



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

January 13, 2011

**2010 ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION TO THE
LEGISLATURE PURSUANT TO ACT 226 SESSION LAWS OF
HAWAII 2008**

I. PURPOSE OF REPORT

This report is prepared and submitted pursuant to the provisions of Act 226 Session Laws of Hawaii 2008. Act 226 permits the imposition and collection of a customer facility charge (hereinafter "CFC") by the Department of Transportation on rental car transactions at state airports. Section 11 of the Act requires the Department of Transportation to submit an annual report to the Legislature relating to its activities under the Act:

"The department of transportation shall submit at least annual reports to the legislature relating to its activities for the purposes of this Act. The reports shall provide information and documents including, but not limited to:

- (1) A timeline for any expenditures and a description of any projects relating to the expenditures;
- (2) A timeline for the commencement date and completion date for any project;
- (3) A description with an appropriate plan or drawing identifying the location of any project;
- (4) Cost estimates for each project, including but not limited to planning, design, purchase, and construction costs and a timeline for the expenditures; and
- (5) The priority ranking for each project with commencement and completion dates.

The annual report shall be submitted to the legislature no later than twenty days prior to the convening of the regular session of the legislature, beginning with the regular session of 2009, and continuing through the regular session of 2018."

II. STATUS OF AIRPORTS DIVISION ACTIVITIES AND TASKS IDENTIFIED IN THE CALENDAR YEAR 2010 REPORT TO THE LEGISLATURE
(Notations in parenthesis reference relevant Section numbers of the Act)

- a. **Customer Facility Charge.** Seek authority/approval and then implement CFC rate of \$4.50 per transaction day, in order to fund the full statewide rental car facilities development program. *(Section 9)*
Status: Legislature approved CFC rate change to \$4.50 per transaction day. Rental car companies began collection CFC at new rate effective September 1, 2010.
- b. **Kahului Overflow Storage Lot.** Complete the design and commence construction. *(Section 10)*
Status: Contract executed by Kim & Shiroma Engineers, Inc. Preliminary planning completed. Design to commence in early 2011
- c. **Honolulu Consolidated Facility.** Complete design and commence construction. Issue Request for Bids from rental car companies for the right to operate in the new facility. *(Section 11)*
Status: Schematic design task is 60% complete. Design task was slowed due to longer than expected approval of funding approval requests.
- d. **Kahului Consolidated Facility.** Issue Request for Proposals for facility design; select design team; commence conceptual design. *(Section 11)*
Status: Airport's Division decided to consider potential alternate sites and conduct a site evaluation study before advertising for a designer.
- e. **Lihue Consolidated Facility.** Complete purchase of the land parcel identified for the site of the facility. *(Section 11)*
Status: Option to purchase agreement with Grove Farms executed. Closing scheduled for February 2011.

III. ACTIVITIES AND TASKS FOR CALENDAR YEAR 2011

- a. **Kahului Rental Car Vehicle Overflow Storage Lot.** Complete design and commence SMA approval process.
- b. **Honolulu Consolidated Facility.** Complete design and commence construction of Phase 1 facilities. Complete 60% design for entire project. Issue a Request for Bids for rental car concessions for the right to operate in the new consolidated rental car facility.
- c. **Kahului Consolidated Facility.** Complete alternative site evaluation study and identify preferred site.
- d. **Lihue Consolidated Facility.** Complete purchase of land site and begin coordination with Grove Farms for planning and design of infrastructure improvements which Grove Farms is required to undertake under the terms of the land purchase agreement.
- e. **Quarterly Update Meetings.** Continue monthly meetings with the rental car industry representatives. *(Section 2).*