DEPARTMENT OF TRANSPORTATION’S

REPORT TO THE LEGISLATURE

OF

THE STATE OF HAWAII

REQUIRED UNDER

SECTION 261-7(e), HAWAII REVISED STATUTES

**ANNUAL REPORT:**

**“RENTAL MOTOR VEHICLE CUSTOMER FACILITY CHARGE”**

**FROM**

**ACT 226**

**SESSION LAWS OF HAWAII 2008**

**STATE OF HAWAII**

**DEPARTMENT OF TRANSPORTATION**

**DECEMBER 2012**

**2012 ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION TO THE LEGISLATURE PURSUANT TO ACT 226 SESSION LAWS OF**

**HAWAII 2008**

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.”

1. **STATUS OF AIRPORTS DIVISION ACTIVITIES AND TASKS IDENTIFIED IN THE CALENDAR YEAR 2011 REPORT TO THE LEGISLATURE *(Notations in parenthesis reference relevant Section numbers of the Act)***
	1. **Customer Facility Charge.** Seek confirmation from the legislature of resumption of collection of the CFC effective July 1, 2012, and to maintain uninterrupted collection thereafter.

Status: Legislature confirmed resumption of CFC collection at a rate of $4.50 per day. Collection resumed July 1, 2012.

* 1. **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. *(Section 11)*

Status: Legislature confirmed resumption of CFC collection effective July 1, 2012. Administration commenced discussions for EB-5 Loan to provide financing prior to issuance of bonds. DOT commenced planning for the sale of first (of two planned) series of CFC-backed revenue bonds to fund construction of HNL and OGG Consolidated Facilities.

* 1. **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. (*Section* *10)*

Status: Project re-scoped. Grading and paving of just the areas now used for overflow vehicle storage scheduled to commence in December 2012.

* 1. **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. (*Section 11)*

Status: Phase 1 (enabling projects): Construction contract and construction management contract awarded; construction started December 1, 2012. Phase 2A (interim operations improvements): construction drawings complete; Phase 2B (permanent facility): completion of construction drawings (100% design) April 2013; construction scheduled to start August 2014.

* 1. **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. *(Section 11)*

Status: Location and feasibility of preferred site completed and confirmed. Design team selected and design started October 2012. Schematic design underway. EA study underway.

* 1. **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. *(Section 11)*

Status: Administration continuing negotiations with property owner to complete purchase.

* 1. **Hilo Rental Car Customer Facilities Improvements.** Advertise for, select, and contract with a design team by June 2012. Complete 100% design by December 2012. *Section 11)*

Status: Project deferred due to acceleration of schedule for Kahului consolidated facility project.

* 1. **Kona.** Assess the feasibility of developing a hydrogen fueling station at the airport in conjunction with Big Island’s proposed “*Hydrogen Highway*” project. “Hydrogen Highway” 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.

Status: DOTA monitored the progress of the project to determine feasibility and potential timing.

* 1. **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 2013**

* 1. **CFC.** Monitor 2013 legislative session to assured uninterrupted collection of the CFC. *(Section 9)*
	2. **Plan of Finance.** Complete the sale of the first of two (planned) series of revenue bonds to enable continuation of construction of HNL Consolidated Facility and to commence construction of OGG Consolidated Facility.
	3. **Honolulu Consolidated Facility.** Phase 1A: Complete construction May 2013; Phase 2B: ***Subject to approval of Mauka Concourse EA,*** advertise for construction bids February 2013; construction to start June 2013; Phase 2B: Complete 100% design April 2013. Issue Request for Bids for rental car concessions for HNL and OGG Consolidated Facilities.
	4. **Kahului Rental Car Vehicle Overflow Storage Lot.** Complete grading and paving of areas currently used for overflow vehicle storage.
	5. **Kahului Consolidated Facility.** Complete 100% design July 2013. New airport access road construction to start July 2013. ***Subject to approval of EA,*** construction of Consolidated Facility to start October 2013.
	6. **Kona Hydrogen Fueling Facility.** Continue to monitor “Hydrogen Highway” project for feasibility and timing.
	7. **Lihue Consolidated Facility.** Provided the Administration 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.
	8. **Quarterly Update Meetings.** Continue regular meetings with the rental car industry representatives.