



28 June 2007

INFORMATION PAPER

SUBJECT: Kaunalapau Harbor, Lanai, Hawaii

1. Purpose: To provide information on the subject project
2. Points of Major Interest and Facts.
 - a. The construction contract was awarded to Traylor Brothers, Inc. on 9 July 2004 in the amount of \$15,966,951. The contractor acknowledged receipt of the notice to proceed on 3 August 2004. The project was physically completed on 8 June 2007. The final inspection was conducted on 14 Jun 07. The construction phase is complete. The Dedication Ceremony is scheduled for 7 Jul 07.
 - b. The breakwater-crest length is 320 feet and the maximum height for the toe is 60 feet. The construction involved placement of 819 core-loc units of the largest size (35 tons each) in the United States and, as a result, constituted a unique engineering and construction challenge. The actual work on the breakwater was initiated in mid-February 2006. The current contract amount, including pending modifications to the contract, is \$21,769,978.
 - c. The project repaired the existing breakwater built during the 1920s that was previously owned by private interests. Repeated storm events in the 1980s and early 1990s caused significant damage to the existing breakwater. In FY93, FY94 and FY98, Congress provided funds to perform the Preconstruction Engineering and Design phase. A special design report, completed in September 1996, resulted in a benefit-cost ratio of 0.14. The Project Cooperation Agreement (PCA) was executed in September 2003.
 - d. The Kaunalapau Harbor was officially transferred from Lanai Company to the State of Hawaii in July 2000. In addition, Lanai Company has agreed to contribute a portion of the State's cash contribution requirement for the project. Congress appropriated construction "adds": \$3,000,000 in FY01, \$1,300,000 in FY02, \$1,000,000 in FY03 \$2,500,000 in FY04 and \$3,000,000 in FY05, and \$13,000,000 in FY06. The appropriations have the effect of a de facto authorization despite the fact the project does not have a favorable benefit-cost ratio.
 - e. The current total project cost is \$28,200,000 (Federal: \$22,560,000; non-Federal: \$5,640,000). The State of Hawaii has provided their share, 10 percent, of the cash contribution requirement.