

REPORT OF THE CHIEF EXECUTIVE OFFICER

May 30, 2007

1. Administration

A. 2007 Legislature

1. DOT-ATDC Partnership Bill to Develop Harbor Infrastructure

H.B. 250 HD2, SD2, CD1 was passed into law, subject to approval by the Governor. In conference committee, Kewalo Basin Harbor and Kahului Harbor were deleted and the jurisdictional area was restored to Honolulu Harbor, as initially proposed under the administrative measure. The committee report emphasized the need for comprehensive harbor planning and the strong desire of the Legislature for expedited harbor infrastructure development at Kahului Harbor.

2. ATDC Operational Budget

H.B. 500, HD1, SD1, CD1 (Budget Bill) passed with ATDC's operational budget in tact as originally submitted.

B. ATDC Ground Rent Payments to DOT

Funds have been encumbered to pay DOT annual rent less payroll costs for development managers assigned to the Hawaii Harbors Project, as well as an estimated payment for the sharing of equity. These calculations are based on the Memorandum of Agreement between ATDC and DOT.

C. Project Reports

A. New World Diver's Inc. (NWD)

B. Hawaii Harbors Project (HHP)

1. Sand Island Expansion Project

a. Relocation Site for the University of Hawaii Marine Center

A meeting with UH officials was held on April 19, 2007 to offer terms and conditions established

jointly by DOT and DLNR for the relocation of the UH Marine Center to a portion of the Sand Island Expansion lands. A counterproposal was received from UH officials dated May 14, 2007 and is currently being reviewed.

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 has been received.

Fung & Associates has conducted an archaeological survey of underground fishponds in the area. The report was completed on May 11, 2007 and a copy was sent to the State Historic Preservation Division.

(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. Final stripping plan for the area has been finalized. The foundation for the three light poles will be put in next week. The light poles have been shipped and should be arriving next week.

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 design consultant selected for this project was KAI Hawaii, Inc. The construction services for this project was bid and awarded to RHS Lee, Inc.

The Pier 40 shed has been demolished. Remaining work includes installation of protective bollards and lighting fixtures to an existing light pole.

Phase II of the project which includes plans, specifications and cost estimates for new lighting to be installed in the area previously occupied by the shed building removed, an environmental assessment of the YB Administration Buildings and cost estimates for the eventual demolition of these buildings has been started.