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IN REPLY REFER TO:
HAR-EP 1676.12

November 9, 2011

TO: GARY HOOSER, DIRECTOR
OFFICE OF ENVIRONMENTAL QUALITY CONTROL
DEPARTMENT HEALTH

FROM: GLENN M. OKIMOTO, Ph.D.
DIRECTOR OF TRANSPORTATION 

SUBJECT: KAPALAMA CONTAINER TERMINAL FINAL ENVIRONMENTAL
ASSESSMENT/ENVIRONMENTAL IMPACT STATEMENT PREPARATION
NOTICE – JOB H. C. 10298

The Department of Transportation, Harbors Division has assessed the potential environmental impacts of the proposed container terminal project at Kapalama, Oahu, Hawaii and has determined that an Environmental Impact Statement (EIS) will be prepared. Please publish a notice of the availability of the attached Final Environmental Assessment (FEA)/Environmental Impact Statement Preparation Notice (EISPN) for the proposed project in the November 23, 2011 issue of *The Environmental Notice*.

We have enclosed a completed OEQC Publication Form, a hard copy of the FEA/EISPN, and a PDF file of the FEA/EISPN and MS Word file of the completed Publication Form on disk.

Please call Glen Koyama of Belt Collins Hawaii at 521-5361 if you have any questions.

Enc.

OFFICE OF ENVIRONMENTAL
QUALITY CONTROL

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RECEIVED

OEQC Publication Form The Environmental Notice

Instructions to Applicant or Agency:

1. Fill out this Publication Form and email to: oeqc@doh.hawaii.gov
 2. Send one (1) pdf and one (1) hardcopy of the EA / EIS to OEQC
-

Name of Project: Kapalama Container Terminal
Applicable Law: Chapter 343, Hawaii Revised Statutes
Type of Document: Final Environmental Assessment/Environmental Impact Statement Preparation Notice (FEA/EISPN)
Island: Oahu
District: Honolulu District
TMK: First Division, 1-2-25:
Permits Required: U.S. Department of the Army Permit, Environmental Protection Agency Review of Ocean Disposal of Dredged Material, Disposal Site Operator Approval of Upland Site Disposal of Dredged Material, Section 401 of Clean Water Act - Water Quality Certification, Coastal Zone Management Federal Consistency Certification, and National Pollutant Discharge Elimination System Permit

Name of Applicant or Proposing Agency: Department of Transportation, State of Hawaii, Harbors Division
Address: 79 S. Nimitz Highway
City, State, Zip: Honolulu, Hawaii 96813
Contact and Phone: Carter Luke, Engineering Program Manager, Ph. (808) 587-1862

Approving Agency: Department of Transportation, State of Hawaii
Address: 869 Punchbowl Street
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Contact and Phone: Jadine Urasaki, Deputy Director - CIP, Ph. (808) 587-2156

Consultant: Belt Collins Hawaii Ltd.
Address: 2153 North King Street, Suite 200
City, State, Zip: Honolulu, Hawaii 96819
Contact and Phone: Glen Koyama, Project Planner, Ph. (808) 521-5361

Project Summary: Summary of the direct, indirect, secondary, and cumulative impacts of the proposed action (less than 200 words).

DOT-Harbors proposes to redevelop the former Kapalama Military Reservation property at Honolulu Harbor into a new shipping container terminal to handle current and projected increase in cargo volumes. Formerly owned by the U.S. government, the property was acquired by the State in 1993 for future harbor expansion and improvements.

The proposed project will include: 1) development of an approximately 90-acre container yard with necessary support buildings, fencing and gates, gantry cranes and container-handling equipment, onsite utilities and lighting, and associated off-site improvements, including a direct access connection with the adjacent Young Brothers inter-island barge operation; 2) construction of a deep draft wharf with berthing capacity to accommodate two container ships; and 3) improvements to Piers 40 and 41 to accommodate use for interisland cargo operations.

**FINAL ENVIRONMENTAL ASSESSMENT/
ENVIRONMENTAL IMPACT STATEMENT
PREPARATION NOTICE**

**Kapalama Container Terminal
Honolulu Harbor**

**State of Hawai'i
Department of Transportation
Harbors Division**

**FINAL ENVIRONMENTAL ASSESSMENT/
ENVIRONMENTAL IMPACT STATEMENT
PREPARATION NOTICE**

**Kapalama Container Terminal
Honolulu Harbor**

November 2011

Prepared for:

**State of Hawai'i
Department of Transportation
Harbors Division**

Prepared by:

**Belt Collins Hawaii Ltd.
Honolulu, Hawaii**

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ACRONYMS AND ABBREVIATIONS

BMPs	Best Management Practices
CIA	Cultural Impact Assessment
DEIS	Draft Environmental Impact Statement
DLNR	Department of Land and Natural Resources, State of Hawai'i
DOA	Department of Agriculture, State of Hawai'i
DOH	Department of Health, State of Hawai'i
DOT-Harbors	Department of Transportation, Harbors Division, State of Hawai'i
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
EPA	Environmental Protection Agency
ESA	Environmental Site Assessment
FAA	Federal Aviation Agency
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Map
HAR	Hawai'i Administrative Rules
HHUG	Hawai'i Harbors User Group
HRHP	Hawai'i Register of Historic Places
HRS	Hawai'i Revised Statutes
KMR	Kapalama Military Reservation
NPDES	National Pollutant Discharge Elimination System
NRHP	National Register of Historic Places
TMK	Tax Map Key
UH	University of Hawai'i
U.S.	United States

1 Proposing Agency

The State of Hawai‘i (State) Department of Transportation, Harbors Division (DOT-Harbors) is the proposing agency for this action.

2 Accepting Authority

The accepting authority for the Environmental Impact Statement (EIS) is the Governor of Hawai‘i or the Governor’s authorized representative.

3 Purpose of Environmental Impact Statement Preparation Notice (EISPN)

This EISPN was prepared in accordance with Hawai‘i Administrative Rules (HAR) Title 11 Chapter 200, which implements Hawai‘i Revised Statutes (HRS) Chapter 343. The intent of this EISPN is to inform interested parties of the project, and to seek agency and public input on issues or resources of concern. Input received as a result of the EISPN that is relevant to the proposed action will be used in developing the Draft Environmental Impact Statement (DEIS), HRS Chapter 343 requirements are applicable to this project because the proposed action will use State land and funds.

4 Project Description

DOT-Harbors is proposing to redevelop the former Kapalama Military Reservation (KMR) property at Honolulu Harbor into a new shipping container terminal to handle current and projected cargo volumes. Formerly owned by the U.S. government, the land was acquired by the State in 1993 for future harbor expansion and improvements.

The approximately 90-acre Kapalama site is bounded on the west by Sand Island Access Road, on the north by Auiki Street, on the east by Young Brothers’ inter-island barge terminal, and on the south by the harbor waters of Kapalama Basin (Figure 1). Existing vehicular access is via Sand Island Access Road and Auiki Street.

The DEIS will evaluate direct impacts associated with the proposed action and its alternative actions, as well as indirect and cumulative impacts associated with the construction and long-term operation of the project.

4.1 Purpose and Need for the Project

Hawai‘i is the only state in the nation that is completely surrounded by ocean and, as a result, its residents are heavily dependent on ocean surface transportation for their sustenance. Approximately 80 percent of Hawai‘i’s goods—including food, consumer products, vehicles, fuel, and construction materials—are imported into the state. Of that amount, 98 percent comes through its commercial harbors. Ocean transportation and commercial harbors are Hawai‘i’s lifeline to the world, supporting every facet of the islands’ economy.

As the resident population in the islands continues to grow, and to ensure continued and unimpeded movement of cargo in and out of the state, as well as between the islands, the

commercial harbors in Hawai‘i must undergo major expansion and improvements. Through the years, transported cargo has been increasingly containerized. Containerized cargo throughput at the existing Sand Island container terminals is projected to increase at an annual compounded rate of three percent, based on the direct linehaul (service between Honolulu and the mainland) growth in containerized cargo between 1994 and 2005. Although recent throughput has slowed as a result of current economic conditions, long-term growth trends continue to push for increased terminal capacity at Honolulu Harbor.

Existing terminal capacity in Honolulu Harbor, the hub of the state commercial harbor system, has not been recently expanded. If no new capacity is developed in the current projection timeframe, major reductions in service time and increases in cost at the Sand Island terminals are expected. By 2020, the movement and handling of cargo will effectively be constrained with significant impacts on Hawai‘i’s economy, including lost jobs and income, foregone business revenue and taxes, and potential shortages of goods. By 2030, the loss of real gross state product could amount to \$50 million, and consumers could be subject to 18 percent higher shipping costs. Expansion of container terminal capacity in Honolulu Harbor is a high priority to assure that continuing growth in cargo volumes entering the state is accommodated.

4.2 Background

As early as 1989, a container cargo facility was included in the *Honolulu Waterfront Master Plan* on directions from the Office of State Planning.

In 1991, the *Final Master Plan Report, Kapalama Development Project*, was prepared and included a development program for the container terminal operation, State Department of Agriculture facility, and some related-maritime users.

The *Oahu Commercial Harbors 2020 Master Plan*, which was prepared in 1997 and updated the *Honolulu Waterfront Master Plan* and the *2010 Master Plan for Barbers Point Harbor*, ensures Oahu’s commercial harbors will be capable of meeting the expanding needs of the State’s growing economy through the year 2020.

In 2008, the Hawai‘i State Legislature appropriated funds to implement the State’s *Harbors Modernization Plan*. The Plan, prepared by DOT-Harbors in partnership with the Hawai‘i Harbors User Group (HHUG), included priorities to expand and upgrade statewide commercial harbor facilities to meet the need for increased maritime cargo and passenger service. Recognizing the vital importance of Honolulu Harbor in the state’s commercial harbor system, the Plan called for constructing a new container terminal at the former KMR site.

In moving forward with the development of the new container terminal, existing tenants will be required to relocate from the property. The former KMR site is presently occupied by some shipping-related companies, a University of Hawai‘i (UH) marine research facility, and a number of small maritime and non-maritime enterprises (Figure 2). All, except a handful, are on month-to-month revocable permits and are on notice for future non-renewal of permit. Those who are not on permits are on leases which are due to expire in the short-term. All of the tenants have been informed of the pending development plan for the property.

The specific date when all tenants must move out of the property has not been firmly established and is dependent on the project’s final construction schedule. At a recent public meeting on the project, attendees were told that the tenants could possibly expect relocation notices in 2014. To date, a few major tenants have secured or are in the process of securing

relocation sites elsewhere within the harbor. The UH marine research facility is planning to relocate a major portion of its facility to Piers 34 and 35, and two or three other maritime tenants are planning to relocate to Piers 24 to 28. To accommodate their move, possible dock-side improvements and renovations may be performed.

4.3 Proposed Action

The proposed action calls for the following improvements (see Figure 3):

- Development of an approximately 90-acre container yard with necessary support buildings, fencing and gates, gantry cranes and container-handling equipment, onsite utilities and lighting, and associated off-site improvements, including a direct access connection with the adjacent Young Brothers inter-island barge operation.
- Construction of a deep draft wharf or pier with berthing capacity to accommodate two container ships. This improvement will involve filling in Snug Harbor and dredging in the area fronting the container yard to achieve sufficient water depth at the new wharf.
- Improvements to Piers 40 and 41 to accommodate use for interisland cargo operations.

Operational hours for the new container terminal are anticipated to be from Monday through Sunday, 24 hours per day. Heavy activity in the container yard, however, will depend on when a container ship is in port. Typical peak times or days for existing terminals are Mondays and Thursdays. Additionally, container truck pick-ups and deliveries from the container terminal are expected to occur only during the daytime hours.

4.4 Alternatives Considered

4.4.1 Alternative Yard Configurations

DOT-Harbors considered several layouts/configurations for the new container terminal, including:

- Waterfront wharf alignment:
 - Option 1: Longest possible main berth face; preferred since it serves two vessels simultaneously and provides more container yard area in a favorable layout (Figure 3).
 - Option 2: A two-segmented main berth that permits more total length but reduces container yard area (Figure 5).

- Barge berth alignment:

Three options were considered for the development of a barge berth along existing Pier 41 at the eastern edge of the proposed container terminal (Figure 6). Young Brothers may eventually operate barges from this berth as an expansion of its existing facility. Hence, adequate clearance is needed between Pier 41 and Pier 40 to facilitate operations of a large barge. The options vary in terms of clearance distance between Piers 41 and 40,

length and angle of the main berth, and cargo yard area. Two of the options comprise DOT-Harbors' preferred approach:

- Option 1 - Improvement of Pier 41 berth in its current location with 256 feet of clearance distance with Pier 40.
- Option 2 - Widening of Pier 41 berth area to achieve 300 feet of clearance without sacrificing main berth length or cargo yard area.
- Container terminal truck access:

Two options for truck access to the terminal were considered. One option is for access from Sand Island Access Road (Figure 3), and the other option is for access from Auiki Street (Figure 4). The Sand Island Access Road is the preferred option to avoid impacts on neighboring mixed-use Kalihi Kai characterized by narrow roads.

4.4.2 Alternative Location

Alternative locations within the harbor are extremely limited given the required land area to operate a fully functional container terminal. Over 85 percent of the waterfront in Honolulu Harbor is already occupied by existing facilities.

Piers 26 to 29 are vacant but are committed to other harbor users. Even if these piers were not committed, the land behind the piers would not be sufficient to accommodate a fully functional container terminal.

4.4.3 No Action

Under the "No Action" alternative, DOT-Harbors would not redevelop the former KMR site into a container terminal. Honolulu Harbor would continue to operate with existing facilities at their existing locations. Future increases in cargo volume would create stress on facilities and infrastructure, with the container terminals operating at overcapacity. This could cause delays in cargo deliveries, increase transportation fuel costs, and increase the cost of consumer products. A modest increase in terminal capacity may be possible through improvements in cargo-handling technology, but not sufficient to meet future needs.

Environmentally, no redevelopment of the Kapalama property would result in no changes to the site's physical and biological conditions and to the harbor waters. Existing land uses on the property would continue to operate unaffected.

Proceeding with the no action alternative would not meet the purpose and need for the project.

4.5 Time Frame

The Final Environmental Impact Statement (FEIS) is expected to be completed in the fall of 2012. Design of the facility will then begin. Once all land use, environmental, and construction permits and approvals as well as financing are secured, construction can commence.

4.6 Funding Source

The proposed improvements, estimated to cost \$221 million (2011 estimate), will be paid for by revenue bonds. Potential sources of project funding include harbors revenue bonds, revenue from harbor activities, rentals, and leases. The financial plan for the project includes a combination of scheduled increases in harbor user fees (tariffs) and land leases with minimum annual guarantees.

4.7 Required Permits and Approvals

The State Land Use Law (HRS Chapter 205) established the Land Use Commission and placed all lands in one of four land use districts: Urban, Agricultural, Conservation, or Rural. The commercial harbors in the state are designated in the Urban district. According to HRS Chapter 205-2(b), "Urban districts shall include activities or uses as provided by the ordinances or regulations of the county within which the urban district is situated." Due to the crucial role of the commercial harbors in the islands, DOT-Harbors (rather than the respective counties) has jurisdiction over all commercial harbors.

Development of the container terminal at the Kapalama site will be consistent with applicable federal, state and county land use plans and policies, which will be specifically addressed in the DEIS.

In-water construction will require a U.S. Department of the Army Permit in accordance with the federal Clean Water Act and compliance with the Coastal Zone Management (CZM) Act, Endangered Species Act, and other applicable laws and regulations. A major part of the in-water construction will involve dredging and construction of the new wharf. Depending on the results of a bioassay test, the dredged material will be taken to an ocean disposal site or upland disposal site with approval from the appropriate authorities. Disposal of the dredged material as a fill in Snug Harbor will also be explored.

DOH-established Water Quality Standards are set forth in HAR 11-54. Honolulu Harbor is classified as Class A marine waters. The objective of Class A waters is that their use for recreational purposes and aesthetic enjoyment be protected. Other uses are permitted as long as they are compatible with the protection and propagation of fish, shellfish, and wildlife, and with recreation in and on these waters.

A Conservation District Use Permit from the State Board of Land and Natural Resources is expected to be required for construction of the wharf improvement in the harbor water.

Since construction on the project site will occur over an area of one acre or more, a National Pollutant Discharge Elimination Systems (NPDES) Permit will be required. This permit relates to projects that, among others, potentially generate stormwater associated with construction activities resulting in the disturbance of equal to or greater than one acre of total land area.

In summary, the following permits and approvals will be required before construction on the project can begin.

Permits or Approvals	Regulatory Agency
Federal	
U.S. Department of Army Permit	U.S. Army Corps of Engineers
Ocean Disposal of Dredged Material (or)	Environmental Protection Agency/US Army Corps of Engineers
Upland Disposal of Dredged Material	Disposal Site Operator
State	
Section 401 Water Quality Certification	Department of Health
Coastal Zone Management (CZM) Federal Consistency Certification	Office of Planning
Conservation District Use Permit	Office of Conservation and Coastal Lands, Board of Land and Natural Resources
National Pollutant Discharge Elimination Systems (NPDES) Permit	Department of Health

5 Summary of Affected Environment, Potential Impacts, and Proposed Mitigation Measures

The DEIS will discuss the relationship of the proposed action to land use plans, policies, and controls for the affected project area. It will identify and evaluate potential impacts of the proposed action and its alternatives (including no action) and propose mitigation measures to prevent or minimize any adverse impacts. Cumulative impacts will also be addressed in the DEIS. Preliminary information about relevant resource areas is summarized below.

5.1 Existing Land Use

The waterfront section of the Kapalama container terminal site, known as Snug Harbor, is presently occupied by the University of Hawai'i Marine Center. Plans are underway to relocate the Marine Center to another site within the harbor. There are over 80 other tenants who are predominantly on month-to-month revocable permits and are occupying the former military warehouse buildings on the property. A few tenants are in separate structures and are on leases, which are due to expire in the short term.

Businesses on the property are a mix of light industrial and commercial uses. Some are maritime-related businesses which would look to relocate somewhere within the harbor, and the majority of businesses that are non-maritime related and which would look to relocate outside of the harbor area. The State Department of Agriculture has a plant quarantine inspection and treatment facility as well as office spaces on the former KMR property, but are not included in the Kapalama container terminal project site.

Uses in the immediate surrounding area include Young Brothers Limited inter-island cargo operations, fuel storage facilities, Servco Pacific, Ke'ehi Small Boat Harbor, and a mix of land uses in the Kalihi Kai area, predominantly light industrial (e.g., construction base yards,

warehouses, and wholesalers), as well as retail, and some residential. Matson Navigation Company and Horizon Lines, LLC are located on Sand Island across the channel from the project site.

5.2 Land Ownership

The Kapalama container terminal site consists of approximately 90 acres and is bound by Sand Island Access Road on the west, Auiki Street on the north, Pier 40 on the east, and Kapalama Basin on the south. DOT-Harbors is the primary owner of the Kapalama site with the exception of the State Department of Land and Natural Resources (DLNR), which owns the approximately 16-acre Snug Harbor section of the property and DOT-Airports Division, which owns an approximately 11-acre section along Sand Island Access Road. The DLNR waterfront area is presently occupied by the UH Marine Center via a lease. The DOT-Airports land along Sand Island Access Road is occupied by warehouse buildings and vehicle parking and is ceded land.

In the northern section of the Kapalama site, a less than five-acre section with access from Auiki Street is owned by the State and used by the Department of Agriculture (DOA) via Executive Order 4075. This isolated site is not included in the development of the Kapalama container terminal.

Use of State funds and land and the anticipated probable impacts from the proposed action are reasons an EIS is being prepared for this project. Development of the site for a single use and operator may interest DOT-Harbors to consolidate the multiple parcels into a single parcel.

5.3 Geology, Soils, and Topography

In the early 1930s, the shoreline in lower Kapalama, which included two fishponds, was located just makai of Auiki Street, and Sand Island was a shallow reef flat. In subsequent years, the fishponds were filled from the dredging of seaplane runways in Ke'ehi Lagoon and construction of the Kapalama basin in Honolulu Harbor. Snug Harbor was constructed in the mid-1940s for the military, and in 1972, the deck section at Snug Harbor was completed for the University of Hawai'i research facility. The shoreline of the filled land is now located more than 400 feet makai of Sand Island Access Road.

The Kapalama site is relatively level with elevations ranging from approximately 8 feet (above mean sea level) at the Auiki Street boundary to approximately 5 feet (msl) at the waterfront. The property is virtually all paved, and stormwater runoff is by sheetflow to a limited underground stormwater drainage system which discharges into the harbor.

5.4 Terrestrial Biological Resources

Given the developed condition of the property, the presence of terrestrial flora and fauna is sparse. Existing flora includes small patches of grass or groundcover, and existing fauna generally consists of stray domestic animals and low-land urban birds. Threatened and endangered terrestrial species are not known to permanently inhabit the site, but may occur in the vicinity or occasionally pass through the harbor area (e.g., threatened Newell's shearwater, *Puffinus auricularis newelli*).

Adverse direct impacts to terrestrial biota resulting from the proposed action are not expected to be significant. Artificial lights could present a danger to threatened or endangered seabirds that may pass through the Kapalama site. However, the risk of groundings would be reduced by use of shielded lighting on most fixtures at the harbor.

5.5 Marine Environment

Development of the new container terminal will require filling in Snug Harbor and constructing a new wharf along the length of the container yard waterfront. Construction of the wharf will involve dredging in the harbor water and disposal of the dredged material to an appropriate site.

In contrast to the sparse distribution of terrestrial flora and fauna, marine biota within Honolulu Harbor is more probable in abundance and diversity. Threatened and endangered marine species may occasionally occur in or near the harbor water (e.g., threatened green sea turtle, *Chelonia mydas* and endangered Hawaiʻian monk seal, *Monachus schauinslandi*). Other protected marine species are also present in the open ocean.

A marine environmental assessment will be conducted and its findings and recommended mitigative measures will be included in the DEIS. The study will include a biota survey, water quality assessment, and sediment testing. It is noted that sediments in the harbor water come not only from runoffs on adjacent harbor facilities but also from flows in streams that discharge into the harbor. Of particular focus, the study will determine whether any threatened or endangered marine species or coral reef ecosystems (presently a candidate for the endangered species list) will be negatively affected, and if that is the case, a quantitative analysis will be performed to determine the type, size, and number of such species in the area.

Results from the sediment testing will determine whether the dredged material is suitable for ocean disposal under federal Environmental Protection Agency (EPA) review or is required for disposal to an approved upland containment site. An alternative to the latter may be shipment of the material to an approved mainland facility.

Pile drivers may be used to install concrete piles and/or sheet piles along the wharf improvement. As a result, marine or underwater noise is expected to be generated and could adversely affect possible threatened or endangered marine life in the area. Construction methodology for the project will be evaluated to determine mitigative measures to minimize underwater noise impacts.

Adverse direct impacts to surface water quality resulting from the proposed action are not expected to be significant. Any generation of sediment plumes is expected to be controlled by Best Management Practices (BMPs) and turbidity control devices, such as silt curtains, cofferdams, etc., to prevent widespread effects in the harbor and drifts to Keʻehi Lagoon and the open ocean.

5.6 Natural Hazards

According to the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Maps (FIRM) for Honolulu, the Kapalama site is located outside of any significant floodway. A portion of the site is located within the tsunami evacuation zone, as identified by the Hawaiʻi Civil Defense.

Earthquakes could occur and cause damage to the site depending on the earthquake's epicenter location and magnitude. Most of the earthquakes in the islands occur at the far eastern end of the island chain where rift zones and volcanoes are still active. Facilities will be designed and constructed in accordance with site-specific geotechnical and structural engineering investigations and would comply with applicable seismic design criteria.

5.7 Cultural Resources

Cultural resources include archaeological sites/features and buildings listed on or eligible for listing on the National Register of Historic Places (NRHP) or the Hawai'i Register of Historic Places (HRHP), as well as traditional cultural practices.

The U.S. Geological Survey maps, prepared by the Department of Engineering, Territory of Hawai'i, during 1927-1928, show two fishponds in the project area: Auiki Pond and Ananoho Pond. These ponds have since been filled and the shoreline extended to the present location to accommodate light industrial and maritime uses. Within the vicinity, the U.S. military took control of a large area of the filled land in 1941 and established the Kapalama Military Reservation (KMR) for use as a logistics support and warehouse facility. Almost all of the buildings that were constructed during their tenure still remain and are currently being used by tenants.

In a recent inventory survey of the former KMR property, the buildings were noted to be constructed primarily in the mid-1940s. These would qualify the structures as "historic" under State law, but from a preservation standpoint they are not architecturally significant nor historically important. The State Historic Preservation Division (SHPD) has issued a letter indicating the proposed harbor improvement would not affect any historically significant feature. A subsequent consultation with SHPD is being planned for the EIS preparation process to confirm the agency's original assessment of the property.

5.8 Visual and Aesthetic Resources

Visual resources include scenic vistas, scenic overlooks, unique topography, or visual landmarks having scenic value. Honolulu Harbor generally has a developed and industrial appearance with industrial buildings and warehouse structures, paved parking, gantry cranes and container storage yards, service/utility facilities, and minimal trees and other landscaping.

Adverse impacts to visual and aesthetic resources are not anticipated as a result of the proposed action. The appearance of the container terminal will be consistent with the existing maritime industrial setting of the commercial harbor.

5.9 Socio-Economic Setting

The socio-economic environment is a reflection of economic and social factors on the island. The existing socio-economic environment of Kapalama, the Island of O'ahu, and state, including population, economy, and shipping transportation, will be assessed in the DEIS

The draft environmental document will also review the tenant relocation process at the site and its impact on the community.

5.10 Public Health and Safety

A Phase I environmental site assessment (ESA) was conducted by Brewer Environmental Services in 2005 to identify hazardous substances, including petroleum products, that may have been released into structures or into the ground on the property, ground water, or surface water. The ESA was followed up with a Reassessment Report (Environet, Inc., March 27, 2006), involving site reconnaissance and interviews to update tenant occupancy and/or operational changes and tenant compliance issues. The report indicated that the results of the study will serve as a guide for the future development and planning of the project site. The project will be in compliance with applicable laws and regulations to mitigate environmental impacts on the Kapalama property, if any.

Present procedures for screening invasive species from entering the islands through cargo transfer involve the deployment of DOA inspectors at the shipping yards. Containers are checked at the container terminals and at the importers' storage/distribution sites. The State Legislature approved Act 202 this year, which requires DOT-Harbors to assist State DOA in setting up bio-security inspection stations at state commercial harbors. The proposed container terminal at Kapalama will be considered in the planning and implementation of the needed "barrier" for invasive species.

5.11 Air Quality and Noise

Adverse direct impacts to air quality resulting from the development and operations of the new container terminal are not expected to be significant. Emissions associated with construction of harbor improvements would be minimal and temporary. Stationary source emissions large enough to be of any concern are regulated by DOH, as required by HAR 11-60.1. Fugitive dust and earth-moving activities would be minimized in accordance with HAR 11-60.1-33. Potential indirect air quality impacts at the container terminal will be evaluated in the DEIS.

Noise related to normal terminal operations are expected to include container truck movements and back-up maneuvers (beeping warning sounds), gantry crane operations, container lifts (top picks/side picks), and other mechanical equipment, and ship and tugboat engines. In anticipation of noise concerns on major operators in the project, a noise study will be conducted and its findings will be reported in the DEIS.

Adverse impacts to the noise environment resulting from container terminal operations are not expected to be significant. Construction-related noise will be temporary, and activities will be conducted in compliance with state regulations (i.e., noise permit or variance would be obtained, as required). Potential underwater noise associated with wharf construction is discussed in Section 5.5 of this document.

5.12 Circulation and Traffic

The development concepts for the proposed terminal include a container yard with truck access from Sand Island Access Road and, alternatively, truck access from Auiki Street. Depending on which alternative is selected, the impact on adjacent roads would be different. If the container truck gate is located on Sand Island Access Road, traffic on this state road would be affected. If the truck gate is located on Auiki Street, traffic on this city street, as well as the traffic through the Kalihi Kai subdivision, would be affected.

Should the truck gate be located on Sand Island Access Road, traffic impacts on this road is not expected to be significant. This is because most of the traffic generated by the project would not represent an actual increase but rather a relocation of the traffic generator, from

Sand Island to Kapalama on the same road. If the operator of the new facility is considered an existing operator that has expanded its operation to the new site to accommodate the normal cargo volume growth in the harbor, then the associated traffic generation should be considered as part of the normal increase in operations along that same access road and overall traffic in the area.

The internal connection with the adjacent Young Brothers operation will reduce truck traffic on the public roadways. High-efficiency gates will reduce queuing of idling trucks and thus improve traffic flow and reduce congestion on roadways.

A traffic study will assess baseline traffic condition in and around the project area. It will evaluate the truck operational requirements from the container terminal, estimate future increases in ambient traffic from the region and container terminal and its alternatives, and assess how the project's generated trips will impact area traffic. Results of the study will be presented in the DEIS along with any needed mitigation to avoid or minimize those impacts.

Safety concerns will also be addressed regarding potential conflicts between the anticipated truck traffic travelling through the adjacent mixed-use neighborhood and its likely effects on pedestrian and bicycle traffic.

5.13 Airspace

The Kapalama container terminal is located approximately 0.8 mile from Honolulu International Airport and is within the airport's approach and departure pattern of aircraft. The gantry cranes to be used for loading and unloading containers from the ships may be as high as 208 feet and may pose as an obstruction in the aircrafts' airspace. An analysis of the potential impact on airspace, using Federal Aviation Administration (FAA) Form 7460-1, will be conducted. Results of the analysis and any proposed mitigation will be provided in the DEIS.

5.14 Infrastructure and Public Services

Honolulu Harbor is heavily industrialized and served by a variety of public services and utilities, including police and fire protection services, water supply, wastewater collection, drainage, electricity, communications, and solid waste collection. Adverse impacts to public services and infrastructure are not anticipated as a result of the proposed action. Container terminal development will not significantly increase demand on the existing shore-side utilities.

Operations of the container terminal will depend to a large extent on diesel or other suitable fuel to operate the container trucks, mobile lifts, and gantry cranes. Electrical power will be required for a portion of the container terminal operation.

6 EIS Determination

The anticipated probable impacts from the proposed Kapalama container terminal call for the preparation of an EIS. This EISPN has been prepared in accordance with Chapter 343, HRS and Title 11, Chapter 200, HAR (Environmental Impact Statement Rules).

7 Public Outreach

Early consultation on the project has been carried out with various agencies and stakeholder groups as part of the scoping process for this project. A public informational meeting was held on July 19, 2011 to provide opportunities for the community to obtain information on the proposed action. A second public meeting is scheduled for the spring or summer of 2012 during the Draft EIS public review period. As a result of these public interactions, substantial input from agencies and the public is being obtained. With the information received through this outreach, the distribution of this EISPN, and subsequent consultations, environmental concerns should be sufficiently identified prior to finalization of the EIS.

Consulted parties, DOT-Harbors' public informational meetings, and the parties to be consulted with distribution of this EISPN are identified below.

7.1 Consulted Parties

The governmental agencies and stakeholder groups consulted to date include the following:

Federal Agencies

U.S. Department of the Army

- Corps of Engineers

U.S. Department of Commerce:

- National Oceanic and Atmospheric Association, National Marine Fisheries Service, Pacific Islands Office

U.S. Department of the Interior:

- U.S. Fish and Wildlife Service, Pacific Islands Ecological Field Service Office

U.S. Department of Transportation

- Federal Aviation Administration

State Agencies

Department of Agriculture:

- Plant Industry Division, Plant Quarantine Branch

Department of Transportation

- Airports Division
- Highways Division

Office of Hawaiian Affairs

Stakeholders

Hawai'i Harbors User Group

Horizon Lines

Matson Navigation Company
Pacific Shipyards
Young Brothers Limited

Other agencies to be consulted in the EIS preparation process:

Federal Agencies

Environmental Protection Agency

7.2 Public Informational Meetings

DOT-Harbors held a public informational meeting for the project on July 19, 2011 in Kapalama. Mailed invitations to agencies and stakeholders, flyers distributed door-to-door, public notice in a major local newspaper, and public announcements from a local radio station were made for the meeting. The meeting offered opportunities for the public to provide input pertaining to resources and issues of concern that should be addressed in the EIS. Attendees were encouraged to share their ideas through both oral comments and written input.

A second public informational meeting is scheduled for the spring or summer of 2012 during the DEIS public review period. At this meeting, members of the audience will have an opportunity for direct interaction with DOT Harbors representatives and the DEIS project team.

7.3 EISPN Distribution List

Governmental agencies, elected officials, media, and special interest/stakeholder groups who will be provided a copy of this preparation notice are listed below.

Federal Agencies

Environmental Protection Agency
Federal Aviation Administration
NOAA-National Marine Fisheries Service
U.S. Fish and Wildlife Service
U.S. Department of the Army, Corps of Engineers

State Agencies

Department of Agriculture
Department of Business, Economic Development and Tourism, Office of Planning
Department of Health
Department of Land and Natural Resources, Land Division
Department of Land and Natural Resources, Historic Preservation Division
Department of Land and Natural Resources, Office of Conservation and Coastal Lands
Department of Transportation, Airports Division
Department of Transportation, Highways Division
Department of Transportation, Statewide Transportation Office
Office of Hawaiian Affairs

University of Hawaii at Manoa
University of Hawaii at Manoa, School of Ocean & Earth Science & Technology

City and County of Honolulu

Board of Water Supply
Department of Design and Construction
Department of Environmental Services
Department of Facility Maintenance
Department of Planning and Permitting
Department of Transportation Services
Fire Department
Police Department

Libraries

Kalihi-Palama Public Library
Liliha Public Library
Salt Lake/Moanalua Public Library

New Media

Honolulu Star Advertiser

Elected Officials

State Senator Suzanne Chun Oakland
State Representative Joey Manahan
Councilmember Romy M. Cachola

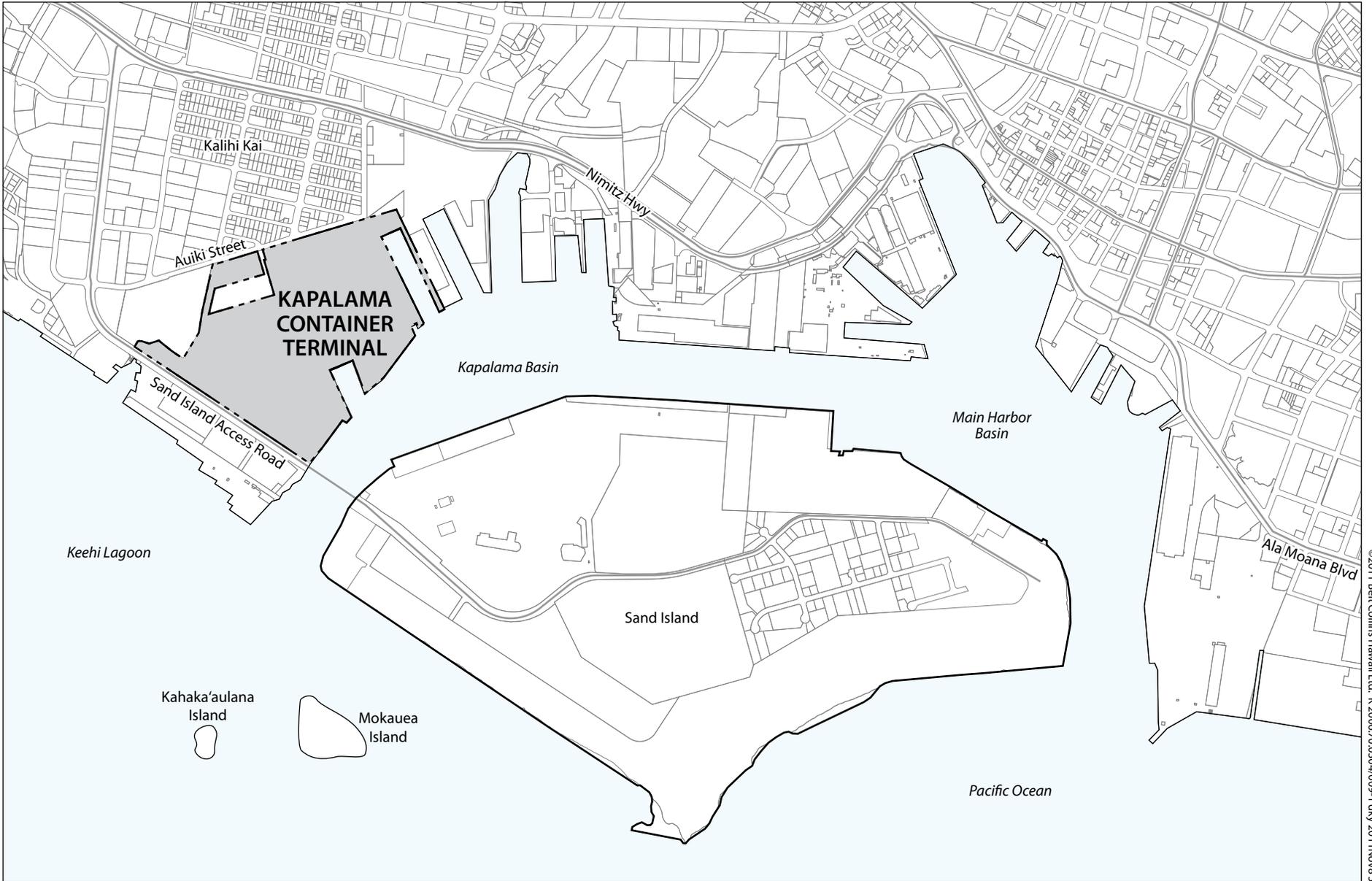
Special Interest and Stakeholders Groups

Airline Group
Aloha Cargo Transport
Atlantis Submarines Hawaii
Hawaii Harbors User Group
Horizon Lines
Kalihi-Palama Neighborhood Board
Matson Navigation Company
Pacific Shipyards International
Sause Brothers
Young Brothers Limited

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Figure 1
LOCATION MAP

Kapalama Container Terminal
Honolulu Harbor, Hawaii



Figure 2
EXISTING LAND USE

Kapalama Container Terminal
Honolulu Harbor, Hawaii

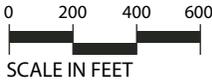
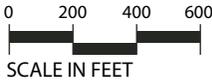




Figure 3
PROPOSED CONTAINER TERMINAL

Kapalama Container Terminal
 Honolulu Harbor, Hawaii



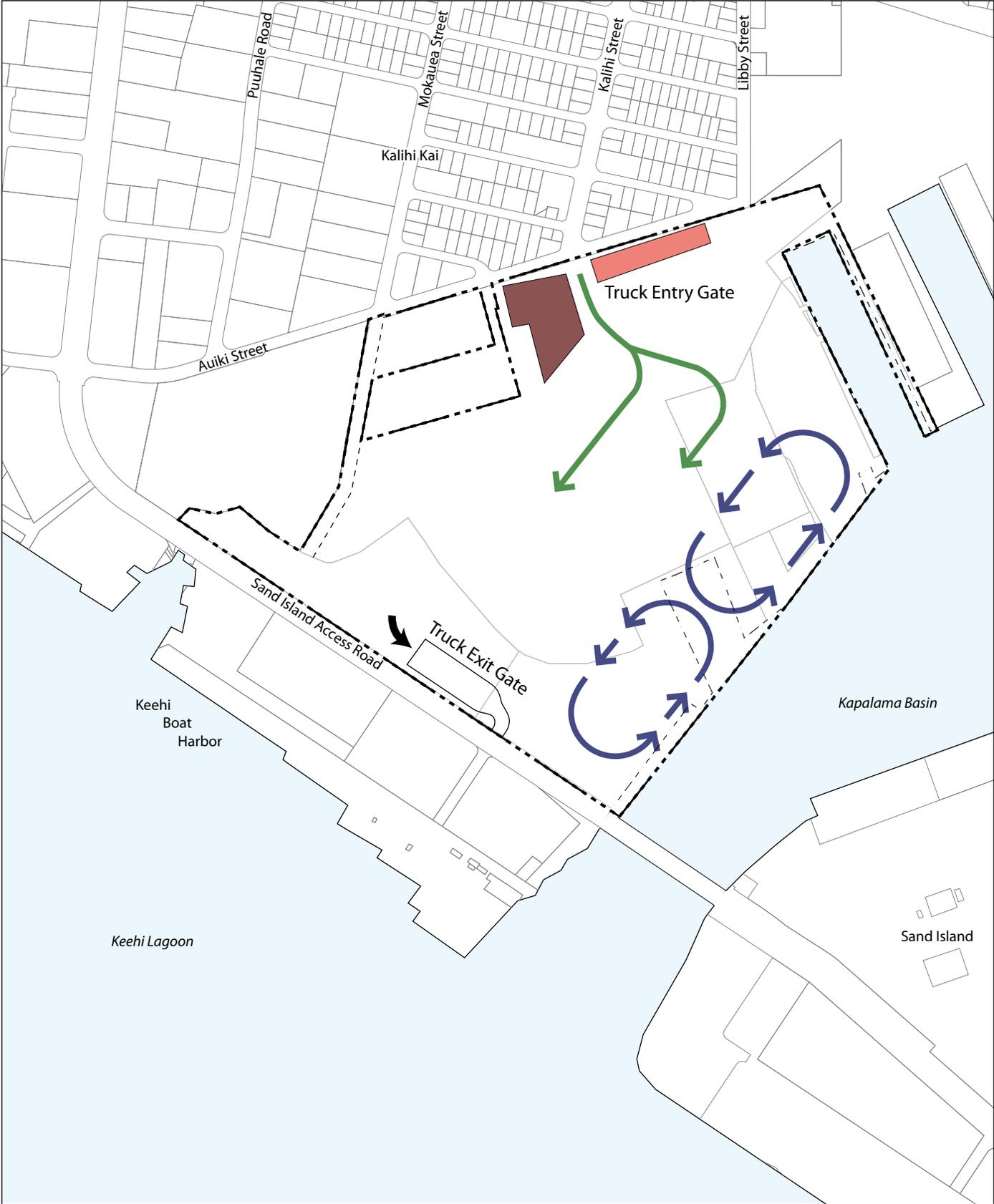


Figure 4
PROPOSED CONTAINER TERMINAL WITH
ALTERNATIVE TRUCK ACCESS

Kapalama Container Terminal
Honolulu Harbor, Hawaii



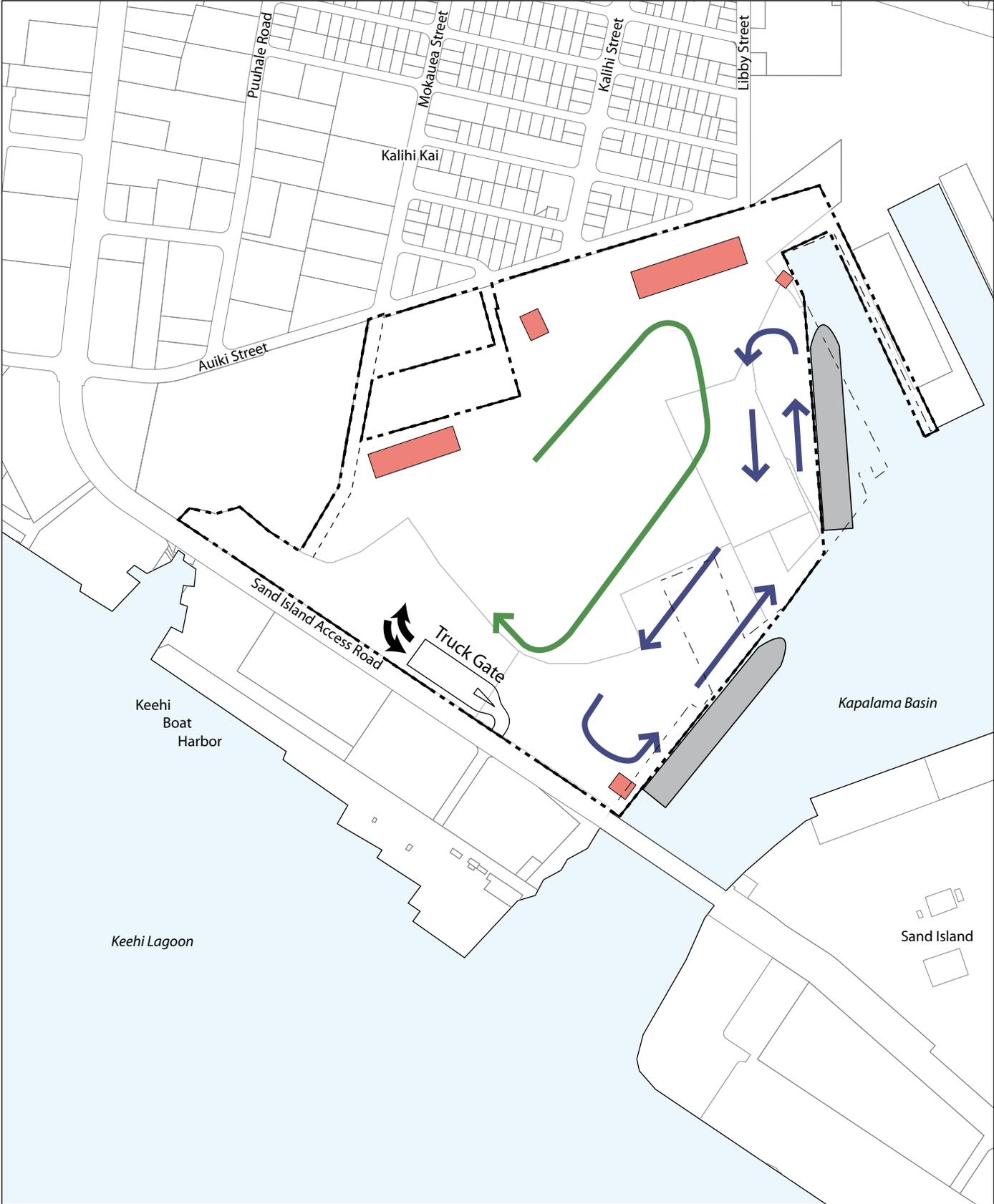
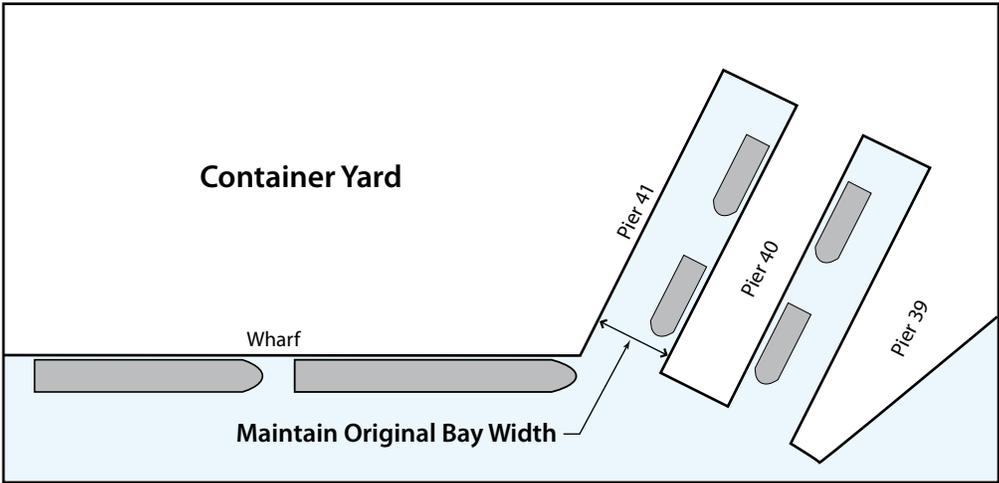


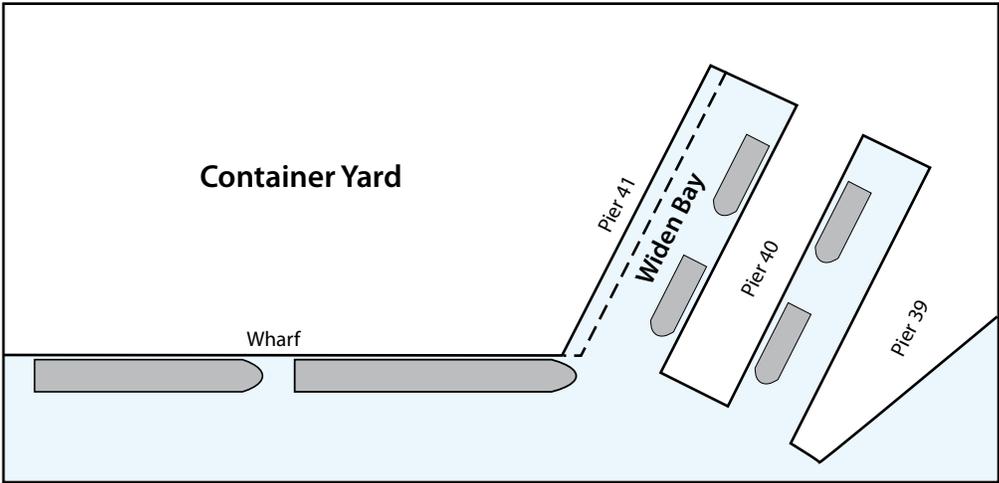
Figure 5
PROPOSED CONTAINER TERMINAL WITH
ALTERNATIVE WHARF ALIGNMENT

Kapalama Container Terminal
Honolulu Harbor, Hawaii

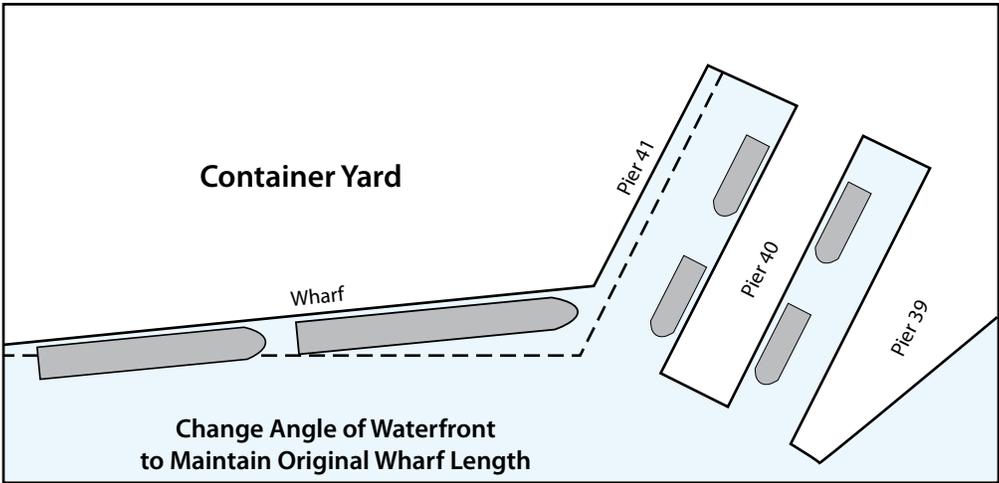




OPTION 1



OPTION 2



OPTION 3

Figure 6
ALTERNATIVE BARGE BERTH ALIGNMENTS
AT PIERS 40 AND 41

Kapalama Container Terminal
Honolulu Harbor, Hawaii

