



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

February 11, 2011

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 1020, HD1

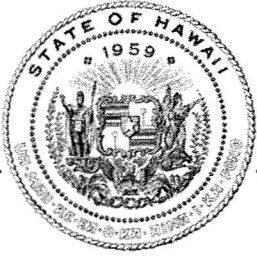
COMMITTEE ON WATER, LAND & OCEAN RESOURCES

The Department of Transportation supports House Bill No. 1020, HD1.

Chapter 206J, HRS, established the Aloha Tower complex and placed this area under the redevelopment jurisdiction of the Aloha Tower Development Corporation (ATDC). ATDC's present jurisdiction includes lands makai of Nimitz Highway from piers 4 through 6, Piers 8 through 23 and portions of Nimitz Highway and Iwilei. We have no objections to the transfer of ATDC's waterfront development functions to the Hawaii Community Development Authority (HCDA) and support HD1's revised jurisdiction to only include the Aloha Tower Project area.

The bill will also transfer ATDC's assets to the HCDA. This will ensure that a responsible entity will continue to manage the Marketplace lease which serves as a cornerstone for the development of the Aloha Tower Project area. ATDC owes the DOT approximately \$7.7 million in past due obligations. We strongly support the bill's transfer of assets and obligations of ATDC to HCDA. We are confident that HCDA will work cooperatively with DOT to settle the outstanding debt as well as resolve the Marketplace's financial issues under the lease.

Notwithstanding that the DOT assumed full management of the Harbors Modernization Plan (HMP) due to the lack of operating appropriations to ATDC effective July 1, 2011, the bill further proposes to transfer the implementation of the HMP to the DOT. Our foremost interest is in ensuring the continued expedited implementation of these New Day Work projects.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
INTERIM DIRECTOR

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STATEMENT OF

RICHARD C. LIM, INTERIM DIRECTOR
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT
AND TOURISM

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES

Friday, February 11, 2011

8:30 A.M.

State Capitol, Conference Room 325

**H. B. 1020, H.D. 1 - RELATING TO ALOHA TOWER DEVELOPMENT
CORPORATION**

Under the existing circumstances, the Aloha Tower Development Corporation (ATDC) supports the intent of this proposal. The ATDC, through the Department of Business, Economic Development and Tourism, is working closely with the Department of Transportation to implement a smooth transition and ensure the completion of the harbor related New Day Work projects.

Thank you for this opportunity to submit testimony on this proposal.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES

Friday, February 11, 2011

8:30 A.M.

State Capitol, Conference Room 325

**H. B. 1020, H.D. 1 - RELATING TO ALOHA TOWER
DEVELOPMENT CORPORATION**

Purpose: Abolishes the Aloha Tower Development Corporation (ATDC) and transfers all rights, powers, functions, duties and obligations to the Hawaii Community Development Authority (HCDA). Also appropriates from the Aloha Tower Fund an unspecified amount for FY 11-12 operating expenses. Affirms that the implementation of the commercial harbors modernization plan shall be the responsibility of the department of transportation.

Position: While the HCDA supports the intent of the proposal to transfer the responsibility for the implementation of the commercial harbor modernization plan to the Department of Transportation (DOT), details of an equitable transfer of responsibilities and obligations from the ATDC to the HCDA have not yet been finalized. Until such time that the HCDA is assured that the terms and condition of an equitable and reasonable transfer can be defined, we request that additional time is given for the DOT, HCDA and the marketplace lessee to work towards a mutually satisfactory arrangement.

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