DEPARTMENT OF TRANSPORATION’S

REPORT TO THE LEGISLATURE

OF

THE STATE OF HAWAII

REQUIRED UNDER

SECTION 261-7, HAWAII REVISED STATUTES

**CUSTOMER FACILITY CHARGE**

**FROM ACT 226**

**SESSION LAWS OF HAWAII 2008**

**STATE OF HAWAII**

**DEPARTMENT OF TRANSPORTATION, AIRPORTS DIVISION**

**DECEMBER 2014**

Act 226, Session Laws of Hawaii 2008

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1. **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.”

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1. **STATUS OF AIRPORTS DIVISION ACTIVITIES AND TASKS IDENTIFIED IN THE CALENDAR YEAR 2014 REPORT TO THE LEGISLATURE *(Notations in parenthesis reference relevant Section numbers of the Act)***

a. **CFC**. Monitor 2014 legislative session to assure: uninterrupted collection of the CFC; sufficient budget appropriations for OGG and HNL projects; sufficient authority to issue revenue bonds. *(Section 9)*

Status: The 2014 Legislature made no changes to the CFC Statute, assuring continued uninterrupted collection; DOTA determined that additional funding appropriations for the OGG and HNL projects will be required; determined that there is sufficient authority to issue revenue bonds when needed.

b. **Plan of Finance.** Complete the first of three (planned) revenue bond sales to enable continued construction of OGG Consolidated Facility and commencement of construction of HNL Consolidated Facility Phase 2B. Close on EB5 Loan, as needed. *(Section 11)*

Status: Revised program cash flow projections indicate that revenue bonds do not need to be sold until April 2016. EB5 Loan closed October 2014. Determined that only two (2) future revenue bond issues will be required.

c.**Rental Car Concessions Selection Process.** Receive MAG Bids and award rental car concessions for HNL and OGG consolidated facilities.

Status: MAG bids received and concessions awarded. *(Section 11)*

d. **Honolulu Consolidated Facility.** Complete construction of Phase 1 (enabling projects); Commence construction of Phase 2A (interim rental car facilities); issue request for construction bids for Phase 2B. *(Section 11)*

Status: Phase 1 completed February 2014. Phase 2A construction commenced February 2014. Phase 2B request for construction bids to be issued March 2015.

e. **Kahului Consolidated Facility.** Commence construction of new airport access road; issue request for bids; award construction contract for, and commence construction of consolidated facility. *(Section 11)*

Status: Construction of access road commenced October 2014. Consolidated facility construction bids received June 2014. Award expected by end of 2014.

f. **Kona Hydrogen Fueling Facility.** Continue to monitor “Hydrogen Highway” project for feasibility and timing. *(Section 11)*

Status: No change.

g. **Lihue Consolidated Facility.** Finalize purchase contract negotiations and close on purchase of land for new consolidated facility. *(Section 11)*

Status: Anticipated by June 2015.

h. **Quarterly Update Meetings.** Continue regular meetings with the rental car industry representatives. *(Section 11)*

Status: Regular monthly meetings held.

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1. **ACTIVITIES AND TASKS FOR CALENDAR YEAR 2015**

a. **CFC.** Monitor 2015 legislative session to: assure uninterrupted collection of the CFC; obtain sufficient budget appropriations for OGG and HNL ConRAC facility projects; (*Section 9)*

b. **Plan of Finance.**  Continue to monitor CFC collections; update cash flow requirements; update financial analysis as project construction contracts awarded.*(Section 11)*

c. **Rental Car Concessions Selection Process.** Re-bid neighbor island rental car concessions. *(Section 11)*

d.**Honolulu Consolidated Facility.** Complete Phase 2A construction and commence operating from Phase 2A interim rental car facilities. Receive construction bids and award construction contract for Phase 2B permanent consolidated facility.*(Section 11)*

e. **Kahului Consolidated Facility.** Complete construction of new airport access road. Commence construction of consolidated facility.*(Section 11)*

f. **Kona Hydrogen Fueling Facility.** Continue to monitor “Hydrogen Highway” project for feasibility and timing. *(Section 11)*

g. **Lihue Consolidated Facility.**Coordination as required with sellers of land site to obtain subdivision approval. *(Section 11)*

h. **Quarterly Update Meetings.** Continue regular meetings with the rental car industry representatives. *(Section 11)*