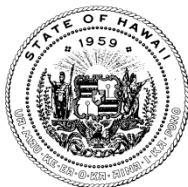


SB 1254

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



Testimony of
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IN REPLY REFER TO:

February 10, 2015
2:45 pm
State Capitol, Room 229

S.B. 1254
RELATING TO THE DEPARTMENT OF TRANSPORTATION

Senate Committee on Transportation

The Department of Transportation (DOT) **strongly supports** S.B. 1254 to authorize the issuance of general obligation bonds to relocate the iHEART broadcast antenna which in the bill refers to 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
SENATE BILL NO. 1254

February 10, 2015
2:45 P.M.

RELATING TO THE DEPARTMENT OF TRANSPORTATION

Senate Bill No. 1254 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.