

REPORT OF THE CHIEF EXECUTIVE OFFICER

July 25, 2007

1. Administration

A. Audit of the Aloha Tower Marketplace

A first draft of the audit report has been completed by the firm of Nishihama & Kishida, CPA's Inc.

B. Development Permits

A zoning clearance was approved on June 12, 2007 for interior improvements at the Aloha Tower Marketplace for store tenant Pipe Dreams.

C. Preparation for 2008 Legislative Session

Discussions have begun between DBEDT, ATDC, B&F and DOT on proposed legislation relative to budget and financing options to fund development of major harbor improvements.

2. Project Reports

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

Staff met with Paul Sheriff and Bob Berg of Sports Equity Group on July 24, 2007 for a status update.

B. Piers 5 & 6 Public Advisory Group (PAG)

The PAG met on July 5, 2007. A questionnaire prepared by a PAG member was distributed to the group to open discussion on the development of a vision statement for the project and its contextual relationship to Honolulu Harbor. The PAG members have a strong interest in the harbor as a whole on such issues as natural environment, the balance between competing land uses, waterfront accessibility and historical preservation.

B. Hawaii Harbors Project (HHP)

1. Sand Island Expansion Project

a. Relocation Site for the University of Hawaii Marine Center

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. A site on Sand Island next to the Honolulu Community College Marine Education Training Center (METC) is desired by UH for a combined permanent facility.

HHP worked with the Administration, DLNR and DOT to propose the terms and conditions under which the site would be offered. The University of Hawaii submitted a counter-proposal in June and a meeting was held on July 3, 2007 to further negotiations.

- b. Preparation of a site makai of the Sand Island Wastewater Treatment Plant for the temporary layover of cattle in cowtainers has been completed and a first shipment was processed successfully.

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 archaeological documentation of the KMR site. Historical and archaeological documentation reports are complete and accepted by 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 project is substantially complete.

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 is substantially complete, except for minor follow up improvements, such as bollard and light fixture installations. All work is expected to be completed by the end of July.

5. **Keehi Industrial Lots – Sand Island, Pier 60**

A Request for Proposals (RFP) has been drafted for the proposed redevelopment of the 20-acre site, which is comprised of reclaimed land. The RFP includes the planning, design, development, construction, operation and maintenance of an industrial park complex to provide opportunities for maritime or maritime-related uses.