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# A BILL FOR AN ACT

RELATING TO ALOHA TOWER DEVELOPMENT CORPORATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. To meet the economic needs of the state, the  
2 harbors division of the department of transportation must  
3 provide suitable harbor facilities, which in turn ensures the  
4 efficient and timely delivery and shipment of goods imported  
5 into the state. Hawaii's aging commercial harbor system has not  
6 kept pace with our growing economy, and it is now critical to  
7 upgrade existing port facilities and develop harbor improvements  
8 in an expedited manner. Under its statutory mandate, the  
9 harbors division's focus is on essential daily management and  
10 operations of the commercial harbor system rather than  
11 development of new expansion opportunities. To expeditiously  
12 develop critically needed harbor infrastructure improvements and  
13 curtail statewide economic hardships that will occur if the  
14 harbors reach maximum cargo handling capacity by the year 2011  
15 as currently projected, the harbors division desires to partner  
16 with Aloha Tower development corporation, an entity with a  
17 development-oriented mission, statutory powers, and expertise in  
18 the development of state-owned properties.



1           The harbors division is additionally stymied by the lack of  
2 funding necessary to develop costly wharfs and cargo handling  
3 terminals and its inability to consider development-oriented  
4 financing options such as public or private partnerships under  
5 its traditional structure, but the Aloha Tower development  
6 corporation is empowered to do such things. A partnership with  
7 the Aloha Tower development corporation, which has jurisdiction  
8 over a portion of Honolulu harbor, can also assist the harbors  
9 division by providing financial support from its limited  
10 commercial development along the downtown urban waterfront.  
11 Revenues generated from commercial development are proposed to  
12 be directed towards the funding of commercial harbor system  
13 infrastructure improvements.

14           The purpose of this Act is to establish a formal  
15 partnership between the Aloha Tower development corporation and  
16 the department of transportation harbors division for the  
17 development of Honolulu harbor infrastructure improvement  
18 projects.

19           SECTION 2. Chapter 206J, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1           "§206J- Partnership with department of transportation  
2 for Honolulu harbor. (a) Consistent with its general powers  
3 under this chapter, the development corporation may undertake  
4 projects for Honolulu harbor and its adjacent lands, which are  
5 under the jurisdiction of the department of transportation.  
6 Notwithstanding any provision in section 206J-17 to the  
7 contrary, payments to the development corporation for its  
8 administrative and operational expenses shall be made by the  
9 department of transportation and deposited into the Aloha Tower  
10 fund in a subaccount designated for the particular development  
11 project.

12           (b) All appropriations for the development of Honolulu  
13 harbor by the development corporation shall be received and  
14 administered by the department of transportation. The  
15 department of transportation shall retain fiscal management and  
16 oversight of all project cost expenditures, budget, and contract  
17 approvals.

18           (c) Subject to existing contractual and statutory  
19 commitments to the department of transportation for any losses  
20 in revenue under this chapter, the development corporation may  
21 apply any revenues derived from commercial development projects



1 in the Aloha Tower project area to defray the cost of harbor  
2 infrastructure improvements incurred within the state."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval.



H.B. NO. 250  
H.D. 2  
S.D. 2  
C.D. 1

**Report Title:**

Honolulu Harbor; Aloha Tower Development Corporation; Department of Transportation; Partnership

**Description:**

Establishes a formal partnership between the Aloha Tower Development Corporation and the Department of Transportation Harbors Division for the development of Honolulu Harbor infrastructure projects on an expedited basis to meet the critical demand for harbor expansion and upgrades. (HB250 CD1)

