

**YEARLY ACTIVITY PLAN (YAP) - FY '09 – FY11**

**Division/Attached Agency:** DBEDT/ATDC

**Program Name:** ALOHA TOWER DEVELOPMENT CORPORATION

**Program ID:** BED 151

**I. PROGRAM PLANNING**

**Problem, issue or opportunity statement:** Describe the problem, issue and/or opportunity your program is attempting to respond to.

**The Mission of ATDC:**

- Strengthen the international economic base of the community in trade activities;
- Enhance the beautification of the waterfront;
- Improve modern maritime uses in concert with the Department of Transportation; and
- Provide for public access and use of waterfront property.

**Problems and Issues:**

Aloha Tower Complex

- Improve business success at the Aloha Tower Marketplace;
- Expand critical mass in the project area by adding additional venues;
- Increase parking;
- Update outdated master development plan and rules.

Honolulu Harbor

- Severe capacity shortage in berthing space, cargo handling areas and passenger ships facilities;
- Need to expedite implementation of critically needed harbor infrastructure improvements.

**Opportunities:**

- Create a world-class master development for the downtown waterfront;
- Implement long desired development projects to expand critical mass at the Aloha Tower Marketplace;
- Build upon the partnerships created with DOT and the Hawaii Harbors User Group (harbor users) to meet targeted commercial harbor development goals;
- A comprehensive plan for statewide harbor improvements was adopted as the Harbors Modernization Plan (Act 200, SLH 2008);
- Implementation of the HMP is assigned to ATDC;
- Continue to build on establishing ATDC as an effective and successful agency.

**Need and partners:** Provide quantitative evidence to show the scope and nature of the problem or opportunity you are working on. Identify partners you will be working with to address the problem, issue and/or opportunity. Describe why government should be part of the solution.

- Need for government intervention
  - The State owns or controls most of the waterfront lands along the urban core in Honolulu Harbor.
  - The commercial harbors are also controlled by the State.
  - The State economy is dependent on ocean transportation as its lifeline. This sector

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touches every average citizen and consumer statewide. More than 80% of all consumer goods are imported into the state. Of that 80%, some 98% enters Hawaii through commercial harbors on six islands.

- If harbor upgrades are not undertaken, the impact on everyday consumer goods will be pronounced. Inadequate harbors will drive up the cost of food, household products, small appliances and furniture an average of 18% by 2030;
- The Harbors Modernization Plan (Act 200, SLH 2008) identified the need for \$842 million in critical harbor infrastructure improvements within 6 years;
- Government needs to take the lead to direct growth in a way that carefully balances competing uses such as commerce, recreation and culture.
- Government should promote a comprehensive vision to maximize public benefit while ensuring a logical and orderly phasing of improvements.
- Partnerships
  - State and county agencies
  - Federal economic stimulus funds for harbor infrastructure through MARAD
  - Legislature and County Councils
  - Partners in commerce such as the Hawaii Harbors Users Group, Chamber of Commerce Maritime Committee, waterfront businesses
  - Public interest partners such as the ATDC Public Advisory Group, Neighborhood Boards, community organizations.

**Desired results (outputs, outcomes and impacts):** What will success look like? Describe what you expect to achieve in the short-term (0-2 years) and long-term (2-6 years).

- 0-2 Years
  - Complete a master plan for the Aloha Tower Project Area involving the community and stakeholders, establishing near term and long term projects that can be developed within financial realities.
  - Resolve parking litigation with the Aloha Tower Marketplace
  - Explore development and financial options to improve the commercial viability of the Aloha Tower Marketplace
  - Significant strides in implementing the Harbors Modernization Plan for statewide commercial harbor improvements.
- 2-6 Years
  - ATDC Master Plan in effect
  - Project components of the Master Plan are in the implementation stage
  - Improvement in the commercial success of the Aloha Tower Marketplace
  - Implementation of the specific commercial harbor projects outlined in the Harbors Modernization Plan.

**Influential Factors:** List the factors you believe will support or hinder your ability to impact the problem or opportunity.

- Legislative support
- Administrative support to expedite procurement and contracting; strategize ways to improve efficiencies including in-house authority for procurement and contracting.
- Funding – quicker approval process for delegation and allotment release of funds for projects
- Staffing – approval to retain adequate staffing.
- Economic conditions – economy, real estate market, financial market
- Continued support from community and business groups such as the Hawaii Harbors Users Group

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**Strategies:** List the “best practices” that have helped other programs achieve the kind of results your program promises.

- Assess and evaluate current conditions; be flexible and responsive to changing trends
- Plan with realistic development and financial constraints
- Emphasize achieving support from all stakeholders affecting a project
- Focus on implementation using principles of project management
- Establish immediate, mid-term and long range projects and prioritize implementation of the immediate doable projects, so that successes are immediate. These achievements increase confidence and support for future projects.

**Assumptions:** State the assumptions behind *how* and *why* the change strategies you have identified will work.

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- If an organization such as ATDC is given a flexible structure to permit it to be more quickly responsive to current conditions and solutions then it should be able to achieve targeted goals despite quickly changing conditions;
  - If in-house authority is granted for procurement and contracting then implementation of projects could be achieved with greater efficiency;
  - If an organizational structure is granted to establish staffing for development teams, hiring of consultant with national port experience for risk assessment for dedicated, expedited technical review of project plans and designs, flexibility in hiring is granted, then projects can be implemented with greater efficiency;
  - If stakeholder participation is utilized for every project, then there is less chance for a project to be derailed by public opposition;
  - If implementation strategies focus on realistic planning that considers financial funding constraints, then projects can be implemented with greater efficiency;
  - If projects result in visible, quantifiable results, then achievements can be easily measured;
  - If immediate, visible and quantifiable achievements are achieved, then support and confidence is gained from the stakeholders.
  - If principles of project management (clear identification of team structure and stakeholders, inclusive participation, project goals, project time schedules and budget) are utilized then implementation of projects will be achieved with optimum output.
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## II. PROGRAM IMPLEMENTATION

**Resources:** Describe the resources available to support your program.

- DOT administrative support for HMP operations have been provided through “U” funds (FY10-11 \$375,000 and \$385,000 respectively)
- DOT appropriation request for the Harbors Modernization Plan (FY10-11 \$115.2M and \$225M respectively).
- Partnership with the DOT Harbors has provided advance delegation of \$16M of Harbor Special Funds prior to issuance of Harbor revenue bonds.
- DBEDT and Administration support on funding requests through the Aloha Tower Special Fund

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(FY10-11).

- Aloha Tower Special Fund
- Support of stakeholders
- Collaborative support from DBEDT, DLNR, B&F, DAGS and other government agencies
- Strong staff support

**Activities:** Describe each of the activities you plan to conduct within your program.

- Master plan the Aloha Tower Project Area
- Amend the Hawaii Administrative Rules pursuant to the revised master plan
- Resolve the Piers 5&6 negotiation with Hughes Development
- Establish an improvement and implementation plan with the Aloha Tower Marketplace
- Implement the projects identified in the Harbors Modernization Plan
- Continue stakeholder and community outreach program with entities such as the ATDC Public Advisory Group and the Hawaii Harbor Users Group

**Outputs:** For each program activity, identify what outputs you aim to produce.

- Maximize public benefits at the Aloha Tower Project Area by creating a vibrant urban development
- Improve small business success at the Aloha Tower Marketplace by incrementally developing the area to add more critical mass
- Create a new master plan for the Aloha Tower Project Area that incorporates a wide range of community and stakeholder support
- Full staffing of an organized, capable and collaborative team for the Harbors Modernization Group
- Significant progress in the implementation of the Harbors Modernization Plan
- Establish the Harbors Modernization Group (office space, organizational structure and staffing)

**Outcomes:** Identify the short-term (0-2 years) and long-term (2-6 years) outcomes you expect to achieve.

- 0-2 Years
  - Complete Aloha Tower Project Area Master Plan (identify balanced mix of commercial uses, open space, park and infrastructure improvements)
  - Improvements at the Aloha Tower Marketplace (increase in parking, new product mix at the Aloha Tower Marketplace)
  - Staffing and office support complete for the Harbors Modernization Group
  - Implementation of projects identified in the Harbors Modernization Plan; keeping on pace with the established project schedule (Kahului improvements and new Kapalama Container Terminal are top priorities)
- 2-6 Years
  - Initiate development of project components within the updated Aloha Tower Project Area Master Plan
  - Continue to implement the specific projects identified in the Harbors Modernization Plan.

**Impact:** Describe the lasting impact you anticipate.

- ATDC achieves implementation of long-desired and critically needed statewide harbor infrastructure as initially planned in 2008 under the Harbors Modernization Plan
- A vibrant and exciting urban waterfront at the Aloha Tower Project Area

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- Comprehensive, orderly and directed improvement of the Honolulu Waterfront and statewide commercial ports.

**III. PROGRAM EVALUATION**

**Indicators:** Describe what SMART ('specific; measurable; action-oriented; realistic; and timed') indicators can be collected that would convey the status of your program.

- Increase in revenue from the Aloha Tower Project Area
- Increase in the number of parking stalls at the Aloha Tower Project Area
- Dollar value of released funding authorizations
- Number of projects under construction
- Increase in land acreage for commercial harbor purposes
- Addition of berthing slips
- Resolution of liabilities

**IV. ALIGNMENT**

Is your program linked to DBEDT's six strategic objectives?		
1.	<b>x</b>	Hawaii Five Point Economic Plan
2.		Hawai'i Clean Energy Initiative
3.		Hawai'i Innovation Initiative
4.	<b>x</b>	Global Links
5.		Economic research and data analysis
6.		Hawai'i Open for Business
7.		Workforce Housing
8.	<b>X</b>	Planning and Land Use
9.	<b>x</b>	World Class Infrastructure

<b>Emerging Industries:</b> Does your program impact Hawai'i's emerging industries?	<b>YES</b>	<b>x</b>
	<b>NO</b>	

**V. APPROVALS**

Note: This form was created using the *W. K. Kellogg Foundation Logic Model Development Guide, January 2004.*

