



ALOHA TOWER DEVELOPMENT CORPORATION

79 S. Nimitz Highway, Honolulu, Hawaii 96813-4898 | (808) 587-3651

IN REPLY, REFER TO: **ATDC 22-0021**

November 30, 2021

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the 2021 Aloha Tower Development Corporation's Annual Report as required by Section 206J-19, Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <https://hidot.hawaii.gov/library/reports/reports-to-the-legislature/>.

Sincerely,

DEREK J. CHOW
Chairperson, Aloha Tower Development
Corporation, and Deputy Director, State of
Hawaii, Department of Transportation

2021 Aloha Tower Development Corporation Annual Report

This Report is Prepared and Submitted
Pursuant to Section 206J-19, Hawaii Revised Statutes

Submitted by

**The Department of Transportation,
Aloha Tower Development Corporation**

November 30, 2021

On behalf of the Aloha Tower Development Corporation (ATDC) Board of Directors and staff, I am pleased to present ATDC's 2021 Annual Report.

During all of 2021, the State of Hawaii, the Nation and the World dealt with the COVID-19 pandemic, which carried over from 2020. The pandemic halted much of any possible economic development for the Aloha Tower Complex. Even still, the ATDC Board of Directors convened in May 2021, its first public meeting in nearly four years, to allow interested parties to engage the Board about future development opportunities in the Aloha Tower Complex in anticipation of an economic recovery.

The Chairman of the ATDC Board as directed by law is the DOT Harbors Division's Deputy Director Derek Chow. Board members include the Department of Business, Economic Development and Tourism Director Mike McCartney, the Department of Land and Natural Resources designee First Deputy Director Robert Masuda, Senate appointee Mr. Anthony Paresa, and House of Representative appointee Ms. Nalani Kealaiki. The five-member Board has met monthly since its first meeting in May 2021 and have heard from entities such as Garden Art, LLC which is interested in commercial development in Piers 10 and 11, Hawaii Pacific University (HPU) which continues to host special events at the Aloha Tower Marketplace (ATM), and Harbors 808 LLC which expressed interest in the construction of a multi-use commercial facility at Piers 5 and 6, which includes mechanical parking.

As the economy's COVID-related downturn created fiscal constraints, ATDC continued to meet with and consider proposals from parties interested in commercial development within the Piers 10 and 11 structure and new commercial development at Piers 5 and 6. Plans to restore Irwin Park back to a recreational and botanical area have been delayed to an indeterminate time in the future.

Despite setbacks in 2021, the ATDC continues to believe in the revitalization of the Aloha Tower Complex and Project Area, which includes improving and expanding the activities and services offered at and near the Marketplace. Some of the revitalization ideas that have been floated are the commercial development within the Piers 10 and 11 structure, and the construction of a new multipurpose commercial facility that would include mechanical parking at Piers 5 and 6.

Our HPU neighbor has experienced its own setbacks this year. But after implementing numerous enhanced health and safety measures, HPU reports that its student enrollment is the highest in the history of the university. HPU continues to dialogue with the ATDC about future outdoor events that will increase the draw to the Marketplace and once again liven up the area.

As 2021 comes to a close, we at the ATDC, like the rest of the State, are optimistic that economic stability will return in 2022 and that developers will be successful in once again creating a community gathering place at the Aloha Tower Complex.



DEREK J. CHOW
Chairperson

ALOHA TOWER COMPLEX AND PROJECT AREA

ATDC is statutorily mandated to redevelop, renovate, and/or improve the Aloha Tower Complex and Project Area. The objective is to integrate development components within the area that will stimulate and enhance the commercial aspects and social events in the downtown business district. At the same time, ATDC seeks to transform the waterfront's urban core into a "people place" while being fully aware of and complementary with the demands of Honolulu Harbor's important maritime activities. In addition, new development in the area, together with the infusion of capital in construction projects, will further stimulate the local economy and provide many new jobs. It is believed that there is great opportunity to revitalize the Marketplace with additional attractions that will help transform the area to a gathering place that it once was and even beyond.

A 2050 Honolulu Harbor Master Plan, which was to be completed in 2020, remains under development due to delays created by COVID-19. While the plan is currently being finalized, it proposes revitalization concepts for areas designated for non-maritime use, such as the Aloha Tower Complex and Project Area. More specifically, the plan considers commercial opportunities, needs of the adjacent business district, and cultural history of the area. Additionally, the plan provides concepts for a multi-use commercial facility at Piers 5 and 6. Parking is intended to be an integral part of this facility and will accommodate the needs of the Marketplace as well as the downtown business district. This facility may also include commercial and retail space, as well as an educational area showcasing the coral transplantation that is a mitigation requirement for the Kapalama Container Terminal project. This multi-use commercial facility may enhance the Marketplace by becoming another attraction to residents and visitors to the area.

In November 2020, ATDC received a letter formally expressing interest in commercial development at Piers 9, 10, and 11 from Garden Art, LLC (GA). GA, which owns and operates the Space Needle in Seattle, Washington, is in the process of selecting a site in Honolulu for a long-term art exhibition and garden similar to Chihuly Garden and Glass in Seattle. Based on the conceptual details of the development that were presented to the ATDC Board in August 2021, the proposed attraction will provide residents and visitors an experience that is unique to Hawaii. While GA continues to seek an appropriate site for its vision, the ATDC is excited by this potential development interest in the area and hopes such a project will encourage the public to rediscover the beauty of Aloha Tower and Honolulu Harbor.

With cruise ships having to adopt changes in policies and protocols for enhanced health and safety measures resulting from the COVID-19 pandemic, cruise ship operations in the United States are not likely to resume sailings until after the spring of 2021. At this time, it is unknown as to whether the existing Pier 11 cruise terminal will be adequate to meet requirements imposed on the cruise industry by federal agencies without considerable investment by the State of Hawaii and/or the cruise industry. As a result, the exploration of non-maritime uses of Piers 10 and 11 is a worthwhile exercise by ATDC.

FINANCIAL INFORMATION

Statement of Appropriations, Expenditures, Encumbrances and Balances for Fiscal Year Ending June 30, 2021

Appropriation Ceiling (Budget)	\$1,842,173
ALOHA TOWER FUND	
Beginning Cash Balance	\$2,882,710
Revenues	\$1,268,759
Expenditures	(\$911,412)
Encumbrances	\$0
END OF YEAR BALANCE	\$3,240,057