

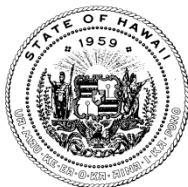
# HB 360

# HD 1

RELATING TO THE DEPARTMENT OF  
TRANSPORTATION.

Authorizes issuance of GO bonds for relocation of the Clear Channel antenna, including design and construction, equipment and appurtenances, and ground and site improvements.

DAVID Y. IGE  
GOVERNOR



**LATE**

Testimony of  
FORD N. FUCHIGAMI  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

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

March 17, 2015  
2:50 p.m.  
State Capitol, Room 229

**H.B. 1360, H.D. 1**  
**RELATING TO THE DEPARTMENT OF TRANSPORTATION**

Senate Committee on Transportation

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The Department of Transportation (DOT) **strongly supports** H.B. 1360, H.D. 1 to authorize the issuance of general obligation bonds to relocate a broadcast antenna which includes design and construction, equipment and appurtenances, and ground and site improvements.

The DOT seeks to clarify that the broadcast antenna belongs to iHEART and not Clear Channel.

The relocation of the iHEART broadcast antenna would assist and advance the DOT's efforts to modernize Honolulu Harbor to add cargo capacity and operational efficiencies. It would also address airplane safety concerns by the Federal Aviation Administration in a one engine inoperative emergency procedure.

Passage of this bill would benefit the public greatly by ensuring airline safety and a thriving maritime industry that meets the future needs of Hawaii.

Thank you for the opportunity to provide testimony.

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON TRANSPORTATION  
ON  
HOUSE BILL NO. 1360, H.D.1

March 17, 2015  
2:50 P.M.

RELATING TO THE DEPARTMENT OF TRANSPORTATION

House Bill No. 1360, H.D.1, authorizes the issuance of general obligation bonds for relocation of the Clear Channel antenna, including design and construction, equipment and appurtenances, and ground and site improvements.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve governmental public purposes. As it appears that private entities may derive benefit from this legislation, tax-exempt general obligation bonds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost.

In addition, to the extent that funding for this project is not in the proposed Executive Budget, should this bill proceed or pass the Legislature, an amount for the corresponding annual debt service will need to be included in the Legislature's version of the budget.

Thank you for the opportunity to provide our testimony on this bill.