



LATE TESTIMONY
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DEPARTMENT OF TRANSPORTATION
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IN REPLY REFER TO:

March 16, 2011

COMMENTS OF THE DEPARTMENT OF TRANSPORTATION

SENATE BILL NO. 1247, SD2

COMMITTEE(S) ON TRANSPORTATION
AND
WATER, LAND AND OCEAN

The Department of Transportation does not support Senate Bill No. 1247, SD2 and recommends several amendments, as set forth in Attachment "A."

Senate Bill No. 1247, SD2, creates an Aloha Tower community development district within the jurisdiction of the Hawaii Community Development Authority (HCDA). This district includes Piers 4 through 19. The bill also places the harbors modernization group within the Department for specified harbor projects and gives them jurisdiction over such projects. Finally, it places the Aloha Tower Fund under the Department.

At this time, however, there is a prospective purchaser 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 board
- 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.