

**REPORT TO THE TWENTY THIRD LEGISLATURE**

**OF**

**THE STATE OF HAWAII**

**REGULAR SESSION OF 2006**

**ON**

**SCR 221, S.D.1, H.D.1**

**SESSION LAWS OF HAWAII 2005**

**SUBJECT: “PROGRESS REPORT ON THE UPDATE OF THE HAWAII  
COMMERCIAL HARBORS 2020 MASTER PLAN INCLUDING IMPROVING  
HARBOR EFFICIENCY AND EFFECTIVENESS”**

**State of Hawaii  
DEPARTMENT OF TRANSPORTATION  
December 2005**

## **PROGRESS REPORT ON SCR. 221, S.D. 1, H.D. 1**

### **D) Commercial Harbor Crisis**

The Department of Transportation (DOT) Harbors Division conducts on-going analyses of its requirements for commercial harbor improvements and incorporates these findings into its long-range master plans such as the Oahu Commercial Harbors 2020 Master Plan, the Hawaii Commercial Harbors 2020 Master Plan, the Kahului Harbor 2025 Master Plan, and the Kauai Commercial Harbors 2025 Master Plan. In the context of realizing the changes identified by the various Master Plans, the DOT Harbors Division progressively engages in the implementation and development of those improvements that have been identified. The Harbors Division recognizes the critical importance of continuing to develop, improve and expand state commercial harbors and is collaborating with harbor users in the continuing refinement, update and implementation of improvements to achieve these objectives. The result of such effort is the completion of the Mercator Report, a study undertaken by the Hawaii Harbor Users Group (HHUGs) with participation of the Harbors Division that identified and prioritized desired improvements for commercial harbors state-wide. The findings from this effort are being used to provide a general framework for pursuing desired improvements and provide a source of user input in the update of harbor master plans as they are undertaken.

## **II) Immediate Relief**

In the pursuit of critical improvements already identified in earlier Master Plans, the Harbors Division has entered into collaboration with the Department of Business, Economic Development & Tourism (DBEDT) and its Aloha Tower Development Corporation (ATDC) to expedite planning, design and ultimately construction of the development of the former Kapalama Military Reservation (KMR). Effort in this regard is aimed at taking the existing facility from its current state into a future cargo handling container yard at Honolulu Harbor, a project identified in the Honolulu Harbor 2020 Master Plan. The DOT/DBEDT alliance is referred to as the Hawaii Harbors Project (HHP) and is comprised of DOT and DBEDT employees. The HHP focuses on both the KMR project and the establishment of interim projects within Honolulu Harbor that can address immediate needs pending the completion of major improvement projects. An example of this effort is the expansion of the Pier 1 Foreign Cargo container yard. HHP has also accomplished the acquisition of additional land area on Sand Island to provide augmented space for Matson and Horizon lines. Final development of site improvements to enable beneficial occupancy and use is presently underway.

## **III) Long-Range Master Plans**

The Harbors Division is proceeding with the 2030 updates of the Hawaii (Hilo and Kawaihae Harbors) and the Maui (Kahului Harbor) master plans. The Harbors Division will be initiating public information meetings to announce the start of the planning

process in February 2006. A series of plenary sessions involving the maritime industry, commercial enterprise, elected officials, government services, community, cultural and recreational organizations will be scheduled to identify planning ideas and operational concerns in the process of identifying and developing long-term facility plans of the State's commercial harbors.

Work on updates to the Oahu (Honolulu and Kalaheo Harbors) and the Kauai (Nawiliwili and Port Allen Harbors) Master Plans will be undertaken following completion of the Hawaii and Maui projects.

Comprehensive planning to update the Honolulu Harbor 2020 Master Plan will be conducted immediately following completion of the Master Plan Update on both the Hawaii Island Harbors and the Kahului Harbor Plans. As a comprehensive planning tool, the Honolulu Harbor study will conduct development to a new planning horizon to the year 2030, identifying future development options and alternatives to meet projected growth in maritime activities at the port of Honolulu.

Similar to the Master Planning for the Neighbor Island Ports, the assessment will involve user and community participation to evaluate shipping technologies, projected cargo and passenger ship activity levels and operational needs by harbor users. The effort is aimed at identifying development needs and the opportunities for the continued improvement of cargo and cruise ship and ferry terminal and berthing and related requirements. Focus on future neighbor island harbor needs will be conducted through the respective Master Plan Updates for each respective island.

Attention on current conditions and the improvements needed to address such situations, such as the expansion of operational area at piers 1&2 are being conducted through ongoing collaboration with both individual harbor users, the Department of Business Economic Development and Tourism, Aloha Tower Development Corp. (ATDC) and the Hawaii Harbor Users Group (HHUGs) coalition in addition to implementation of improvements identified in the Honolulu Harbor 2020 Master Plan. Included in this effort are a number of studies on fees and tariff adjustments as well as an assessment on alternative funding approaches such as terminal leasing agreements.