

Honolulu, Hawaii

April 29, 2011

RE: H.B. No. 1020
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1020, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to improve the management of the Aloha Tower area in light of the elimination of the operating budget of the Aloha Tower Development Corporation (ATDC) by, among other things:

- (1) Clarifying current statutory language establishing the boundaries of the Aloha Tower Complex;
- (2) Retaining ATDC but placing it under the Department of Transportation (DOT) for administrative purposes;



- (3) Reducing the number of members of the Board of Directors of ATDC from seven to three, consisting of the Director of Transportation; Deputy Director of Transportation, Harbors Division; and Director of Business, Economic Development, and Tourism;
- (4) Clarifying and stipulating what moneys will be credited to the Aloha Tower Fund, including moneys received by DOT rather than the Department of Business, Economic Development, and Tourism;
- (5) Limiting the use of Aloha Tower Fund monies for certain costs related to lands located seaward of Nimitz Highway and between Pier 4 and Pier 11, rather than between Pier 4 and the Honolulu International Airport;
- (6) Authorizing the use of Aloha Tower Fund monies for lease payments to DOT;
- (7) Repealing the Harbors Modernization Group; and
- (8) Appropriating an unspecified sum from the Aloha Tower Fund to DOT for operating expenses for ATDC.

In 1981, it was determined that lands encompassing the Aloha Tower Complex along the Honolulu waterfront were a valuable asset that should be redeveloped, renovated, and improved to better serve the economic, maritime, and recreational needs of the people of Hawaii. To accomplish this task, the ATDC was established. However, recent difficulties faced by the ATDC forced the Legislature to rethink its position regarding its viability, and accordingly, ATDC's operating budget was eliminated in 2010. In light of this, your Committee on Conference finds that placing ATDC under DOT for administrative purposes and reducing the memberships of ATDC's Board of Directors from seven to three to include the Director of DOT, Director of DBEDT, and Deputy Director of Transportation-Harbors Division, among other things, is the right step to improve the overall management of the Aloha Tower Complex and enhance the overall economic viability of the area.

Your Committee on Conference has amended this bill by:

- (1) Deleting language directly appropriating monies from the Aloha Tower Fund to DOT for operating expenses for ATDC but rather inserting language lapsing the balance of the



Aloha Tower Fund into the Harbors Special Fund to be used by DOT for the operating expenses of ATDC;

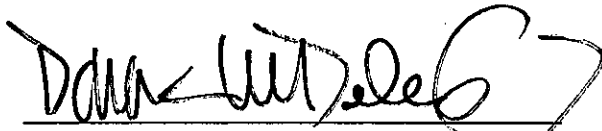
- (2) Changing its effective date to July 1, 2011; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

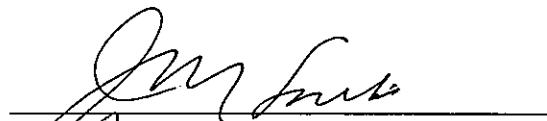
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1020, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1020, H.D. 2, S.D. 2, C.D. 1.

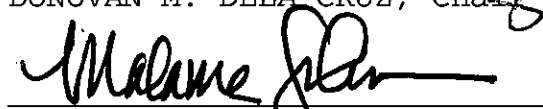
Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE


ON THE PART OF THE HOUSE


DONOVAN M. DELA CRUZ, Chair


JOSEPH M. SOUKI, Co-Chair


MALAMA SOLOMON, Co-Chair


JERRY L. CHANG, Co-Chair


DONNA MERCADO KIM, Co-Chair


LINDA ICHIYAMA, Co-Chair


MICHELLE KIDANI, Co-Chair



