



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

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STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON FINANCE

Tuesday, March 1, 2011

1:00 P.M.

State Capitol, Conference Room 308

**H. B. 1020, H.D. 2 - 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



KAKA'KO  
KALAELOA

Neil Abercrombie  
Governor

C. Scott Bradley  
Chairperson

Anthony J. H. Ching  
Executive Director

STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON FINANCE

Tuesday, March 1, 2011

1:00 P.M.

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**H. B. 1020, H.D. 2 - 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. Therefore, until such time that the HCDA is assured that the terms and conditions of an equitable and reasonable transfer can be defined, the HCDA disagrees with the transfer of the ATDC's financial and legal obligations to the HCDA. Currently, the HCDA does not have an equity interest in the Aloha Tower project area and the HCDA objects to being the ATDC's successor in interest if it is required to assume the ATDC's obligations.

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

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STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
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HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

March 1, 2011

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 1020, HD2

COMMITTEE ON FINANCE

The Department of Transportation supports House Bill No. 1020, HD2.

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.