



LATE

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

March 15, 2011

COMMENTS OF THE DEPARTMENT OF TRANSPORTATION

HOUSE BILL NO. 1020, HD2

COMMITTEE ON WATER LAND AND HOUSING

The Department of Transportation supports the intent of House Bill No. 1020, HD1 and recommends several amendments as set forth in Attachment "A" to this testimony.

As written, H.B. 1020, HD1, repeals Chapter 206J, Hawaii Revised Statutes, which abolishes the Aloha Tower Development Corporation, transfers Piers 4 – 11 to the Hawaii Community Development Authority (HCDA), and transfers Piers 12 0 19 to the Department of Transportation.

At this time, however, there is a prospective purchase of the Aloha Tower Marketplace (ATM). As such, it is imperative that the lessor of the ATM, the Aloha Tower Development Corporation, remain in place to provide stability to the immediate situation. Additionally, the harbors modernization projects have already been incorporated into the Department's Capital Projects budget and will be executed under the Department's programs and operations. To that end, the proposed amendments:

- Maintains the ATDC structure
- Reduces the jurisdiction of ATDC to Piers 4 – 11
- Restructures the ATDC board to 3 members: Director of DOT, Harbor Deputy Director, and the Director of DBEDT
- Administratively attached ATDC to DOT
- Eliminates the harbors modernization group
- Clarifies that the Aloha Tower fund can be used to pay the ground lease to DOT

SECTION 1. Section 206J-3, Hawaii Revised Statutes, is amended by amending the boundaries of the Aloha Tower complex to read as follows:

"§206J-3 Aloha Tower complex; designated boundaries. The Aloha Tower complex is established. The complex shall include the area bounded by Nimitz Highway beginning at its intersection with the Diamond Head boundary of tax map key 2-1-13:7 north along Nimitz Highway to its intersection at Pier 11 and Nimitz Highway; southwest along the face of Piers 10 and 11; southeast along the face of Pier 9; northeast along the face of Pier 8; southeast parallel along the revetment of Ala Moana Boulevard and to include Pier 7; southwest along Pier 6 and its shoreline and around to Pier 5 and its shoreline; northeast to Ala Moana Boulevard; north along Nimitz Highway to its intersection with Richards Street; southwest along Richards Street to its intersection with Ala Moana Boulevard; northwest along Ala Moana Boulevard to its intersection with the Ewa boundary of tax map key 2-1-14:6; northeast along the Ewa boundary of tax map key 2-1-14:6 to its Ewa mauka corner; and northwest across Bishop Street to the point of beginning at the intersection of the Diamond Head boundary of tax map key 2-1-13:7 and Nimitz Highway. "

SECTION 2. Section 206J-4, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) There is established the Aloha Tower development corporation, which shall be a public body corporate and politic, a public instrumentality, and an agency of the State. The development corporation shall be placed within the department of transportation for administrative purposes, pursuant to section 26-35.

(b) The development corporation shall consist of a board of directors having three voting members: The director of transportation, the deputy director of transportation, harbors division, and the director of the department of business, economic development, and tourism. The board, by a majority vote, shall elect a chairperson from within its membership.

SECTION 3. Section 206J-5.5, Hawaii Revised Statutes, is repealed in its entirety.

"

SECTION 4. Section 206J-17, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) There is created the Aloha Tower fund. All:

- (1) Moneys;
 - (2) Rentals;
 - (3) Charges;
 - (4) Other revenues of the development corporation; and
 - (5) Moneys or charges received by the department of transportation;
- including reimbursements for costs and staff services as a result of planning, development, or redevelopment of the lands located seaward of Nimitz Highway between Pier 4 and Pier 11 shall be deposited into the fund.

(b) The development corporation may establish a separate account with respect to each issue of bonds issued under this chapter and direct that the moneys, rentals, charges, and other revenues pledged to the payment of the bond issue be credited to that account and, as permitted by section 206J-12(g)(7), designate a trustee to receive and receipt for, hold, and administer the moneys in the account. Moneys credited to a separate account held by a trustee may be paid directly to the trustee; provided that appropriate entries are made for purposes of accounting.

(c) The moneys on deposit in the fund shall be used for the purposes of this chapter, lease payments to the department of transportation, and for the development, redevelopment, or improvement of the Honolulu Waterfront located seaward of Nimitz Highway between Pier 4 and [] Pier 11.



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
INTERIM DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

STATEMENT OF

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

BEFORE THE

SENATE COMMITTEE ON WATER, LAND, AND HOUSING

Tuesday, March 15, 2011

1:15 P.M.

State Capitol, Conference Room 225

**H. B. 1020, H.D. 2 - RELATING TO ALOHA TOWER DEVELOPMENT
CORPORATION**

The proposal seeks to transfer the role and responsibilities of the Aloha Tower Development Corporation (ATDC) to the Hawaii Community Development Authority (HCDA). Of equal if not greater importance, the proposal would establish the implementation of the commercial harbors modernization plan and would be the responsibility of the Department of Transportation (DOT). The ATDC supports the intent of this proposal.

It is important to note that the transfer of the role, responsibilities of the ATDC potentially has certain financial implications for the DOT commercial harbor modernization plan and the HCDA. Accordingly, the ATDC operating through the Department of Business, Economic Development and Tourism is working closely with the DOT to ensure a smooth transition and ensure the completion of the harbor related New Day Work projects.

However, to ensure that the commercial harbor modernization project will not lose any momentum if the transition of the ATDC to any successor agency cannot be initiated at this time, I support the passage of this proposal **without** any mention of the repeal of Chapter 206J and the naming of a successor entity.

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



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'IKO
KALAELOA

Neil Abercrombie
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 WATER, LAND, AND HOUSING

Tuesday, March 15, 2011

1:15 P.M.

State Capitol, Conference Room 225

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. As this transfer may also have an effect on the commercial harbor modernization effort, until such time that the DOT, ATDC and the HCDA are assured that the terms and conditions of an equitable and reasonable transfer can be defined, without jeopardy to the harbor modernization effort, the HCDA disagrees with the transfer of the ATDC's financial and legal obligations to the HCDA.

However, as there is no disagreement as the importance of the commercial harbor modernization plan proceeding without delay, the HCDA supports the immediate passage of the proposal with the contents of Section 2. The transition of the ATDC to the HCDA might then be taken up during the 2012 Legislative Session without impeding the progress of the harbor modernization effort.

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