



HAWAI'I HARBORS MODERNIZATION PLAN FACT SHEET

Department of Transportation, Harbors Division
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As an island state, Hawai'i relies heavily on our commercial harbors and imported cargo to meet the demands of our residents, businesses and visitors. Hawai'i's commercial harbors are shared-use facilities through which passengers and 98 percent of Hawai'i's imported goods pass, including consumer goods, vehicles, fuel and constructional materials. To ensure the continued and unimpeded movement of cargo in and out of the state, as well as between our islands, our harbors must undergo major expansion and improvements to assure their efficiency and capability.

The Department of Transportation, Harbors Division, together with the Hawai'i Harbors User Group, has developed a comprehensive and system-wide harbor modernization plan that will address the current and projected shipping requirements through a financially feasible development program which will be implemented in an expeditious time period.

GOALS:

- Provide a harbor system that addresses critically needed improvements and promotes harbor user operational efficiencies.
- Provide a harbor system with expanded capacity to accommodate Hawai'i's projected growth in cargo volume.
- Ensure Hawai'i's continued economic growth through improved harbor infrastructure.

CHALLENGES:

- Population, visitor and business growth in the past 15 years has significantly increased the demand for importation of cargo.
- Cargo container volume is expected to increase as much as 27 percent by 2010; 66 percent by 2015 and 93 percent by 2020.
- Harbor-user operations have been hampered by a lack of adequate space.
- Inter-island barge departures from Honolulu Harbor have increased 22 percent in the last three years and 33 percent since 2001.
- Hawai'i's cruise industry has grown tremendously over the last few years with both a home-ported cruise line and increased port-of-calls by foreign cruise ships.
- Hawai'i has a new large-capacity ferry vessel that gives inter-island passenger's new opportunities to travel, including with their vehicles, between our islands.

STRATEGY:

- Meet the current and projected demand for ocean transportation of cargo and passengers through 2030 by providing harbor-users the necessary harbor infrastructure for safe and efficient operations.
- Leverage public-private cooperation between the Department of Transportation, Harbors Division, the Aloha Tower Development Corporation and harbor businesses to build consensus on desired and priority improvements and implement projects on an expedited basis.
- Develop and fully implement the Harbor Modernization Plan construction projects within six years to ensure capacity meets demand.

FINANCIAL PLAN:

- Projected capital expenditures for modernization program are estimated to be \$842 million.
- General funds will not be used for the Harbors Modernization Plan. The plans is for all improvements to be paid for by the Harbors Special Fund.
- The financial plan will consider additional sources of funding to possibly include harbors revenue bonds, revenue from harbor activities, rentals, leases and federal sources.
- The financial plan will include a combination of scheduled increases in harbor user fees (tariffs) and land leases with minimum annual guarantees.
- The anticipated cost of projects included in the Harbors Modernization Plan is as follows:
 - Maui: Kahului Harbor - \$345.1 million
 - O‘ahu: Honolulu Harbor - \$257.3 million
 - Kalaeloa Harbor - \$57.9 million
 - Hawai‘i: Hilo Harbor - \$61.4 million
 - Kawaihae Harbor - \$87.8 million
 - Kaua‘i: Nawiliwili Harbor - \$10.3 million

Maui:

- Maui only has one commercial harbor and it is the third-busiest harbor in the state and the busiest neighbor island commercial harbor. Maui's population has grown 32 percent in the last 15 years and the increased demand for goods exceeds the existing three pier facility in Kahului harbor. The plan includes the following projects:
 - A new west harbor breakwater.
 - A new west harbor ferry/barge slip with terminal building including paving, utilities and fencing.
 - A new west harbor cruise terminal.
 - A new east harbor breakwater.
 - Upgrading of Pier 1 fuel line.
 - Acquisition of additional property to expand the east end of Kahului Harbor.
 - Strengthening of Pier 2B.
 - Other necessary paving and fencing improvements.

O'ahu:

- Honolulu Harbor is the hub of the state commercial harbor system. The plan includes the development of the former Kapalama Military Reservation (KMR) and improvements at the Kalaeloa Barbers Point Harbor. The plan includes the following projects:
 - Construction of a KMR container deep draft wharf with berthing capacity to accommodate two container ships.
 - The development of a new 70-acre container yard at Kapalama with necessary gates, buildings and off-site improvements with direct connection to the Young Brothers inter-island barge operating yard.
 - Construction of Kalaeloa west harbor utilities infrastructure.
 - A new dedicated fuel pier at Kalaeloa.

Hawai'i:

- The Big Island of Hawai'i has two commercial harbors, Hilo and Kawaihae. Hilo is the island's busier port handling cargo and passengers. Kawaihae on the island's northwest side is served by Matson and Young Brothers, as well as bulk barges. It is also the harbor used to ship Big Island cattle to market. The Big Island has experienced a population growth of 31.5 percent increase in the last 15 years. The plan includes the following projects:
 - Dredging, construction of a new pier and inter-island cargo handling yard through a new Pier 4 barge terminal in Hilo.
 - Acquisition of property to establish a third harbor access via Kumao Street which will allow for traffic separation between commercial and cruise ship activity.
 - Expansion of barge and terminal improvements at Pier 2 at Kawaihae Harbor.
 - A southern extension of Pier 2 to provide additional overseas operational area at Kawaihae Harbor.
 - Construction of a new multi-use Pier 4 at Kawaihae Harbor.
 - Site improvements to allow the development of liquid bulk storage facilities at Kawaihae Harbor.

Kaua'i:

- Kaua'i's main commercial harbor is located at Nawiliwili. Kaua'i's population has grown 17.1 percent over the last 15 years and increased demand in cargo and passenger space at Nawiliwili's three piers has grown dramatically. The plan includes the following project:
 - Construction of a new multi-use berth along the existing jetty to facilitate the establishment of additional liquid bulk infrastructure.