

STAND. COM. REP. NO.

55

Honolulu, Hawaii

Feb 7, 2011

RE: H.B. No. 1020

H.D. 1

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

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1020 entitled:

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

begs leave to report as follows:

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:

- (1) Abolishing ATDC;
- (2) Transferring all rights, powers, functions, duties, and assets of ATDC to the Department of Transportation (DOT);
- (3) Establishing the boundaries of the Aloha Tower area to be controlled by the Hawaii Community Development Authority (HCDA);
- (4) Administratively placing the Harbors Modernization Group (HMG) under DOT;
- (5) Establishing the jurisdiction of HMG, including jurisdiction over various harbor projects;
- (6) Establishing the composition of HMG;

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- (7) Creating the Aloha Tower Fund (Fund) and establishing the revenue stream for the Fund; and
- (8) Appropriating moneys from the Fund for consultant services to implement the commercial harbors modernization plan and the Aloha Tower Marketplace Project.

The Department of Business, Economic Development, and Tourism testified in support of this bill. DOT supported the intent of this measure. HCDA provided comments.

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 in 2010 eliminated ATDC's operating budget.

In light of this, transferring various functions once carried out by ATDC to both DOT and HCDA would improve the overall management of the Aloha Tower Complex and improve the overall economic viability of the area. However, your Committee notes the concerns raised by DOT regarding, among other things, the jurisdiction of HCDA and the resolution of debt and other financial issues. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language which, among other things:

- (1) Establishes the Aloha Tower Complex area and designates the boundaries of the area to be controlled by HCDA;
- (2) Stipulates that DOT shall be responsible for the implementation of the harbors modernization plan;
- (3) Transfers all rights, powers, functions, duties, and assets, including leases, of ATDC to HCDA;
- (4) Transfers the Aloha Tower Fund to HCDA; and
- (5) Appropriates an unspecified amount of funds out of the Aloha Tower Fund for operating expenses of HCDA.




Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

Your Committee notes that, while much work needs to be done to attain the desired outcome and goals of this measure, the language provided by DOT is a starting point and will allow further discussions to continue on this matter throughout the legislative process.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1020, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



