

STAND. COM. REP. NO.

3606

Honolulu, Hawaii

APR 18 2008

RE: H.C.R. No. 245
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred H.C.R. No. 245, H.D. 1, entitled:

"HOUSE CONCURRENT RESOLUTION STRONGLY URGING ALL ENTITIES INVOLVED IN THE STUDY, BOTH PUBLIC AND PRIVATE, TO WORK TOGETHER IN GOOD FAITH TO COMPLETE THE ONGOING STUDY ENTITLED THE "HAWAII CRUISE INDUSTRY STUDY," INTENDED TO ASSESS THE CURRENT AND POTENTIAL IMPACTS OF THE CRUISE INDUSTRY ON EACH ISLAND AND THE STATE UNTIL THE YEAR 2018,"

begs leave to report as follows:

The purpose of this measure is to urge all entities, both public and private, who are involved in the "Hawaii Cruise Ship Industry Study," to work together in good faith toward the completion of the study. The "Hawaii Cruise Industry Study" is intended to assess the current and potential impacts of the cruise industry on each island and the State until the year 2018.

Your Committee deleted the contents of this measure and inserted a proposed Senate Draft 1, to request the Auditor to conduct an audit of the Aloha Tower Development Corporation, which is substantially similar to S.C.R. No. 54 (2008).

Your Committee received comments on the proposed Senate Draft 1 from the Aloha Tower Development Corporation.

The Aloha Tower Development Corporation has been involved in lawsuits concerning its development agreements since its

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establishment by Act 236, Session Laws of Hawaii 1981. All of these lawsuits have raised troublesome issues that have hampered development.

The Aloha Tower Development Corporation was last the subject of a state audit in 1987 by the Auditor, whose Report No. 87-13, found in pertinent part: "The Aloha Tower redevelopment project is a concept that is flawed, and it should be shelved," citing a litany of systemic problems and erroneous assumptions. Therefore, your Committee believes a management, performance, and financial audit of the Aloha Tower Development Corporation is appropriate at this time.

Your Committee has amended the proposed Senate Draft 1 by:

- (1) Deleting some references to lawsuits and litigation, as well as reference to the original mission of the Aloha Tower Development Corporation;
- (2) Correcting factual inaccuracies, on the recommendation of the Aloha Tower Development Corporation; and
- (3) Changing the title of this measure to reflect all of the amendments.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 245, H.D. 1, S.D. 1.


Respectfully submitted on
behalf of the members of the
Committee on Tourism and
Government Operations,


CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Tourism and Government Operations
TSG

Bill / Resolution No.:* HCR245 , HD1	Committee Referral: TSG	Date: 04/15/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	/			
KIM, Donna Mercado (VC)				/
TSUTSUI, Shan S.	/			
TRIMBLE, Gordon	/			
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes