

REPORT TO THE TWENTY-SEVENTH LEGISLATURE
STATE OF HAWAII

2012

PURSUANT TO ACT 226, SESSION LAWS OF HAWAII 2008
REQUIRING THE DEPARTMENT OF TRANSPORTATION TO SUBMIT
AN ANNUAL REPORT TO THE LEGISLATURE
ON THE COLLECTION OF A CUSTOMER FACILITY CHARGE
FOR RENTAL CAR TRANSACTIONS AT STATE AIRPORTS

Prepared by:
DEPARTMENT OF TRANSPORTATION
STATE OF HAWAII
December 22, 2011



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IN REPLY REFER TO:

December 22, 2011

**2011 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.**
Status: Legislature suspended collection of the CFC for FY 2012 (July 1, 2011- June 30, 2012). CFC collection resumes July 1, 2012. See Act 104 Session Laws of Hawaii 2011. *(Section 9)*
- b. Kahului Rental Car Vehicle Overflow Storage Lot.** Complete design and commence SMA approval process. *(Section 10)*
Status: Design on hold pending DOTA decision on extension of Runway 5/23. If runway is extended, the site of the overflow storage lot will be in an FAA-mandated object free area and cannot be used for the storage of vehicles.
- c. 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. *(Section 11)*
Status: Schematic design (30% of entire project design) completed March 2011. Design development drawings (60% design) underway - to be completed May 2012. Phase 1 improvements scope finalized - design underway. Advertising for construction bids scheduled for May 2012.
- d. Kahului Consolidated Facility.** Complete alternative site evaluation study and identify preferred site. *(Section 11)*
Status: Site location study completed August 2011; preferred site identified. Further study of preferred site underway to determine schedule and physical impacts on other pending and planned airport projects.
- e. 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. *(Section 11)*
Status: Purchase agreement fully-executed. State's option payment placed in escrow February 2011. Negotiations continue with property owner to complete purchase.
- f. Quarterly Update Meetings.** Continue monthly meetings with the rental car industry representatives. *(Section 2)*
Status: Program update meetings were held on a regular basis with rental car industry representatives, either in person or by tele-conference.

III. ACTIVITIES AND TASKS FOR CALENDAR YEAR 2012

- a. **CFC.** Seek approval from the legislature to resume collection of the CFC effective July 1, 2012, and maintain uninterrupted collection thereafter.
- b. **Plan of Finance.** *Provided the legislature permits collection of the CFC to resume July 1, 2012:* Implement the proposed plan of finance which permits commencement of construction of the HNL Consolidated Facility in January 2013 and allows planning and design of Neighbor Island facilities to continue without interruption.
- c. **Honolulu Consolidated Facility.** Complete 100% design by December 2012. Advertise for construction bids for Phase 1 projects in June 2012. Start construction September 2012. Issue a Request for Bids for rental car concessions for the right to operate in the new consolidated facility.
- d. **Kahului Rental Car Vehicle Overflow Storage Lot.** Determine whether project should continue as scoped. If not, evaluate and implement a short term, less expensive solution to provide overflow vehicle storage.
- e. **Kahului Consolidated Facility.** Complete evaluation of preferred site to determine whether it is consistent with other on-going and planned projects. *Provided the legislature permits collection of the CFC to resume in July 2012:* advertise for, select, and contract with a design team by December 2012.
- f. **Hilo Rental Car Customer Facilities Improvements.** Advertise for, select, and contract with a design team by June 2012. Complete 100% design by December 2012.
- g. **Kona.** Assess the feasibility of developing a hydrogen fueling station at the airport in conjunction with Big Island's proposed "*Hydrogen Highway*" project. Program objectives include 10 hydrogen fueling stations on the Big Island (including an airport station) and to engage private companies and the rental car industry to provide fuel cell vehicles (FCEVs) as part of their fleet mix.
- h. **Lihue Consolidated Facility.** Provided State completes purchase of land site, begin coordination with Grove Farms for planning and design of infrastructure improvements which Grove Farms is required to undertake under the terms of the purchase agreement.
- i. **Quarterly Update Meetings.** Continue regular meetings with the rental car industry representatives. (*Section 2*)