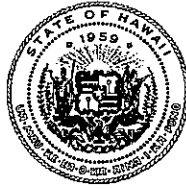


**TESTIMONY**  
**SB 2942**

LINDA LINGLE  
GOVERNOR



BRENNON T. MORIOKA  
DIRECTOR

Deputy Directors  
MICHAEL D. FORMBY  
FRANCIS PAUL KEENO  
BRIAN H. SEKIGUCHI  
JIRO A. SUMADA

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

IN REPLY REFER TO:

February 8, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE BILL NO. 2942, RELATING TO THE ALOHA TOWER DEVELOPMENT  
CORPORATION

COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS  
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND  
INTERGOVERNMENTAL AFFAIRS

The Department offers the following comments on this bill to abolish the Aloha Tower Development Corporation (ATDC) and transfer its functions to the Hawaii Community Development Authority and the Department of Transportation, Harbors Division.

The Department's foremost interest is in ensuring the continued expedited implementation of the Harbors Modernization Plan (HMP). The bill addresses this concern by placing the executive director, staff and the harbors modernization group in the Department of Transportation, Harbors Division, with continued jurisdiction over HMP. This governance structure provides assurances that the priorities established in the HMP will continue to receive the Department's full attention, energy and focus.

Thank you for the opportunity to provide comments.



## **ALOHA TOWER DEVELOPMENT CORPORATION**

TOPA Financial Center, Bishop Street Tower, 700 Bishop Street, Suite 1701, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Website: [www.alohatower.org](http://www.alohatower.org)

LINDA LINGLE  
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Chairperson  
SANDRA PFUND  
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Statement of  
**Sandra Pfund**  
Chief Executive Officer  
Aloha Tower Development Corporation  
before the  
Committees on  
**WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS**  
and  
**TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS**  
Monday, February 8, 2010  
2:45 p.m.  
State Capitol, Conference Room 229  
in consideration of

### **SB2942 RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION**

Chair Hee, Chair English, Vice-Chair Tokuda, Vice-Chair Gabbard and Members of the Senate Committees on Water, Land, Agriculture and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs.

The Aloha Tower Development Corporation (ATDC) submits the following comments on this measure.

The ATDC understands that this measure is: 1) a response to a perception that the ATDC is not meeting its statutory mandate, and 2) to effectuate cost savings by consolidation of functions.

The ATDC is fully special funded and is a revenue generator for the State.

The proposed abolishment of the ATDC and transfer of its various responsibilities to the Hawaii Community Development Authority (HCDA) and Department of Transportation (DOT) does not result in any general fund savings and instead has the immediate effect of stopping or severely slowing all progress ATDC has made in implementing its statutory mandated initiatives. The ATDC consists of two programs: 1) oversight over the Aloha Tower Project Area and Complex, and 2) implementation of the statewide Harbors Modernization Plan (HMP) in partnership with the Department of Transportation – Harbors Division (DOT-H).

Steady progress has been made under ATDC and HMP initiatives and organizational restructuring will impede continued progress.

Under the ATDC jurisdiction, steady progress has been made to resolve all past development impasses and disputes that have hampered moving forward with new planning and development efforts. We have resolved all but one pending legal matter and are on the verge of settling that remaining item. With a clean slate with respect to its lands, ATDC can move forward with its short and long-term development concepts outlined in its Strategic Plan and Development Framework, which are expected to be finalized this February.

ATDC has also made tremendous progress with respect to the statewide HMP projects that were desired by this Legislature pursuant to Act 200, Session Laws of Hawaii 2008. This Act gave ATDC statewide jurisdiction to partner with the DOT-H to implement much needed commercial harbor infrastructure improvements on an expedited timetable. The program was established as an eight-year initiative that began on July 1, 2008 and sunsets in 2016. Considerable time was spent in establishing procedures to ensure proper management and collaboration with DOT-H on all aspects of project implementation. A restructuring of the program will require re-establishment of operating functions and hamper project progress on what was envisioned to be a fast track endeavor.

ATDC has moved statewide harbor projects forward by executing fourteen (14) design, planning and construction contracts valued at approximately \$5,641,000 to date, and is expecting to execute an additional five (5) planning and design contracts by March 31, 2010 valued at approximately \$2,407,000. These planning and design contracts are scheduled to result in bids for construction contracts and new construction jobs statewide in 2010 to 2013 valued at approximately \$81,590,000.

Should the committee decide to move forward with this measure, consideration should be given to ensure that there is an effective transition plan to implement ATDC's mandates, particularly projects under the Harbors Modernization Plan, which include ongoing projects in planning, design and construction.

Thank you for the opportunity to testify on this measure.



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



KAKA'KO  
KALAELOA

Linda Lingle  
Governor

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STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WATER, LAND, AGRICULTURE AND  
HAWAIIAN AFFAIRS  
AND

SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND  
INTERGOVERNMENTAL AFFAIRS

Monday, February 8, 2010

2:45 P.M.

State Capitol, Conference Room 229

**S. B. 2942 - RELATING TO ALOHA TOWER DEVELOPMENT  
CORPORATION**

**Purpose:** Repeals Chapter 206J, HRS Aloha Tower Development Corporation (ATDC). Transfers the rights, powers, functions, duties and boundaries of the ATDC to the Hawaii Community Development Authority (HCDA). Establishes the Harbor Modernization Group/Commercial Harbors Modernization Plan under the Department of Transportation Harbors division.

**Position:** The HCDA takes no position relating to the repeal of the ATDC and provides the following comments.

*Transfer of the rights, powers, functions, duties and boundaries of the ATDC to the HCDA* – The HCDA takes no position with respect to the proposed transfer, but notes that the composition of the HCDA as a public body corporate and politic, a public instrumentality and an agency of the State is nearly identical to that of the ATDC. Given the similarity in its general powers and authority, should the functions, duties and boundaries of the ATDC be transferred to the HCDA, every effort will be made to discharge those duties and responsibilities in a manner which is consistent with the enabling legislation, State Constitution and needs of the State of Hawaii.

*Addition of 3 Additional Voting Members to the Authority* – Part II Section 4 (c) provides that 3 additional members shall be appointed by the Governor to represent Aloha Tower. One of the members to be appointed include the director of transportation (DOT director) or designee in charge of harbors. I note that the current HCDA Authority already includes the DOT director or designee as an ex-officio voting member. The designation of the DOT director to the Aloha Tower authority may therefore be redundant.

The proposal also specifies that two other public members are appointed by the Governor from lists submitted by the Senate President and the Speaker of the House. I note that the current HCDA Authority already includes two members who are appointed by the Governor after individually having been nominated by the Senate President and the Speaker of the House. The HCDA Kakaako Authority is currently comprised of 13 members. While the potential addition of 3 additional members might expand the representation of the community on the Authority, an increase in the number of members to 16 adds to the complexity and logistic of the group while potentially sacrificing efficiency.

*Establishing a Harbor Modernization Group, Commercial Harbors Modernization Plan under the DOT Harbors Division*) – The HCDA takes no position on the merits of this section, but offers its understanding of the critical importance for the State of Hawaii to maintain and enhance the capacities and operations of the statewide commercial harbors system.

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

LINDA LINGLE  
GOVERNOR



PROCUREMENT POLICY BOARD  
DARRYL W. BARDUSCH  
LESLIE S. CHINEN  
DARYLE ANN HO  
KEITH T. MATSUMOTO  
RUSS K. SAITO  
PAMELA A. TORRES

AARON S. FUJIOKA  
ADMINISTRATOR

**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

P.O. Box 119  
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TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE  
SENATE COMMITTEES  
ON  
WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS  
AND  
TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

February 8, 2010

2:45 PM

SB No. 2942

RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION.

Chair Hee, Chair English, Vice-Chair Tokuda, Vice-Chair Gabbard, and committee members, thank you for the opportunity to testify on SB 2942.

The State Procurement Office's (SPO) testimony is limited to Part III, Page 11, lines 13-14. We request that this language be deleted from the bill.

The SPO is against statutorily exempting specific agencies from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts. The competitive procurement processes of the Code are to insure that all potential providers are afforded the opportunity to compete for the required services.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly. It was the legislature's intent for the Code to be a single source of public procurement policy. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic and confusing to vendors, contractors and service providers that must comply with a variety of different processes and standards. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

SB 2942  
February 8, 2010  
2:45 PM  
Page 2 of 2

Any governmental agency with the authority to expend funds should be in compliance with chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement.

Thank you.





# Hawaii Harbors Users Group

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Gary North  
Executive Director

Mar Labrador  
Horizon-Lines, LLC  
Board Chairman

Vic Angoco  
Matson Navigation Company,  
Inc.  
Board Vice Chair

Douglas Won  
Sause Bros., Inc.  
Board Vice Chair

Glenn Hong  
Young Brothers, Ltd./Hawaiian  
Tug and Barge  
Secretary/Treasurer

Grant Karamatsu  
NCL America, Inc.

Richard Maxwell  
Aloha Cargo Transport,  
Division of Northland Services,  
Inc.

Robert T. Guard  
McCabe, Hamilton & Renny Co.,  
Ltd.

Jeff Brennan  
Hawaii Stevedores, Inc.

Lance Tanaka  
Tesoro Hawaii Corporation

Stephanie Ackerman  
The Gas Company

Eric Yoshizawa  
Ameron Hawaii

Nate Lopez  
Hawaiian Cement

Scott Vuillemot  
American Marine

Steve Kelly  
Kapolei Property Development

Captain Steve Baker  
Hawaii Pilots  
Associate Member

**SB 2942  
RELATING TO THE ALOHA TOWER DEVELOPMENT  
CORPORATION**

**MAR LABRADOR  
CHAIR  
HAWAII HARBORS USERS GROUP**

**FEBRUARY 8, 2010**

Chair Hee, Chair English, and Members of the Senate

Committees on Water, Land, Agriculture & Hawaiian Affairs and

Transportation, International & Intergovernmental Affairs:

I am Mar Labrador, testifying on behalf of the Hawaii Harbors Users Group (HHUG), on SB 2942, "A BILL FOR AN ACT RELATING TO THE ALOHA TOWER DEVELOPMENT CORPORATION."

The Hawaii Harbor Users Group (HHUG) is a non-profit maritime transportation industry group comprised of the following key harbor users: Matson Navigation Company, Horizon Lines, LLC, Young Brothers/Hawaii Tug & Barge, Norwegian Cruse Line, Sause Brothers Inc., Aloha Cargo Transport (ACT), Hawaii Stevedores, McCabe Hamilton & Renny Stevedores, Hawaii Superferry, Tesoro Hawaii Corporation, The Gas Company, Ameron Hawaii, Hawaiian Cement, American Marine, Kapolei Property Development, and the Hawaii Pilots Association.

As an island State, Hawaii is very dependent upon our commercial harbors to ensure the continued and unimpeded movement of cargo in and out of our State. At present, it is estimated that 98% of Hawaii's imported goods pass through our harbors including consumer goods, motor vehicles, construction materials, and fuel. Given the critical role of Hawaii's harbors, it is imperative that the State provide harbor infrastructure and services to support dependable and efficient cargo transportation and handling industries to service our residents and businesses.

In light of the looming shortage of port facilities in Hawaii due to the significant growth in intra and interstate cargo over the past twenty years, the State is in the process of implementing a statewide Harbors Modernization Plan (HMP) to construct much needed harbor infrastructure improvements. At present, the Aloha Tower Development Corporation (ATDC) is statutorily authorized to implement the HMP. If the State abolishes the ATDC, HHUG believes it imperative that another entity be empowered with the jurisdiction and responsibility to continue the coordination and implementation of the HMP.

This bill establishes a four person Harbors Modernization Group (HMG) to be administratively placed under the Harbors Division of the Department of Transportation to oversee and implement the HMP. In light of the importance of the HMP to Hawaii and its economy, HHUG respectfully requests that this bill be amended to elevate the HMG to be administratively placed under the Department of Transportation rather than under the Harbors Division.

Thank you for the opportunity to testify.

**SENATE COMMITTEE ON WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS**

Senator Clayton Hee, Chair  
Senator Jill Tokuda, Vice Chair

**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND  
INTERGOVERNMENTAL AFFAIRS**

Senator J. Kalani English, Chair  
Senator Mike Gabbard, Vice Chair

Monday, February 8, 2010  
Senate Conference Room 229  
2:45 PM

**SENATE BILL 2942**

**Relating to the Aloha Tower Development Corporation**

Testimony submitted by Michelle S. Matson

This testimony is respectfully submitted in opposition to the present form of Senate Bill 2942, which abolishes the Aloha Tower Development Corporation (ATDC) and transfers their functions to the Hawaii Community Development Authority (ATDC). While the operations of these autonomous agencies are similar respecting land use planning and redevelopment of State lands, the difficulties presently shouldered by the ATDC may become intensified if the ATDC's functions were to become combined with those of the HCDA. Instead, both the ATDC and HCDA should be transferred to the Office of Planning as a department independent of the faltering Department of Business, Economic Development and Tourism, to which all three agencies are presently attached.

The HCDA and the ATDC are separately charged with comprehensive master planning and redevelopment oversight of state lands in Kaka'ako Mauka and Makai, Kalaeloa, and Honolulu's vital and historic downtown waterfront. However, despite Legislative advisories, enacted laws and a court order, both autonomous agencies have neglected to demonstrate over the past several years that they have emerged from insulated operations into contemporary community-based planning and open communications practices. While both have established motivated community advisory committees, the HCDA has clearly had continuing difficulties in meeting statutory requirements of collaboration and open communication respecting community-based planning issues, and the ATDC failed to involve its well-versed community-based advisory committee in the recent development of a strategic plan that ultimately breached a 1999 court ruling.

The Senate Committee on Water, Land, Agriculture and Hawaiian Affairs jointly with the Senate Committee on Transportation, International and Intergovernmental Affairs are therefore respectfully urged to consider establishing mechanisms to effectuate the transfer and consolidation of the HCDA and ATDC together with the Office of Planning as an independent department. This step forward will serve the following purposes:

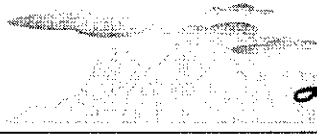
- consolidating presently overlapping planning and redevelopment functions of the segmented autonomous ATDC and HCDA agencies
- streamlining operations costs associated with the reduction of overlapping functions
- fully integrating and respecting contemporary community-based planning practices
- providing a collective remedy for the present ongoing state of affairs suffered within both the HCDA and ATDC
- increasing resource support for the Office of Planning as an independent department

Clearly the overlapping purposes and functions of the HCDA and ATDC as segmented autonomous planning and development agencies are well-suited to the functions of the Office of Planning, whose closely-related statutory purposes include engaging in the following:

- comprehensive land use planning and program coordination
- in-depth policy research, analysis, and recommendations
- effective implementation of policies and priorities
- monitoring social, economic, and physical conditions
- developing implementation plans in collaboration with affected public and private agencies and organizations
- reviewing, assessing, and coordinating major plans, programs, projects, and regulatory activities
- coastal and ocean environmental policy management
- geographic information system development - collecting, integrating, analyzing, maintaining, and disseminating data and information to avoid redundant data development efforts *related to essential public policy issues such as land use planning, resource management, homeland security, and the overall health, safety, and well-being of Hawaii's citizens*
- conducting 5-year plans and studies to determine projected increases in both resident and visitor populations and resulting potential physical, social, economic, environmental and carrying capacity impacts

With the statutory mandate of balancing community and economic needs with resource limitations and protections for comprehensive planning purposes, a consolidated independent Office of Planning should have the wherewithal to accomplish these objectives in the greater public interest by superseding stagnant planning practices, precluding political and corporate cronyism, and avoiding other such tendencies long embedded within the segmented autonomous planning and development agencies attached to the Department of Business, Economic Development and Tourism.

It is vital to the present population and future generations that comprehensive land use planning and urban redevelopment is well attuned to contemporary community-based land use planning practices with open communication and collaboration in view of the public's health, welfare and quality of life. Thank you for providing the opportunity to testify on Senate Bill 2942 and provide comments on these significant issues affecting Hawaii's comprehensive land use and shoreline resource planning for the present population and future generations.



## *Hawaii's Thousand Friends*

25 Malunui Ave., Suite 102., PMB 282 • Kailua, HI 96734 • Phone/Fax: (808) 262-0692 E-mail: htf@lava.net

February 8, 2010

### COMMITTEE ON WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS

Senator Clayton Hee, Chair  
Senator Jill Tokuda, Vice Chair

### COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

Senator J. Kalani English, Chair  
Senator Mike Gabbard, Vice Chair

SB 2942

Relating to the Aloha Tower Development Corporation

#### Committee Chairs and Members;

Hawaii's Thousand Friends, a statewide land and water use non-profit organization, opposes the provisions in SB 2942 that abolishes the Aloha Tower Development Corporation (ATDC) and transfers their functions to the Hawai'i Community Development Authority (HCDA).

Planning for the use of public land must be a transparent process and in the best interest of the public. It has been our experience that HCDA has not always acted in the best interest of the public. Two examples are: 1) HCDAs approval of General Growth's Ward Neighborhood Master Plan when it was known that GGP was sliding into bankruptcy, which it eventually declared. This approval increased the profitability of Gaps land while diminishing the public's ability to provide input should a new land owner take over the corporation and 2) HCDAs agreement with the University of Hawai'i to close the ocean dependent Kewalo Marine Laboratory before the lease expires in 2030 and replacing the lab with either a parking lot or the latest recommendation – a large wedding chapel catering to Japanese tourists. Kewalo Marine Laboratory is one of only two marine labs in Hawai'i giving our island state the distinction of having less marine labs than any other coastal state – Florida has 20 marine labs, Texas and California 11 Maine 6, and Rhode Island 3. Where will Hawaii's future marine scientists come from if there are marine labs for their education? Once again we will loose our best and brightest to the mainland.

It was ATDC that proposed turning Irwin Memorial Park, even though the area was dedicated to the Territory in 1930 by Helen Irwin Fagan to be used as a park for the public, into a parking garage. A lawsuit brought by Mrs. Fagan's descendents and supported by community groups, including Hawaii's Thousand Friends, and ultimate court decision forced ATDC to abandon that plan and retain Irwin Park for public use as a park. A goal not yet achieved.

Given HCDAs record and current direction we do not believe that it is in the public's best interest to put the troubled ATDC under the troubling HDCA. Ideally the land under both entities should be placed back into the established publicly open city and state planning processes but if that is not possible then ATDC and HCDA should be placed within the Office of Planning. This lateral move will provide stability, more public involvement, better oversight, cost effectiveness, efficiency, collaboration and comprehensive land and water use planning.

As you deliberate how to best use Hawaii's diminishing financial resources we urge you to give our suggestion of placing ATDC and HCDA within the Office of Planning strong consideration.

**TESTIMONY**  
**SB 2942**  
**(END)**

**TESTIMONY**  
**SB 2236**