

STAND. COM. REP. NO.

937

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 1020  
H.D. 2  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred H.B. No. 1020, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Abolish the Aloha Tower Development Corporation, transferring its rights, powers, functions, duties, and assets, including leases, to the Hawaii Community Development Authority;
- (2) Transfer the Aloha Tower Fund to the Hawaii Community Development Authority;
- (3) Transfer the implementation authority of the Commercial Harbors Modernization Plan to the Department of Transportation; and
- (4) Appropriate an unspecified amount of funds from the Aloha Tower Fund for the Hawaii Community Development Authority.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this



measure from The Outdoor Circle. Your Committee received comments on this measure from the Department of Transportation and Hawaii Community Development Authority.

Your Committee acknowledges that the Aloha Tower Complex is a potentially valuable asset if properly developed. However, the Aloha Tower Development Corporation has not developed the Aloha Tower Complex so as to generate consistent revenues. In spite of past mismanagement, the State could potentially realize significant economic value from the sale of the Aloha Tower Complex.

Your Committee notes the testimony of the Department of Transportation, stating that there is a prospective purchase of the Aloha Tower Marketplace and that it is imperative that the Aloha Tower Development Corporation remain in place to provide stability to the immediate situation. The Department of Transportation also testified that the Harbors Modernization projects have already been incorporated into its capital projects budget and will be executed as part of its programs and operations.

Accordingly, your Committee has amended this measure by adopting the amendments proposed by the Department of Transportation. As amended, this measure:

- (1) Retains the Aloha Tower Development Corporation and places the Corporation under the Department of Transportation for administrative purposes;
- (2) Reduces the number of members of the Board of Directors of the Aloha Tower Development Corporation from seven to three - the Director of Transportation; Deputy Director of Transportation, Harbors Division; and Director of Business, Economic Development, and Tourism;
- (3) Limits the use of Aloha Tower Fund monies for certain costs related to lands located seaward of Nimitz Highway and between Pier 4 and Pier 11, rather than between Pier 4 and the Honolulu International Airport;
- (4) Deletes language that would have transferred the responsibility of implementing the Commercial Harbors Plan to the Department of Transportation;



- (5) Authorizes the use of Aloha Tower Fund monies for lease payments to the Department of Transportation;
- (6) Repeals the Harbors Modernization Group; and
- (7) Appropriates an unspecified sum from the Aloha Tower Fund to the Department of Transportation for operating expenses for the Aloha Tower Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1020, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land, and  
Housing,

  
DONOVAN M. DELA CRUZ, Chair



