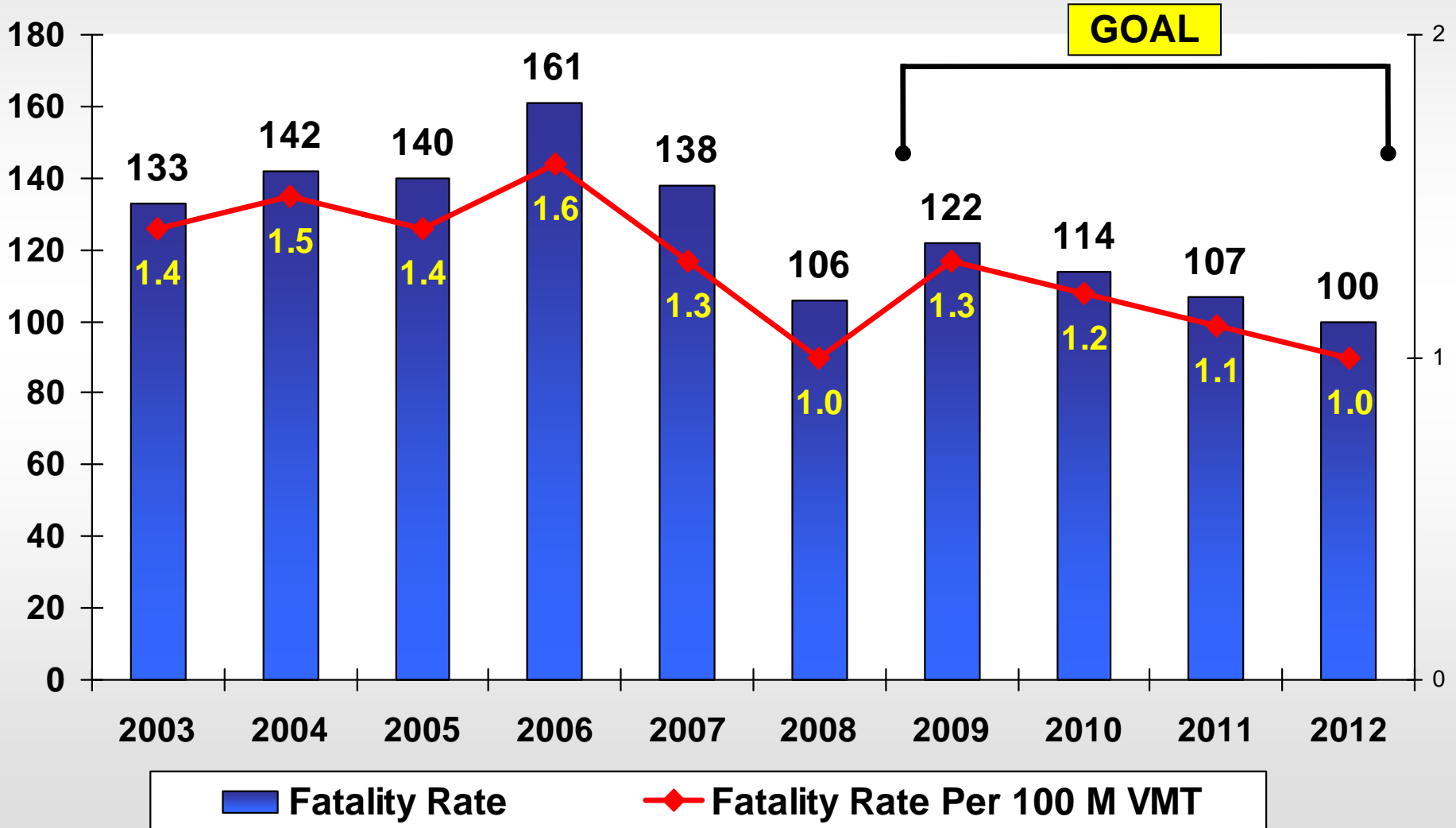
Fatalities by Percentage, Hawaii vs. Nation (2006 Statistics)





Saving Lives

Reduce Fatality Rate to 1.0 per 100 million VMT (Vehicle Miles Traveled)



Saving Lives

Implementation of Strategic Highway Safety Plan

Highway Safety Projects

- Intersection Improvements (traffic signal, auxiliary lanes, etc.)
- Guardrail & Shoulder Improvements

Highway Safety Programs

- Safe Routes to School
- Pedestrian Master Plan
- Public Outreach/Awareness Programs

Legislation/Policy (*Proposing legislation this session*)

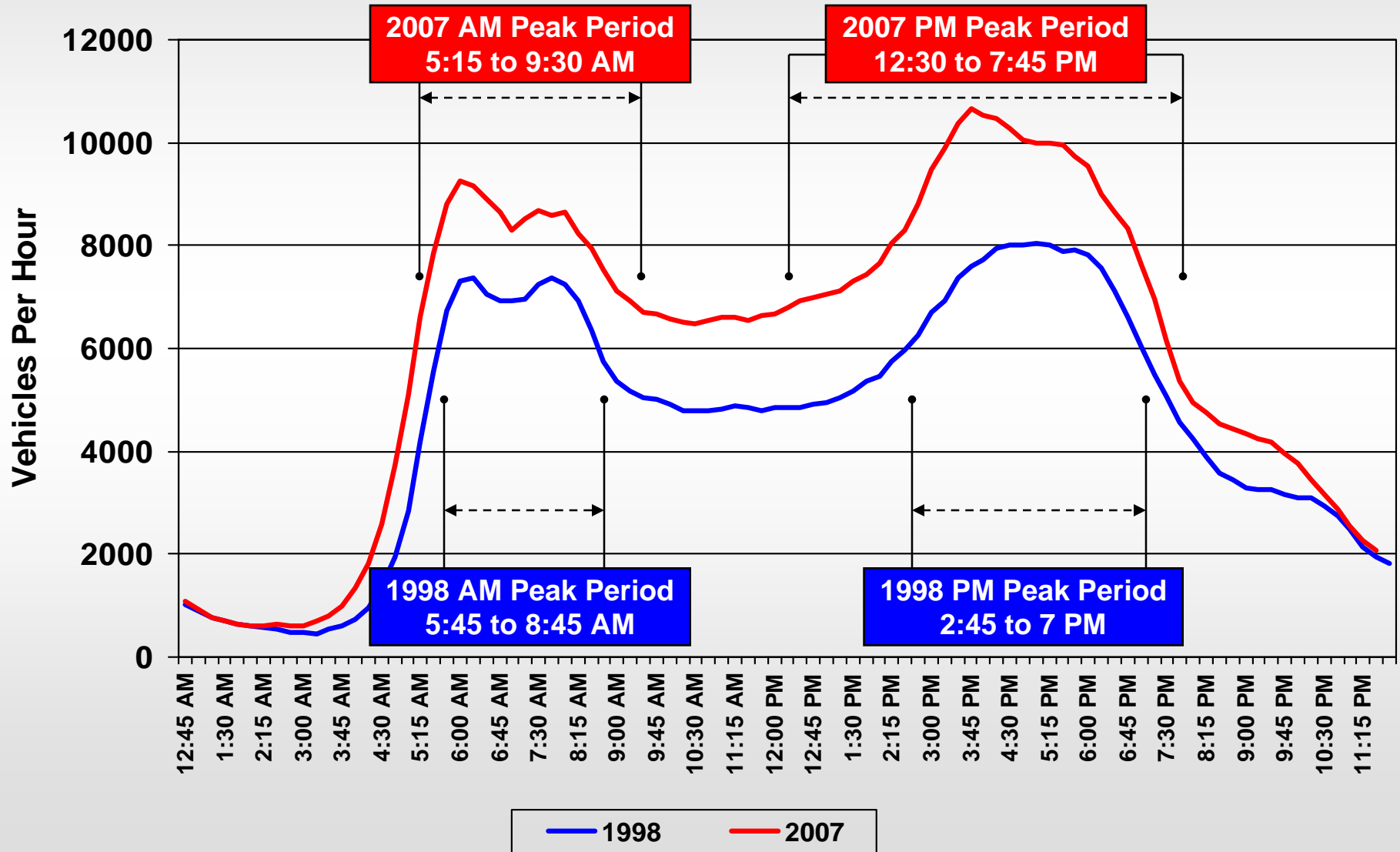
- Distracted Driving Ban for Young Drivers
- Moped and Motor Scooter Helmet Bill
- Red light Photo Enforcement
- Reckless Driving
- Penalties for Commercial Drivers who Drive Drunk
- Ignition Interlock





Saving Time

H-1 Freeway Hourly Volumes: Peak Traffic Periods, 2007 vs. 1998



Saving Time

Average Daily Commute between Kapolei and Downtown Honolulu

In 10 years

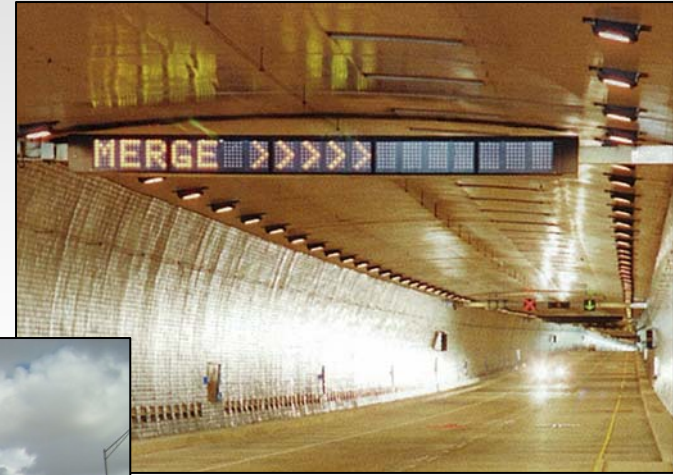
TODAY	BUSINESS AS USUAL	\$4 B PLAN
130 MINUTES	170 MINUTES	140 MINUTES



Saving Time

Key Strategies to Reduce Traffic Congestion

- **Operational Improvements**
 - Intelligent Transportation System (ITS)
 - PM Contraflow Lane
 - Mass Transit & Rideshare
- **Incident Management**
 - Freeway Service Patrol (FSP)
- **Remove Bottlenecks**
 - Middle Street Merge
 - Waiawa Interchange
- **Improve Reliability of Commerce**



Saving Money

Annual Cost of Congestion

Amount of Daily Delay (Minutes)	Cost of Delay Per Person	Cost of Delay Per Commercial Vehicle
1	\$60.83	\$321.25
2	\$121.67	\$642.50
3	\$182.50	\$963.75
4	\$243.33	\$1,285.00
5	\$304.17	\$1,606.25
10	\$608.33	\$3,212.50
20	\$1,216.67	\$6,425.00
30	\$1,824.90	\$9,637.50

** Based on Texas Transportation Institute model*

Saving Money

Annual Cost Savings based on 30 minutes of total time savings per day

	\$4 B
PERSONAL	\$ 1,825
DOT	\$20-30 M



Operational/Structural Changes

Looking to the Future: Long Term Solutions

- **Sustainable Revenues**
 - Vehicle Miles Traveled (VMT) Pilot Program
- **Operational Efficiency**
 - New Accounting System (FAST)
 - Multi-skilled worker (MSW) program
 - Project Delivery
 - Preventative Maintenance
- **Less Cars on the Road**
 - Land Use Policy
 - DOT move to Kapolei
 - Promote Mass Transit/Rideshare
 - Road Network Interconnectivity



DOT Highways Program

\$4 B program over 6-year period

Current program	\$1.5 B
New revenues	\$2.0 B
Additional federal funds	<u>\$0.5 B</u>
	\$4.0 B



Financial Plan

Financial Impact to Individual Annually

	CURRENT	INCREASE	ANNUAL IMPACT
State Fuel Tax	\$0.17/gal	\$0.10/gal	\$80
Weight Tax	0.75 cents/ pound	\$0.02/pound	\$70
Registration Fee	\$25/yr	\$20/yr	\$20
Rental Car Surcharge	\$3/day	\$2/day	
Total Increase			\$ 170/year
Total Savings			\$1,825/year
Net Savings			=\$1,655/year

Financial Plan

Conditions of financial trigger

TRIGGER:

- Proposed tax/fee increases will not be initiated until there is a **1% job growth** over two consecutive quarters.

PURPOSE OF TRIGGER:

- Sensitivity to current economic conditions
- Trigger reflects economic recovery



Transparency

Making sure we get the job done

- **Staff Driven Plan**
- **Product rather than process driven**
- **Development of Website**
- **Protection of New Revenues**



Roll-out Plan

Stakeholders

- Legislators
- Counties
- Community Groups
- Hawaii Highway Users Alliance
- Safety Advocates
- Environmental Groups
- OMPO
- Chambers of Commerce
- Visitor Industry
- Construction Industry
- Labor Unions
- Major Land Owners/Developers
- Petroleum Companies
- Trucking Industry
- Utility Companies
- Military
- State Agencies
- Federal Agencies

