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## A BILL FOR AN ACT

RELATING TO HARBORS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Act 200, Session Laws of Hawaii 2008,  
2 authorized the department of transportation to issue harbor  
3 revenue bonds for harbor capital improvements authorized by Act  
4 200 for certain specified capital improvement projects. The  
5 capital improvements were part of the commercial harbors  
6 modernization plan. Act 200 also placed into statute the  
7 harbors modernization plan which was then repealed by Act 152,  
8 Session Laws of Hawaii 2011.

9           Act 200 also transferred jurisdiction over Hana harbor to  
10 the department of transportation, excluding the small boat ramp  
11 facility which remained under the jurisdiction of the department  
12 of land and natural resources (section 266-1.6, Hawaii Revised  
13 Statutes).

14           The legislature finds that the appropriations for capital  
15 improvement projects in Act 200 were not released and the  
16 funding has since lapsed. Act 200 provided for a lapse date of  
17 funding on June 30, 2012, unless unencumbered as of that date.  
18 An additional reason for the lack of any funding is the repeal



1 of the harbors modernization plan by Act 152. The legislature  
2 further finds that the lack of funding for harbor improvements  
3 is contrary to Act 200, which provides in pertinent part in  
4 section 1 as follows:

5 "To meet the economic needs of the state, the harbors  
6 division of the department of transportation must provide  
7 suitable harbor facilities and berthing piers, which in  
8 turn ensures the efficient and timely delivery and shipment  
9 of goods imported into the state. Ocean surface  
10 transportation is our state's lifeline. It remains the  
11 only viable means to service the largest share of Hawaii's  
12 economic needs. However, Hawaii's aging commercial harbor  
13 system has not kept pace with our growing economy, and  
14 Hawaii's commercial ports statewide are experiencing  
15 competition for berthing rights for cargo, fuel, and cruise  
16 ship activities, and severe congestion in harbor  
17 facilities. Harbor users, the state administration, and  
18 the legislature recognize that it is now extremely critical  
19 to upgrade existing port facilities and develop harbor  
20 improvements in an expedited manner."



1           The purpose of this Act is to authorize issuance of general  
2 obligation bonds for certain harbor capital improvement  
3 projects.

4           SECTION 2. The department of transportation is authorized  
5 to issue harbor revenue bonds for harbor capital improvement  
6 projects authorized in section 3 of this Act and designated to  
7 be financed by revenue bond funds or by general obligation bond  
8 funds with debt service cost to be paid from special funds, in  
9 such principal amount as shall be required to yield the amounts  
10 appropriated for such capital improvement program projects, and,  
11 if so determined by the department and approved by the governor,  
12 such additional amounts as may be deemed necessary by the  
13 department to pay interest on such revenue bonds during the  
14 estimated construction period of the capital improvement project  
15 for which such harbor revenue bonds are issued to establish,  
16 maintain, or increase reserves for the harbor revenue bonds or  
17 harbor revenue bonds heretofore authorized (whether authorized  
18 and issued or authorized and still unissued), and to pay the  
19 expenses of issuance of such bonds. The aforementioned harbor  
20 revenue bonds shall be issued pursuant to part III of chapter  
21 39, Hawaii Revised Statutes, as the same may be amended from  
22 time to time. The principal of and interest on harbor revenue



1 bonds, to the extent not paid from the proceeds of such bonds,  
2 shall be payable solely from and secured solely by the revenues  
3 derived from harbors and related facilities under the ownership  
4 of the State or operated and managed by the department,  
5 including rents, mooring, wharfage, dockage, pilotage fees, and  
6 other fees or charges presently or hereafter derived from or  
7 arising through the ownership, operation, and management of  
8 harbor and related facilities and the furnishing and supplying  
9 of the services thereof. The expenses of the issuance of such  
10 harbor revenue bonds shall, to the extent not paid from the  
11 proceeds of such bonds, be paid from the harbor special fund.

12 The governor, in the governor's discretion, is authorized  
13 to use the harbor special fund to finance those projects  
14 authorized in section 3 of this Act where the method of  
15 financing is designated to be by harbor revenue bond funds.

16 SECTION 3. The following sums, or so much thereof as may  
17 be sufficient to accomplish the purposes designated herein, are  
18 hereby appropriated or authorized, as the case may be, from the  
19 harbor revenue bond funds for the fiscal years beginning July 1,  
20 2013, and ending June 30, 2017, and all intervening fiscal  
21 years. The sums appropriated shall be expended by the  
22 department of transportation for the purposes of this Act.



1	1.	HMP - Kapalama military reservation		
2		improvements, Honolulu harbor		
3		Design and construction for the		
4		development of a new container terminal		
5		facility		
6		Design	\$26,900,000	
7		Construction	\$ 3,000,000	
8		Total funding		\$29,900,000
9	2.	HMP - Kalaeloa Barbers Point harbor		
10		infrastructure improvements, Oahu		
11		Design of utility and infrastructure improvements		
12		Design	\$300,000	
13		Total funding		\$300,000
14	3.	HMP - Kalaeloa Barbers Point harbor		
15		fuel pier improvements, Oahu		
16		Design of new fuel pier and other site		
17		related improvements		
18		Design	\$6,300,000	
19		Total Funding		\$6,300,000
20	4.	HMP - Pier 4 interisland cargo		
21		terminal, Hilo harbor, Hawaii		



1	Design of additional interisland cargo		
2	terminal areas including a pier, yard,		
3	roadways, and utilities		
4	Design	\$13,400,000	
5	Total funding		\$13,400,000
6	5. HMP - Kahului harbor land acquisition		
7	and improvements, Maui		
8	Purchase additional land and subsequent		
9	design of improvements for the acquired		
10	land		
11	Land	\$15,000,000	
12	Design	\$ 2,000,000	
13	Total funding		\$17,000,000
14	6. HMP - Hana harbor, Maui		
15	Development of infrastructure,		
16	demolition, as necessary, and expansion		
17	of facilities		
18	Total funding		\$20,000,000
19	7. HMP - West harbor barge-ferry slip,		
20	Kahului harbor, Maui		



1 Design for a new west harbor barge-  
2 ferry slip and associated site work  
3 improvements

4	Design	\$8,000,000	
5	Total funding		\$8,000,000

6 8: HMP - West harbor dredging and  
7 breakwater, Kahului harbor, Maui

8 Design for west harbor breakwater,  
9 dredging and associated improvements

10	Design	\$3,000,000	
11	Total funding		\$3,000,000

12 9. HMP - West harbor cruise terminal  
13 Kahului harbor, Maui

14 Design of a cruise terminal including  
15 paving, utilities, security, and other  
16 site work improvements

17	Design	\$3,000,000	
18	Total funding		\$3,000,000

19 10. HMP - East harbor breakwater, Kahului  
20 harbor, Maui

21 Design of the east harbor breakwater  
22 and related improvements



1	Design	\$3,000,000	
2	Total funding		\$3,000,000
3	11. HMP - Pier 2 improvements, Kahului		
4	harbor, Maui		
5	Design of improvements to the pier		
6	including strengthening, bollard		
7	replacement, dredging, and		
8	environmental permitting		
9	Design	\$500,000	
10	Total funding		\$500,000
11	12. HMP - Kawaihae harbor development plan,		
12	Hawaii		
13	Development plan for improving new		
14	terminal cargo facilities at Kawaihae		
15	harbor		
16	Plans	\$500,000	
17	Total funding		\$500,000
18	13. HMP - Pier 2 terminal improvements,		
19	Kawaihae harbor, Hawaii		
20	Design and construction of terminal		
21	improvements including and not limited		
22	to paving, utilities, relocation of the		





1	harbor agent's office, and interim		
2	ferry improvements		
3	Design	\$ 5,000,000	
4	Construction	\$21,000,000	
5	Total funding		\$26,000,000
6	14. HMP - Pier 4, Kawaihae harbor, Hawaii		
7	Design of a multi user pier 4 and		
8	associated site work		
9	Design	\$9,000,000	
10	Total funding		\$9,000,000
11	15. HMP - Multi User Pier 4, Nawiliwili		
12	harbor		
13	Design of new pier improvements and		
14	related site and utility work		
15	Design	\$300,000	
16	Total funding		\$300,000
17	16. HMP - Construction management support,		
18	statewide		
19	Construction consultant services during		
20	construction of harbor modernization		
21	plan projects at harbor facilities		
22	statewide		



1	Construction	\$2,400,000	
2	Total funding		\$2,400,000
3	17. HMP - Harbors division capital		
4	improvement program staff cost,		
5	statewide costs related to wages and		
6	fringes for permanent harbor		
7	modernization plan project funded		
8	positions		
9	Planning	\$1,735,000	
10	Total funding		\$1,735,000

11 The appropriations made for the capital improvement  
12 projects authorized by this Act shall not lapse at the end of  
13 the fiscal biennium for which the appropriation is made;  
14 provided that all moneys from the appropriation unencumbered as  
15 of June 30, 2016, shall lapse as of that date.

16 SECTION 4. This Act shall take effect on July 1, 2013.

17

INTRODUCED BY:

*Jim Lusk*  
*R. Ryan*  
*Shelley Chizama*

JAN 22 2013



# H.B. NO. 692

**Report Title:**

Harbors; Capital Improvement Projects; Revenue Bond;  
Appropriation

**Description:**

Authorizes department of transportation to issue revenue bonds  
for capital improvement projects for harbor improvements.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*





**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 4, 2013  
10:00 a.m.  
State Capitol, Conference Room 309

**H.B. 692**  
**RELATING TO HARBORS**

House Committee on Transportation

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The Department of Transportation (DOT) **supports** the intent of this bill as it supports the administration's New Day Work Projects to provide improvements to harbor facilities statewide.

We point out, however, that the appropriations may lapse as it has in the past as the project delivery process oftentimes involve a significant period of time to complete the planning, design, environmental approval process, permitting and other governmental approvals before construction can occur. The department works in close partnership with the Hawaii Harbor User Group on the implementation of the New Day Work Projects and we will request reappropriation of funding as required when we are ready to proceed with the next phase of the process.

We appreciate the committee's support of our efforts.



Council Chair  
Gladys C. Baisa

Director of Council Services  
David M. Raatz, Jr., Esq.



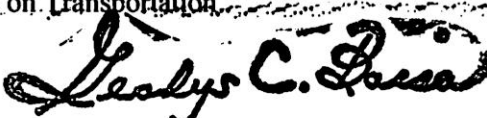
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Robert Carroll

Council Members  
Elle Cochran  
Donald G. Couch, Jr.  
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Don S. Guzman, Esq.  
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Michael P. Victorino  
Mike White

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200 S. HIGH STREET  
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February 1, 2013

TO: The Honorable Ryan I. Yamane, Chair  
House Committee on Transportation

FROM: Gladys C. Baisa  
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 4, 2013; TESTIMONY IN SUPPORT OF HB 692,  
RELATING TO HARBORS**

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to authorize the State Department of Transportation to issue revenue bonds for capital improvement projects for harbor improvements.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. Act 200, Session Laws of Hawaii 2008, authorized the issuance of harbor revenue bonds for certain specified capital improvement projects that were part of the commercial harbors modernization plan. In 2011, the repeal of this Act stopped much needed improvements; however, the demand for berthing rights from cargo, fuel, and cruise ships has continued to increase.
2. Ocean surface transportation is our State's lifeline. On Maui, the bulk of our goods arrive at Kahului Harbor. Hana Harbor supports daily economic activity for the Hana community and provides a much needed alternative should highway travel be interrupted. It is more critical than ever to upgrade existing port facilities and develop harbor improvements in an expedited manner.
3. This measure designates bond revenue towards the design and purchase of additional land for various improvements at Kahului Harbor, and the development of infrastructure and expansion of facilities at Hana Harbor. Such improvements are long overdue.

For the foregoing reasons, I support this measure.

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Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)  
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# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 4, 2013

TO: HONORABLE RYAN YAMANE, CHAIR, HONORABLE LINDA ICHiyAMA, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE TRANSPORTATION

SUBJECT: **SUPPORT OF H.B. 692, RELATING TO HARBORS.** Authorizes department of transportation to issue revenue bonds for capital improvement projects for harbor improvements.

### HEARING

DATE: Monday, February 4, 2013  
TIME: 10:00A.M.  
PLACE: Conference Room 309

Dear Chair Yamane, Vice Chair Ichiyama and Members:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest. GCA is testifying **in support** of H.B. 692, Relating to Harbors.

This bill authorizes department of transportation (DOT) to issue revenue bonds for capital improvement projects for harbor improvements.

The GCA **supports** this measure that identifies capital improvement projects under the State DOT Harbors Division to be funded through the issuance of general obligation bonds which would be used to finance harbor revenue bonds. Any shortfall would be funded by through revenues derived from fees, rents, etc. paid by the users, and also through the Harbors Special Fund authorized by the Governor. Furthermore, this bill would preclude the lapsing of appropriations at the end of the fiscal biennium. This would ensure funding for the projects identified.

The GCA supports the passage of this measure and recommends its passage by the committee.

Thank you for the opportunity to present our views on this bill.





Testimony to the Committee on TRANSPORTATION

Rep. Ryan I. Yamane, Chair

Rep. Linda Ichiyama, Vice Chair



DATE: Monday, February 04, 2013

TIME: 10:00am

PLACE: Conference Room 309

**Speaking in Support**

RE: HB 692

Chair Representative Yamane, Vice Chair Representative Ichiyama and Members of the Finance Committee:

My name is James E. Coon, President of the Ocean Tourism Coalition (OTC) Hawaii's State-wide organization. We represent the 300 Small Commercial Passenger Vessels operating out of State Harbor facilities. We speak in **Support of HB 692**

Over 95% of Hawaii's freight comes in by ship. Our harbors are overcrowded with very little area to expand to meet the growing island population. This bill makes a lot of sense and will help DOT Harbors and the entire state meet our shipping needs.

I humbly ask you to support HB 692 and pass this worthy bill.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at 808-870-9115.

Sincerely,

James E. Coon, President

Ocean Tourism Coalition

808-870-9115

[captcoon@gmail.com](mailto:captcoon@gmail.com)

Twenty-Seventh Legislature  
Regular Session of 2013



HOUSE OF REPRESENTATIVES  
Committee on Transportation  
Rep. Ryan I. Yamane, Chair  
Rep. Linda Ichiyama, Vice Chair  
State Capitol, Conference Room 309  
Monday, February 4, 2013; 10:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 692  
RELATING TO HARBORS**

The ILWU Local 142 strongly supports H.B. 692, which authorizes the Department of Transportation to issue revenue bonds for capital improvement projects for harbor improvements.

The ILWU represents almost two thousand stevedores who work on Hawaii docks every day and bear witness to the desperate need for improvements in Hawaii's harbors and piers. Congestion on the docks often leads to accidents that verge on life-threatening and loss of efficiency, productivity, and customer service.

With access to funds, the Department of Transportation can begin work on capital improvement projects that will address safety and efficiency issues and improve cargo-handling at the ports that are Hawaii's lifeline to goods coming into and around the state. Development of the Kapalama container terminal is especially vital on Oahu, but other harbors need long-overdue attention as well.

The ILWU strongly urges passage of H.B. 692. Thank you for the opportunity to provide testimony on this matter.