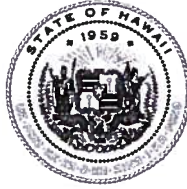


DAVID Y. IGE
GOVERNOR



FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

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

IN REPLY REFER TO:

December 23, 2015

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the House of
Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Port Authority Status Report; In accordance with Senate Resolution 129(15), I am also informing you that the report may be viewed electronically at:

<http://hidot.hawaii.gov/library/reports/reports-to-the-legislature/>

Sincerely,

FORD N. FUCHIGAMI
Director of Transportation

CC: Legislative Reference Bureau



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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HONOLULU, HAWAII 96813-5097

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IN REPLY REFER TO:

December 15, 2015

**2015 ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION TO THE
HAWAII STATE LEGISLATURE PURSUANT TO
SENATE RESOLUTION NO. 129, S.D. 1
28th STATE LEGISLATURE, 2015**

I. PURPOSE OF REPORT

This report is prepared and submitted pursuant to the provisions of Senate Resolution No. 129, S.D. 1, 28th Session of the Legislature, 2015, State of Hawaii. S.R. No. 129 urges the Department of Transportation to develop a plan for the establishment of a port authority that has jurisdiction over the management, construction, operations, and finances of the State's airports and harbors. The resolution requires the Department of Transportation to submit an annual report to the Legislature relating to its activities:

“WHEREAS, powers of a port authority typically include the ability to:

- (1) Acquire real and personal property;
- (2) Own, lease, sell, and construct improvements to real property;
- (3) Issue revenue bonds for port authority facilities;
- (4) Issue general obligation bonds for port authority facilities and other permanent improvements;
- (5) Receive federal and state grants and loans and other public funds; and
- (6) Operate transportation, recreation, governmental, or cultural facilities, and set rates and charges for use of port authority facilities.

The department of transportation report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016 on a plan to establish a port authority, including any proposed legislation.

**II. STATUS OF AIRPORTS DIVISION ACTIVITIES AND TASKS IDENTIFIED IN
THE CALENDAR YEAR 2015 REPORT TO THE LEGISLATURE**

On August 10, 2015, the Department of Transportation submitted a request to Governor David Y. Ige to proceed and procure management advisory services through a Request for

Proposal to qualified offerors who would assist the Department to conduct a port authority study and other related services.

Status: On November 24, 2015, Governor Ige approved the Department's request to procure management advisory services to determine the feasibility and advantages of establishing Hawaii airports as a port authority.

III. ACTIVITIES AND TASKS FOR CALENDAR YEAR 2016

- a. Formulate and issue an RFP to all prospective offerors for management advisory services to determine the State's public policy and economic development objectives for Airports and to develop high level governance objectives to guide subsequent detailed analysis.
- b. Establish Proposal Review Committee.
- c. Evaluate all offers and evaluate them.
- d. Award the contract to the most responsive and responsible offeror.
- e. Conduct the study.