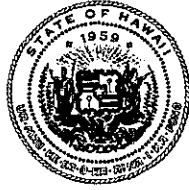


LINDA LINGLE
GOVERNOR



BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI
JIRO A. SUMADA

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

March 10, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

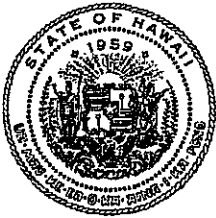
SENATE BILL NO. 2942, SD 2
RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION

COMMITTEE ON TRANSPORTATION

The Department of Transportation (DOT) offers the following comments on this bill, which will abolish the Aloha Tower Development Corporation (ATDC) and transfer its functions to the Hawaii Community Development Authority and to the Department of Transportation.

The DOT's foremost interest is in ensuring the continued expedited implementation of the Harbors Modernization Plan (HMP). The bill addresses this concern by placing the Harbors Modernization Group in the Department of Transportation with continued jurisdiction over HMP. To ensure uninterrupted implementation of HMP, DOT would prefer to see a provision providing for an Executive Director and staff, along with a transition period. This governance structure provides assurances that the priorities established in the HMP will continue to receive the DOT's full attention, energy, and focus.

Thank you for the opportunity to provide comments.



ALOHA TOWER DEVELOPMENT CORPORATION

TOPA Financial Center, Bishop Street Tower, 700 Bishop Street, Suite 1701, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Website: www.alohatower.org

LINDA LINGLE
Governor
SIDNEY A. QUINTAL
Chairperson
SANDRA PFUND
Chief Executive Officer
Telephone: (808) 586-2530
Fax: (808) 586-3046
E-mail: atdc@alohatower.org

Statement of
Sandra Pfund
Chief Executive Officer
Aloha Tower Development Corporation
before the
Committee on

TRANSPORTATION

Wednesday, March 10, 2010
9:00 a.m.
State Capitol, Conference Room 309
in consideration of

SB2942, SD2 RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION

Chair Souki, Vice-Chair Awana and Members of the House Committee on Transportation.

The Aloha Tower Development Corporation (ATDC) opposes this measure.

According to Senate Standing Committee Report No. 2583, the Senate Committee on Ways and Means reports this measure is attempting to achieve efficiencies by transferring the functions of the ATDC to the Hawaii Community Development Authority (HCDA) without unnecessarily delaying any of the needed improvements to the State's harbors.

The ATDC believes this bill will have the opposite effect than that intended for the following reasons:

The ATDC is fully special funded and is a revenue generator for the State.

The proposed abolishment of the ATDC and transfer of its various responsibilities to the HCDA and Department of Transportation (DOT) does not result in any general fund savings and instead has the immediate effect of stopping or severely slowing all progress ATDC has made in implementing its statutory mandated initiatives. The ATDC consists of two programs: 1) oversight over the Aloha Tower Project Area and Complex, and 2) implementation of the

statewide Harbors Modernization Plan (HMP) in partnership with the Department of Transportation – Harbors Division (DOT-H).

Furthermore, this measure proposes to appropriate general funds to implement HMP initiatives. ATDC's current operations are fully special funded.

Steady progress has been made under ATDC and HMP initiatives and organizational restructuring will impede continued progress.

Under the ATDC jurisdiction, steady progress has been made to resolve all past development impasses and disputes that have hampered moving forward with new planning and development efforts. We have resolved all but one pending legal matter and are on the verge of settling that remaining item. With a clean slate with respect to its lands, ATDC can move forward with its short and long-term development concepts outlined in its Strategic Plan and Development Framework, which are expected to be finalized this month.

ATDC has also made tremendous progress with respect to the statewide HMP projects that were desired by this Legislature pursuant to Act 200, Session Laws of Hawaii 2008. This Act gave ATDC statewide jurisdiction to partner with the DOT-H to implement much needed commercial harbor infrastructure improvements on an expedited timetable. The program was established as an eight-year initiative that began on July 1, 2008 and sunsets in 2016. Considerable time was spent in establishing procedures to ensure proper management and collaboration with DOT-H on all aspects of project implementation. A restructuring of the program will require re-establishment of operating functions and hamper project progress on what was envisioned to be a fast track endeavor.

ATDC has moved statewide harbor projects forward by executing fourteen (14) design, planning and construction contracts valued at approximately \$6,366,000 to date, and is expecting to execute an additional four (4) planning and design contracts by March 31, 2010 valued at approximately \$1,601,000. These planning and design contracts are scheduled to result in bids for construction contracts and new construction jobs statewide in 2010 to 2013 valued at approximately \$67,040,000.

A transition period is not provided for these significant organizational changes.

An effective transition period and plan to implement ATDC's mandates, particularly projects under the Harbors Modernization Plan, which include ongoing projects in planning, design and construction, must be provided to avoid disruption and impairment of ATDC's contractual obligations.

Thank you for the opportunity to testify on this measure.



March 10, 2010

The Honorable Joseph Souki, Chair and Member
Committee on Transportation
State House of Representatives
State Capitol, Room 309
Honolulu, Hawaii 96813

Dear Chair Souki, and Members:

**Subject: Senate Bill No. SB 2942, SD2, Relating to the Aloha Tower
Development Corporation**

My name is Lance Wilhelm, President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

HDC opposes S.B. No. 2942 SD 2, as presently drafted.

The purpose of this measure is to reorganize the administration and function of certain state agencies to maximize efficiencies by:

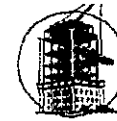
- Transferring the Aloha Tower Development Corporation to the Hawaii Community Development Authority;
- Transferring the harbors modernization group to the Department of Transportation;
- Placing the commercial harbors modernization plan under the harbors modernization group; and
- Appropriating an unspecified sum for consultant services to implement the commercial harbors modernization plan.

The intent stated in this bill is that the Legislature needs to reexamine and adjust the structure of state government to ensure that all state functions are performed as efficiently as possible in the current unfavorable financial and economic crisis. The Legislature believes that it can achieve efficiencies by transferring the functions of the Aloha Tower Development Corporation to the Hawaii Community Development Authority without unnecessarily delaying any of the needed improvements to the State's harbors.

We support the need to consolidate and restructure government in order to save money and provide for more efficiency in government operations. Unlike other government functions, the HCDA and ATDC are responsible for enhancing the state land assets under their control. It is questionable how much more efficiency will be gained or funds saved by simply consolidating two separate and unique entities into one.

A more objective approach would be for the legislature to identify the primary role of State Government, and eliminate programs or functions that fall outside of the basis "core" functions of state government. We would encourage a more comprehensive approach to achieve real efficiency and savings rather than consolidation of one or more agencies.

Thank you for this opportunity to express our views.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO
 Gcntry Pacific Design Center, Suite 215A * 560 N. Nimitz Highway, #50 * Honolulu, Hawaii 96817
 (808) 524-2249 - FAX (808) 524-6893

ADLAN MORHAKI
 President
 Bricklayers & Carpenters
 Local 1 & Plasterers/Cement Masons
 Local 630

JOSEPH O'DONNELL
 Vice President
 Iron Workers Local 625

DAMEN T.A. XIM
 Finance Secretary
 International Brotherhood of
 Electrical Workers Local 1158

ARY TOLENTINO
 Treasurer
 Sheet Metal Workers Local 295

MALCOLM P. AHLG
 Sergeant At Arms
 Plumbers, Gasfitters & Pipefitters
 Local 621

RONALD CASTANARES
 Taxider
 Painters & Paper Local 976

WILFREDUS "BOB"
 Elevator Constructors Local 126

JOSEPH BAZZOPPE
 Deputy, District 5, Plumbers
 Local 621

WILLIAM HONG
 Executive Director
 Hawaii Building & Construction Trades Council
 415 South Beretania Street
 Honolulu, HI 96813

DARYN YOUNG
 Solicitors, Property Builders
 Local 227

LYNN KINNEY
 District Council 50
 Painters & Allied Trades Local 1751

EUGENIE SOQUEHA
 Operating Engineers Local 3

DOUGLAS PULP
 International Assoc. of Heat & Frost
 Insulators & Allied Workers Local 102

RONAN KOZUHA
 Hawaii Teamsters & Allied
 Workers Local 509

PETER GALABAN
 Laborers' International Union of
 North America Local 388

VAUGHN CHONG
 Roofers, Waterproofers & Allied
 Workers United Union of Roofers
 Local 224

March 9, 2010

Honorable Rep. Joseph M. Souki, Chair
 Honorable Rep. Karen Leinani Awana, Vice Chair
 Members of the House Committee on Transportation
 Hawaii State Capitol
 415 South Beretania Street
 Honolulu, HI 96813

RE: **IN SUPPORT OF SB 2942**
 RELATING TO THE ALOHA TOWER DEVELOPMENT CORP.
 Hearing: Wed., March 10, 2010, 9:00 a.m., Room 309

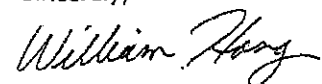
Dear Chair Souki, Vice Chair Awana, and the House Committee on
 Transportation:

For the Record my name is Buzz Hong the Executive Director for
 the Hawaii Building & Construction Trades Council, AFL-CIO. Our
 Council is comprised of 16-construction unions and a membership
 of 26,000 statewide.

The Council SUPPORTS SB2942, which transfers responsibility for
 the Aloha Tower site to the Hawaii Community Development
 Authority and reorganizes harbor modernization across Hawai'i.

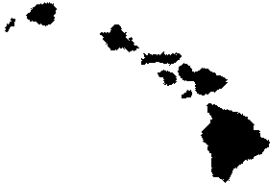
We also agree with HI/DOT that SB2942 should be amended to
 provide for an executive director and staff who will expedite imple-
 mentation of the Harbors Modernization Plan. This structure will
 help assure that the priorities established in the HMP continue to
 receive the DOT's full attention, energy, and focus.

Thank you for the opportunity to submit this testimony in support
 of SB2942.

Sincerely,

 William "Buzz" Hong
 Executive Director

WBH/hm

MAR-09-2010 02:14PM FAX:808 524 6893 ID:REP AWANA PAGE:001 R=100%



Hawaii Harbors Users Group

Gary North
Executive Director

Mar Labrador
Horizon-Lines, LLC
Board Chairman

Vic Angoco
Matson Navigation Company,
Inc.
Board Vice Chair

Douglas Won
Sause Bros., Inc.
Board Vice Chair

Glenn Hong
Young Brothers, Ltd./Hawaiian
Tug and Barge
Secretary/Treasurer

Grant Karamatsu
NCL America, Inc.

Richard Maxwell
Aloha Cargo Transport,
Division of Northland Services,
Inc.

Robert T. Guard
McCabe, Hamilton & Renny Co.,
Ltd.

Jeff Brennan
Hawaii Stevedores, Inc.

Lance Tanaka
Tesoro Hawaii Corporation

Stephanie Ackerman
The Gas Company

Eric Yoshizawa
Ameron Hawaii

Nate Lopez
Hawaiian Cement

Scott Vuillemot
American Marine

Steve Kelly
Kapolei Property Development

Captain Steve Baker
Hawaii Pilots
Associate Member

**SB 2942 SD2
RELATING TO THE ALOHA TOWER DEVELOPMENT
CORPORATION**

**MAR LABRADOR
CHAIR
HAWAII HARBORS USERS GROUP**

MARCH 10, 2010

Chair Souki and Members of the House Committee on
Transportation:

I am Mar Labrador, testifying on behalf of the Hawaii
Harbors Users Group (HHUG), on SB 2942 SD2, "A BILL FOR AN
ACT RELATING TO THE ALOHA TOWER DEVELOPMENT
CORPORATION."

The Hawaii Harbor Users Group (HHUG) is a non-profit
maritime transportation industry group comprised of the following
key harbor users: Matson Navigation Company, Horizon Lines,
LLC, Young Brothers/Hawaii Tug & Barge, Norwegian Cruse Line,
Sause Brothers Inc., Aloha Cargo Transport (ACT), Hawaii
Stevedores, McCabe Hamilton & Renny Stevedores, Hawaii
Superferry, Tesoro Hawaii Corporation, The Gas Company,
Ameron Hawaii, Hawaiian Cement, American Marine, Kapolei
Property Development, and the Hawaii Pilots Association.

As an island State, Hawaii is very dependent upon our commercial harbors to ensure the continued and unimpeded movement of cargo in and out of our State. At present, it is estimated that 98% of Hawaii's imported goods pass through our harbors including consumer goods, motor vehicles, construction materials, and fuel. Given the critical role of Hawaii's harbors, it is imperative that the State provide harbor infrastructure and services to support dependable and efficient cargo transportation and handling industries to service our residents and businesses.

In light of the looming shortage of port facilities in Hawaii due to the significant growth in intra and interstate cargo over the past twenty years, the State is in the process of implementing a statewide Harbors Modernization Plan (HMP) to construct much needed harbor infrastructure improvements. At present, the Aloha Tower Development Corporation (ATDC) is statutorily authorized to implement the HMP. If the State abolishes the ATDC, HHUG believes it imperative that another entity be empowered with the jurisdiction and responsibility to continue the coordination and implementation of the HMP.

This bill establishes a four person Harbors Modernization Group (HMG) to be administratively placed under the Harbors Division of the Department of Transportation to oversee and implement the HMP. We believe that this administrative alternative, coupled with an appropriation for adequate management and support staffing, will enable the continued coordination and implementation of the HMP.

Thank you for the opportunity to testify.