



Harbors are Hawaii's lifeline

Kalaeloa Harbor will be a major link

In an October 5, 2010 report on Kapolei to the West Oahu Economic Development Association, Dave Rae, senior vice president of Kapolei Property Development, said that Kalaeloa Harbor is ripe for expansion.

"Eighty percent of Hawaii consumer goods are imported, with nearly all of it coming through the state's harbors," he said. "The state also expects cargo volume to increase as much as 93 percent by 2020 — part of it driven by the expected growth of the Kapolei region."

Since Honolulu Harbor is already congested, Rae contends that there is only one viable



"Eighty percent of Hawaii consumer goods are imported, with nearly all of it coming through the state's harbors. The state also expects cargo volume to increase as much as 93 percent by 2020 — part of it driven by the expected growth of the Kapolei region."

Dave Rae
Senior Vice President
Kapolei Property Development



location for expansion — Kalaeloa Harbor. Its locale in Kapolei is fortuitous as it will be at the epicenter of growth for the island. An expanded Kalaeloa will bring shipping services directly to the developing urban market, and reduce freight traffic between Honolulu Harbor and Kapolei.

"We need to be forward-thinking in our planning for Hawaii's long-term sustainability," said Gary North, executive director of the Hawaii Harbors Users Group. "Much of that sustainability will depend on the capacity and efficiency of the state's commercial harbor system. An expanded Kalaeloa Harbor would be a key component in the system. A little known fact is that the Neighbor Islands' daily survival is dependent on Kalaeloa. The majority of the petroleum products needed for electrical power and automobiles comes through Kalaeloa, so without harbor development our state's way of life will be significantly impacted."

The time is also right for another reason. According to Colliers Monroe Friedlander, there are signs that the recession is bottoming out, with Hawaii's industrial market vacancy rates falling mid-year 2010 to 4.14 percent, down from

4.80 percent just six months before. This makes it one of the tightest industrial markets in the U.S., which has an 11 percent vacancy rate nationally.

"What this means for Kapolei is that as the economy improves and demand for industrial space grows, there will be ample opportunities for industrial development in the Kalaeloa Harbor area," Rae said.

Kalaeloa will also support the planned Kapolei Harborside, Oahu's last major industrial site. According to the City & County of

Honolulu Department of Planning & Permitting, the Kalaeloa/Campbell Industrial Park area now accounts for 7,000 permanent jobs in the region, and will grow to nearly 15,000 by 2025. This includes the 3,800 high-paying jobs Kapolei Harborside is expected to generate.

"As a Kapolei resident and business person, I welcome any development that is in line with the goals for Kapolei's growth," said Attilio K. Leonardi, Jr., president of the Kapolei Chamber of Commerce. "Job creation is high on that list, particularly high-paying jobs that are on the horizon for projects planned for Kalaeloa — like the new FBI headquarters with its 230 jobs, and the planned consolidations of most Hawaii National Guard Oahu operations at its Kalaeloa base, which will add 375 jobs to its existing 530. And of course, there's Kapolei Harborside, which will have a tremendous impact on the jobs market. This is all good for the long-term health of the community."



KAPOLEI PROPERTY DEVELOPMENT

Kapolei Property Development is an affiliate of the James Campbell Company with a focus on the development of the City of Kapolei, and on economic development and job creation in the Kapolei region.

TO SUBSCRIBE to this newsletter, go to www.kapolei.com and join our email list.

FOR MORE INFORMATION

Contact Dave Rae at daver@kapolei.com.