

LINDA LINGLE
GOVERNOR



PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

AARON S. FUJIOKA
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
<http://hawaii.gov/spo>

**WRITTEN COMMENTS
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS**

February 18, 2010

9:30 AM

SB 2942, SD1

RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION.

Chair Kim, Vice-Chair Tsutsui, and committee members, thank you for the opportunity to submit written comments on SB 2942, SD1.

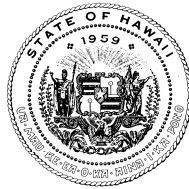
The State Procurement Office's (SPO) comments are limited to Part III, SECTION 5, Page 11, lines 7-8. We request that this language be deleted from the bill.

The SPO is against statutorily exempting specific agencies from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts. The competitive procurement processes of the Code are to insure that all potential providers are afforded the opportunity to compete for the required services.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly. It was the legislature's intent for the Code to be a single source of public procurement policy. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic and confusing to vendors, contractors and service providers that must comply with a variety of different processes and standards. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

Any governmental agency with the authority to expend funds should be in compliance with chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement. Thank you.

LINDA LINGLE
GOVERNOR



BRENNON T. MORIOKA
DIRECTOR

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

IN REPLY REFER TO:

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

February 18, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

**SENATE BILL NO. 2942, S.D. 1,
RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION**

COMMITTEE ON WAYS AND MEANS

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. This governance structure provides assurances that the priorities established in the HMP will continue to receive the DOT's full attention, energy, and focus. We recommend that the effective date of the bill be changed to July 1, 2010.

Thank you for the opportunity to provide comments.



Hawaii Harbors Users Group

FEB 17 2010

FEB 17 2010

FEB 17 2010

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 SD1 RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION

MAR LABRADOR CHAIR HAWAII HARBORS USERS GROUP

FEBRUARY 18, 2010

Chair Kim and Members of the Senate Committee on Ways &

Means:

I am Mar Labrador, testifying on behalf of the Hawaii Harbors Users Group (HHUG), on SB 2942 SD1, "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 Cruise 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 will enable the continued coordination and implementation of the HMP.

Thank you for the opportunity to testify.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'IKO
KALAELOA

Linda Lingle
Governor

C. Scott Bradley
Chairperson

Anthony J. H. Ching
Executive Director

461 Cooke Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 18, 2010

9:30 A.M.

State Capitol, Conference Room 211

**S. B. 2942, S. D. 1- RELATING TO ALOHA TOWER DEVELOPMENT
CORPORATION**

Purpose: Repeals Chapter 206J, HRS Aloha Tower Development Corporation (ATDC). Transfers the rights, powers, functions, duties and boundaries of the ATDC to the Hawaii Community Development Authority (HCDA). Establishes the Harbor Modernization Group/Commercial Harbors Modernization Plan under the Department of Transportation Harbors.

Position: The HCDA takes no position relating to the repeal of the ATDC and provides the following comments.

Transfer of the rights, powers, functions, duties and boundaries of the ATDC to the HCDA – The HCDA takes no position with respect to the proposed abolishment of the ATDC and the transfer of rights, functions, duties and boundaries to the HCDA. The composition of the HCDA as a public body corporate and politic, a public instrumentality and an agency of the State is nearly identical to that of the ATDC. Given the similarity in its general powers and authority, should the functions, duties and boundaries of the ATDC be transferred to the HCDA, every effort will be made to discharge those duties and responsibilities in a manner which is consistent with the enabling legislation, State Constitution and needs of the State of Hawaii.

Addition of 2 Additional Voting Members to the Authority – Part II Section 4 (c) provides that 2 additional members shall be appointed by the Governor to represent Aloha Tower.

The proposal specifies that two additional public members are appointed by the Governor from lists submitted by the Senate President and the Speaker of the House. I note that the current HCDA Authority already includes two members who are appointed by the Governor after individually having been nominated by the Senate President and the Speaker of the House. The HCDA Kakaako Authority is currently comprised of 13 members. While the potential addition of 2 additional members might expand the representation of the community on the Authority, an increase in the number of members to 15 adds to the complexity and logistic of the group while potentially sacrificing efficiency. It is my belief that the addition of two additional public members to the existing membership of the Authority will not proportionately improve the efficiency or enhance public representation and participation of the organization.

Establishing a Harbor Modernization Group, Commercial Harbors Modernization Plan under the DOT – The HCDA takes no position on the merits of this section, but offers its understanding of the critical importance for the State of Hawaii to maintain and enhance the capacities and operations of the statewide commercial harbors system.

Thank you for the opportunity to provide comments on this legislative proposal.

SENATE COMMITTEE ON WAYS AND MEANS

Senator Donna Kim, Chair
Senator Shan S. Tsutsui, Vice Chair

Thursday, February 18, 2010
Senate Conference Room 211
9:30 AM

SENATE BILL 2942, SD1 **Relating to the Aloha Tower Development Corporation** Testimony submitted by Michelle S. Matson

Aloha Chair Kim, Vice Chair Tsutsui and Committee Members:

This testimony is respectfully submitted in opposition to the present form of Senate Bill 2942, which abolishes the Aloha Tower Development Corporation (ATDC) and transfers their functions to the Hawaii Community Development Authority (ATDC). While the operations of these autonomous agencies are similar respecting land use planning and redevelopment of State lands, the difficulties presently shouldered by the ATDC may become intensified if the ATDC's functions were to become combined with those of the HCDA. Instead, both the ATDC and HCDA should be transferred to the Office of Planning as a department independent of the faltering Department of Business, Economic Development and Tourism, to which all three agencies are presently attached.

The HCDA and the ATDC are separately charged with comprehensive master planning and redevelopment oversight of state lands in Kaka'ako Mauka and Makai, Kalaehoa, and Honolulu's vital and historic downtown waterfront. However, despite Legislative advisories, enacted laws and a court order, both autonomous agencies have neglected to demonstrate over the past several years that they have emerged from insulated operations into contemporary community-based planning and open communications practices. While both have established motivated community advisory committees, the HCDA has clearly had continuing difficulties in meeting statutory requirements of collaboration and open communication respecting community-based planning issues, and the ATDC failed to involve its well-versed community-based advisory committee in the recent development of a strategic plan that ultimately breached a 1999 court ruling.

The Senate Committee on Ways and Means is therefore respectfully urged to consider establishing mechanisms to effectuate the transfer and consolidation of the HCDA and ATDC together with the Office of Planning as an independent department. This step forward will serve the following purposes:

- consolidating presently overlapping planning and redevelopment functions of the segmented autonomous ATDC and HCDA agencies
- streamlining operations costs associated with the reduction of overlapping functions
- fully integrating and respecting contemporary community-based planning practices
- providing a collective remedy for the present ongoing state of affairs suffered within both the HCDA and ATDC
- increasing resource support for the Office of Planning as an independent department

The overlapping purposes and functions of the HCDA and ATDC as segmented autonomous planning and development agencies appear to be well-suited to the functions of the

Office of Planning, whose closely-related statutory purposes include engaging in the following:

- comprehensive land use planning and program coordination
- in-depth policy research, analysis, and recommendations
- effective implementation of policies and priorities
- monitoring social, economic, and physical conditions
- developing implementation plans in collaboration with affected public and private agencies and organizations
- reviewing, assessing, and coordinating major plans, programs, projects, and regulatory activities
- coastal and ocean environmental policy management
- geographic information system development - collecting, integrating, analyzing, maintaining, and disseminating data and information to avoid redundant data development efforts *related to essential public policy issues such as land use planning, resource management, homeland security, and the overall health, safety, and well-being of Hawaii's citizens*
- conducting 5-year plans and studies to determine projected increases in both resident and visitor populations and resulting potential physical, social, economic, environmental and carrying capacity impacts

With the statutory mandate of balancing community and economic needs with resource limitations and protections for comprehensive planning purposes, a consolidated independent Office of Planning should have the wherewithal to accomplish these objectives in the greater public interest by superseding stagnant planning practices, precluding political and corporate cronyism, and avoiding other such tendencies long embedded within the segmented autonomous planning and development agencies attached to the Department of Business, Economic Development and Tourism.

It is vital to the present population and future generations that comprehensive land use planning and urban redevelopment is well attuned to contemporary community-based land use planning practices with open communication and collaboration in view of the public's health, welfare and quality of life. Clearly, the HCDA's ongoing track record, including intent to pave over 7 ½ acres of shoreline management area under statutory reservation for recreation, has not been in the public interest. Given these ongoing practices, one can only imagine what the HCDA would attempt to do to Irwin Park at Aloha Tower, both registered historic sites held in the public trust.

Thank you for providing the opportunity to submit this testimony on Senate Bill 2942, and to provide comments on the *foreseen difficulties that this measure portends with the HCDA assuming the ATDC's jurisdiction.*