

STAND. COM. REP. NO. 1080

Honolulu, Hawaii
March 23, 2011

RE: S.B. No. 1247
S.D. 2
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 Committees on Transportation and Water, Land, & Ocean Resources, to which was referred S.B. No. 1247, S.D. 2, entitled:

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

beg leave to report as follows:

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

- (1) Establishing the Aloha Tower community development district within the Kakaako community development district;
- (2) Administratively placing the harbors modernization group within the Department of Transportation (DOT) and granting the group jurisdiction over harbors projects for the commercial harbors modernization plan;
- (3) Stipulating the harbors projects to be contained in the commercial harbors modernization plan;

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- (4) Establishing the membership of the harbors modernization group, as well as the terms of service of the members, and stipulating that the harbors' modernization group shall cease to exist upon completion of the commercial harbors modernization plan;
- (5) Creating the Aloha Tower Fund, to be administered by DOT, into which all moneys, rental fees, charges, and other revenues of DOT derived from the Aloha Tower Marketplace Project shall be deposited; and
- (6) Abolishing ATDC and transferring its zoning and planning jurisdiction to the Hawaii Community Development Authority (HCDA) and all other rights, powers, functions, and duties to the DOT.

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

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, the Legislature 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 Marketplace Complex, improve the overall economic viability of the area, and protect the State's investment and objectives for the Aloha Tower Marketplace complex.

However, your Committees note that, according to DOT, the projects for the commercial harbors modernization plan contained in this measure have already been incorporated into DOT's capital projects budget and will be executed under DOT's programs and operations. DOT also noted that there is a prospective purchaser for the Aloha Tower Marketplace complex.

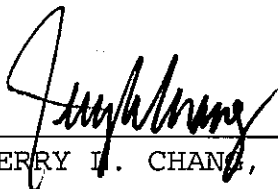


As such, your Committees have amended this bill by deleting its contents and replacing it with the language contained in H.B. No. 1020, H.D. 1. As amended, this bill addresses concerns raised by DOT regarding, among other things, the jurisdiction of HCDA and the resolution of debt and other financial issues concerning the Aloha Tower Complex by:

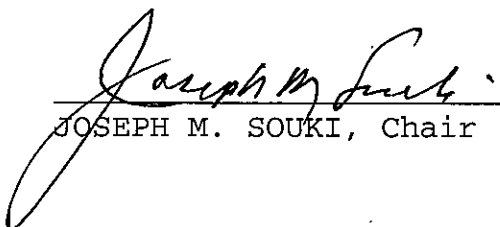
- (1) Establishing the Aloha Tower Complex area under the jurisdiction of HCDA;
- (2) Stipulating that DOT shall be responsible for the implementation of the commercial harbors modernization plan;
- (3) Transferring all other rights, powers, functions, duties, and assets, including leases, of the Aloha Tower Development Corporation to HCDA;
- (4) Transferring the Aloha Tower Fund to HCDA; and
- (5) Appropriating funds out of the Aloha Tower Fund for the operating expenses of the Aloha Tower Complex.

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1247, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Water, Land, & Ocean
Resources,



JERRY I. CHANG, Chair



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 1080

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 1247, SD 2	Committee Referral: TRN/WLO, FIN	Date: 3/16/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.				/
4. CULLEN, Ty				/
5. LEE, Marilyn B.				/
6. LUKE, Sylvia	/			
7. SAIKI, Scott K.	/			
8. TAKUMI, Roy M.				/
9. YAMASHITA, Kyle T.	/			
10. FONTAINE, George R.	/			
11. JOHANSON, Aaron Ling	/			
TOTAL (11)	7			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u> <i>Linda Ichiyama</i> </u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

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<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WLO Members	Ayes	Ayes (WR)	Nays	Excused
1. CHANG, Jerry L. (C)	✓			
2. HAR, Sharon E. (VC)	✓			
3. CABANILLA, Rida T.R.	✓			✓ SEH
4. CARROLL, Mele				✓
5. CHONG, Pono	✓			
6. COFFMAN, Denny	✓			
7. HERKES, Robert N.	✓			
8. ITO, Ken	✓			
9. MORITA, Hermina M.				
10. NAKASHIMA, Mark M.	✓			
11. RIVIERE, Gil	✓			
12. THIELEN, Cynthia				✓
TOTAL (12)	9			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				