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DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
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April 2, 2025
10:01 A.M.
State Capitol, Room 211

**H.B. 960 H.D. 1 S.D. 1
RELATING TO TRANSPORTATION**

Senate Committee on Ways and Means

The Department of Transportation (DOT) **supports** of this measure. This measure proposes to increase the current limits on capital advancement contracts.

The existing law authorizes DOT to enter into capital advancement contracts with private parties for any public improvement to or construction of a state port facility when the director determines that a capital advancement contract promotes the best interest of the State. In recent years, this tool has proven effective in expediting project delivery, especially for projects that increase port resilience and operational efficiency.

The current cap of \$2,000,000 per contract or aggregate \$5,000,000 per party limits the scope and type of work and number of projects that can be done under a capital advancement contract. By increasing these caps to at least \$5,000,000 and \$20,000,000, respectively, DOT can accomplish more in improving port facilities through these contracts. DOT anticipates escalating project costs due to inflation and rising costs of materials and labor and the higher limits will facilitate improved project delivery given these factors.

Thank you for the opportunity to provide testimony.

**Testimony to the Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair**

**Wednesday, April 2, 2025, at 10:01AM
Conference Room 211 & Videoconference**

RE: HB960 HD1 SD1 Relating to Transportation

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 960 House Draft 1 Senate Draft 1 (HB960 HD1 SD1), which increases the maximum value of capital advancement contracts that may be executed by the Department of Transportation without legislative approval. Increases the minimum value of capital advancement contracts requirement for the Department of Transportation to obtain legislative approval through concurrent resolution. Increases the total aggregate value of capital advancement contracts that the Department of Transportation may enter into in a fiscal year. Establishes certain reporting requirements related to capital advancement contracts.

HB960 HD1 SD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Maritime. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii urgently needs to expedite capital improvement projects at state harbor facilities to enhance resilience and operational efficiency, yet current fiscal caps limit the scope and number of these critical projects. The legislature has found that the existing restrictions on capital advancement contracts are hindering the state's ability to promptly finance public improvements, and thus, this measure proposes to raise the maximum contract value that the Department of Transportation may execute without legislative approval, increase the threshold at which legislative review is required, and expand the total aggregate contract value permitted annually.

Additionally, the measure mandates clear reporting requirements to ensure transparency and accountability for all capital advancement contracts. By streamlining the contracting process and allowing for more flexible funding, this measure is poised to accelerate essential harbor improvements that benefit public safety and drive economic growth. The Chamber supports this legislation because it fosters timely infrastructure enhancements that strengthen Hawaii's harbor systems and bolster overall economic resilience.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 960 House Draft 1 Senate Draft 1. Thank you for the opportunity to testify