

REPORT OF THE CHIEF EXECUTIVE OFFICER

March 28, 2007

1. Administration

A. 2007 Legislature

1. DOT-ATDC Partnership Bill to Develop Harbor Infrastructure

The Governor's legislative proposal package included a bill to formalize the partnership between ATDC and DOT for continuation of harbor infrastructure development projects.

- **Senate Bill 1361, SD1.** The bill crossed over to the House but has not been scheduled for a hearing to date.
- **House Bill 250, HD1, SD1.** This bill crossed over to the Senate and was heard by the joint Senate committees on Water, Land, Agriculture & Hawaiian Affairs and Transportation and International Affairs on 3/12/07. The bill is similarly drafted to the Administration's bill, HB 1275. The bill was amended to limit the partnership to Honolulu Harbor and was passed out of committee and referred to Senate Ways and Means.

Individual briefing meetings with key legislators regarding the partnership bill and the Piers 5&6 Project have been jointly pursued between DOT-H and ATDC. Meetings conducted during the month of March include:

- Rod Tanonaka, Chief of Staff for Senate President Colleen Hanabusa;
 - Senator Lorraine Inouye, Senate Transportation Vice-Chair
 - Representative Scott Nishimoto, House Transportation Vice-Chair
2. Director Neal Otani's term on the Board will expire on June 30, 2007. Governor Lingle has nominated Mr. Otani for reappointment to another 4-year term to expire June 30, 2011. The nomination is subject to Senate confirmation and has been referred to the Senate Committee on Water, Land, Agriculture & Hawaiian Affairs for a public hearing. A public hearing has not been scheduled to date.

B. Communications

The ATDC received the following media coverage:

- a. “*Companies Keying on the Waterfront*”, Crittenden Resort Report, Volume 13, No. 4, January 22, 2007.

The article is attached as Exhibit A.

2. Project Reports

A. New World Diver’s Inc. (NWD)

NWD has informed ATDC that it has lined up equity partners to fund the construction of the project. ATDC requested a final project budget with submission of major contracts (A&E and construction) to support the accuracy of the budget. Financial commitment letters and evidence of equity payments to date, are requested to match the project budget amount.

B. Hawaii Harbors Project (HHP)

1. Sand Island Expansion Project

The University of Hawaii SOEST Program is working with DLNR to determine if a portion of the area, coupled with DLNR land, could be granted to UH for the development of a permanent facility for its program. The SOEST Program needs to be relocated from its current location at the Kapalama Military Reservation for the development of the new Kapalama Container Terminal. DLNR is checking with federal authorities to determine if portions of park lands can be used to relocate a boat launch facility in order to provide lands to UH SOEST.

2. Kapalama Military Reservation (KMR)

- A. All consultants are currently engaged in respective projects. Current activities include:

- (1) **Fung Associates**, architects, were selected to complete a historical review and documentation of the KMR site. A final historical report has been submitted to the State Historic Preservation Division and a final acceptance letter is pending.

Fung & Associates is also conducting an archaeological survey of underground fishponds in the area. A report will be completed at the end of March.

- (2) **JWD** has completed the final development plan for the new Kapalama Container Terminal.
- (3) **Belt Collins** finalized its facilities assessment of the UH Marine Center. The second phase will involve feasibility and cost estimates to construct a new facility at a relocation site, which has yet to be finalized.

Focus will continue on the relocation of the three major tenants (UH Marine Center, Island Movers and Pacific Shipyard) along the KMR pier frontage.

3. **Piers 1 & 2 – CFS#2 Shed Demolition and Lighting Upgrades**

The contract was awarded to Elite Pacific Construction. A Notice to Proceed was issued on January 29, 2007. The shed and tower have been completely demolished, and the lighting conduits have been installed. The sub-grade has been laid and compacted. Final paving will occur the week of March 26, 2007. See Exhibit B for project photos.

4. **Young Brothers** - Demolition of Pier 40 Shed, Assessment of Lighting Adequacy, and Environmental Assessment and Cost Estimates for the Future Demolition of the YB Administration Buildings.

The project was bid and awarded to RHS Lee, Inc. on February 9, 2007. Notice to Proceed was effective February 20, 2007. The time of performance on the contract is sixty (60) days.

Demolition of the Pier 40 Shed must be completed by April 30, 2007 pursuant to the Memorandum of Agreement between DOT Harbors and YB, that set forth conditions imposed on DOT in order for YB to continue LCL cargo service.

The shed siding has been removed, and roof panels are being disassembled and removed for reuse. The truss beams will also be disassembled and removed for reuse. See Exhibit C for project photos.

