



STATE DEPARTMENT OF TRANSPORTATION
HARBORS DIVISION
79 South Nimitz Highway • Honolulu, HI 96813



KALAELOA HARBOR 2040 MASTER PLAN

Notes from Planning Workshop #1 July 18, 2013

The meeting was opened up by Carter Luke and Randy Grune of Department of Transportation, Harbors Division (DOT-H), and Jeff Overton of Group 70. Jeff presented the powerpoint presentation on existing conditions and known issues. The presentation is posted on the following website: <http://kalaeloaharbor2040.com>. Meeting participants were given the opportunity towards the end of the presentation to comment and ask questions.

Below are the various topics covered and comments made by attendees. DOT-H and Group 70 comments and/or responses where included are *italicized*.

Goals

Be Realistic and Achievable

- *DOT-H would like to stress that this is a user group-directed process and plan, not a State-directed plan. This is an opportunity for the stakeholders to present their thoughts and tell us what would be the most preferable for their operations. From this information, we can then make assessments to obtain a realistic plan.*

Be Flexible to Meet Future Needs

- Need to be flexible in the fuel trending demand forecast, which will affect the volume of products coming into the harbor facility.
- Consider both dry and liquid bulk uses (no restrictions) for the land area, and consider safety areas in the plan, so that lessees will already have this information. Without this flexibility, it may limit lands that could otherwise be leased (i.e., dry bulk areas only for dry bulk).
- We are planning for a maximum ship size 751' and will include the necessary safeguards with manageable risk.

Be Compatible with Surrounding Uses

- Understanding how the zoning works is important, and then need to talk with neighbors early in the process in order to take their concerns into consideration. Wouldn't be surprised if neighbors would object to light and dust.

The harbor is zoned I-3, and the state will not be required to get county zoning (although this does not apply to tenants). DOT-H will be conducting individual meetings with adjacent landowners and key stakeholders early in the process to understand and address their concerns.

Consider Environmental Issues

- Will there be a problem with live coral in the harbor? This could be considered a constraint.

We have done an initial marine survey at the harbor. There is a common variety of coral, but we believe there is a workable solution through design. There has been a problem with coral in the past with deepening of the basin and channel.

Consider Safety and Security

- Need to have water access and facilities to support the response community, as all users are required to have rapid response ability.
- Risk management tools
 - International users present risks when they don't strictly comply with international standards and best practices (i.e. International Maritime Organization (IMO), International Safety Management code (ISM), International Standard Organization (ISO)). This impacts each of us and creates complex issues.
 - Safety zones have issues that need to be included in the report. Each user has their own safety and evacuation plan, but there needs to be an alarm that all will recognize and people can get out. There is not currently a PA or alarm system for the overall harbor, although there are individual PA systems at specific user locations that can be heard elsewhere.

Outline a Phased Sequence of Improvements

- *Improvements, land leases and integration will be phased beginning with most immediate needs and every 5 years thereafter.*

Joint Stakeholder Projects

- The harbor users may want to consider teaming up on improvements. It is also important to establish industry protocols not just for individuals, but for clusters of stakeholders that have a common interest.

We may need to look at a consortium for the pipelines at the fuel pier.

Opportunities

Increase Berthing Capacity to Meet Future Growth

- In the tug and barge industry, delays occur while waiting for scheduling to free things up. Problem is point of accessibility.

The Fuel Pier will free up piers 5 and 6, reducing berthing conflicts.

- If Pier 1 was dredged deeper, it could be utilized more and might alleviate a barge or two. The storage area next to that is not used very often and could be used for covered storage.

Enable 24-hour Transit

- Will the report also look at nighttime transit?

Previous lighting studies for nighttime transit will be reviewed and updated in this plan. Note: nighttime cargo operations are a current practice.

Improve Utilities Infrastructure

- DOT-H cannot control the economy, but we can be prepared with enough infrastructure to handle forecasted capacity. This includes additional berthing, roads, navigational enhancements for night transit, adequate laydown area, possible crane, accommodations throughout, etc.
- In the maritime industries, need to look at the height as well. Bigger ships will be taller - need to look at FAA obstruction for storage tanks, cranes (i.e. rubber tire gantry), RO/RO facility, etc.
- There will be no space in 2040 for containerized cargo at Honolulu Harbor, as it is already over capacity. Matson and others may say they need container area.

If a user tells us that they need it, then we can make accommodations for it. Note: There are plans to add 2 berths and 70 acres of yard for containerized cargo at Honolulu Harbor.

New Harbor Access Road from Hanua Street

- Current infrastructure is inadequate for increased and different types of cargo. The windmill operation was a snapshot of the entire cargo storage yard and adjacent staging areas at maximum capacity. All of these industries can't be reliant on one artery that gets clogged at 3pm. Whatever is improved in the harbor will also have an effect on the infrastructure. Need to look at: 1) Key Access route, 2) Traffic and 3) Heavy lift area limits.

USACE: Deepen Basin and Widen Channel

- Before expanding the harbor, make sure the draft is deep enough for future ships. Ships / barges will be larger, requiring larger tugs. Liquefied Natural Gas (LNG) could be a future user, which is not a small ship.

We will need to make sure the facility can handle the throughput. Need to put pressure on USACE to deepen the channel, but the cost/benefit ratio needs to make sense. If ship is not fully laden, it is inefficient. This plan will feed into USACE deepening study.

- If the channel is deepened to accommodate larger and fully-laden vessels, it also needs to be widened due to cross currents. Currently, pilots are limited by the width, and there is no choice once in the channel. Can't go in safely even at 5 to 7 knots.

Yes, the current can change in a matter of hours. There are studies in progress by USACE for widening and/or flaring the channel.

- How will we accommodate for the surge? If the channel is widened then it will bring in the surge. This will end up at the "toilet bowl" (upper inner basin) at Pier 7, and start snapping lines.

We believe this is mainly offshore, but will need to be studied.

- A flow/current meter in the channel is needed to assist pilots in the entry way.

Resilience and Recovery.

- What if Honolulu Harbor were in a disaster and some temporary operations needed to move to Kalaeloa?

We will need to review how Honolulu Harbor and KBPH can complement each other based on resilience, security, capability, and efficiency.

- Hawaii doesn't have a large warehouse capacity. This affects resiliency by not having supplies to last more than 30 days.

We don't want to limit open yard storage as there are really no other harbors with as much open yard capacity in the state. For example, during previous hurricane disasters the open yard was needed for emergency relief equipment, supplies, and infrastructure repairs (i.e. utility poles). In some cases, vessels were turned away because space ran out at neighbor island harbors.

Constraints

Lighting and Noise from 24-hour Transit Operations

- Lighting may cause conflicts with Kapolei West in the mauka area. Need to look at possible mitigation measures.

Neighboring Land Uses (Resort, Residential)

- What can be located in the mauka portion of the harbor? How close can we get to the residential area without conflicting with our neighbor, such as a type of storage? Are we limited to dry? Or we were here first so too bad?

There is generally a buffer with our northern neighbors due to the OR&L right-of-way, a proposed golf course and cultural park. However, there may be some setbacks for fuel area storage, and other impacts related to harbor use which will need to be studied.

Lengthy Process to Plan, Permit, and Construct

- *The Master Plan process will feed into the USACE process, but it will still take 8 years to complete. The permits and appropriations of funds are on demand, and USACE does not pay 100%. However, private operations will move more quickly.*

Funding for Projects

- Politicians/decision makers need to be educated. All they see is pipelines and are blind to how much cargo is going through the conveyor belts. They don't realize that this is the second busiest port in the system.

We should have a good draft plan by the 2014 session to direct the legislature on the amount of money needed at the harbor.

- The need to play with everyone and feed the needs of the harbor is understood. But there are concerns about the costs of the fuel pier, as there have already been sizeable investments into fuel piers 5&6. What will the cost be to fuel users?

Any fuel lines and additional equipment will need to be provided by the users. Depending on the option chosen, cost estimates will be provided in the development plan. DOT-H will be responsible for the cost of building the pier itself.

Master Plan Relative to Neighbor Islands

- Planning for the harbor needs to be separated into two primary parts – Oahu imports/exports, and Neighbor Island exports. Will have changes at Oahu that will not happen at neighbor islands. Need to consider how the other harbors are not changing, and how this will have an effect on ship size and scheduling, possibly causing more complexity and delays. Need a layberth to help make up for this.

A layberth is being considered for tugs and barges that are not currently loading to alleviate congestion. Coordination with neighboring island ports will be considered as part of the Master Plan.

- Will the master plan be integrated into other harbor projects statewide? Are there other projects at Honolulu harbor that are on the table that should be accelerated, so that we can understand what needs to take place at KBPH?

Any throughput analysis will be looked at, that is why the information from the questionnaire is so important. This directly translates to what will be needed on the neighbor islands. DOT-H has fuels leasing requests, which translates into Neighbor Island storage. Barge traffic on the Neighbor Islands may then increase by 30-40%, and will be different products. There may not be complete integration into their plans, but will feed them information.

Those Present:

AES – J. Holden
Aloha Consulting – M. Zopresti
Amergent Techs – W. Anonsen, R. Beauchamp, F. Whipple
Ameron Hawaii – E. Yoshizawa
BAE Systems (HSY) – J. Cummings
Chevron – H. Maxie
DOT Harbors – D. Ancheta, S. Dale, R. Grune, C. Luke, A. Murakami, D. Watase, D. Yogi
Group 70 – B. Natale, J. Overton
Hawaii Gas – T. Young, R. DeGarmo, J. Vient
Hawaii Pilots Association – T. Heberle
Hawaiian Cement – R. Bautista
Healy Tibbitts Builders, Inc. – C. Hutchinson
HECO – J. Arakaki
Kirby Offshore – D. Naunguyan, R. Brown
Marine Cargo Surveys of Hawaii – R. Lund
Marisco – F. Anawati
Maritime Licensing Center – C. Devoe
Matson – K. Park
McCabe – J. Zane
National Cargo Bureau – N. Fotu
Oahu Gas Service – B. Kawano
PENCO/AMC – D. Carter
Sause Bros., Inc. – K. Pomaikai
Tesoro Hawaii – L. Tanaka
Transmarine – K. Kinerney
USCG – R. Deakin, D. Tonen, C. Petersen
Waldron Norton Lilly International – M. McCormik