
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. In order for the harbors division of the
2 department of transportation to meet the economic needs of this
3 State, suitable harbor facilities must be provided to assure the
4 efficient and timely delivery of goods imported into the State
5 by shipping. 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 is focused on essential daily management and
10 operations of the commercial harbor system rather than
11 development of new expansion opportunities. In order to achieve
12 the development of critically needed harbor infrastructure
13 improvements in an expedited manner, the harbors division
14 desires to partner with Aloha Tower Development Corporation, an
15 entity with a development oriented mission, statutory powers,
16 and expertise in the development of state-owned properties, to
17 prioritize development of harbor infrastructure in order to
18 curtail statewide economic hardships that will occur if the



1 harbors reach maximum cargo handling capacity by the year 2011
2 as currently projected.

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

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

19 "§206J- Partnership with department of transportation
20 for Honolulu harbor. (a) Consistent with its general powers
21 under this chapter, the development corporation may undertake
22 projects for Honolulu harbor and its adjacent lands, which are



1 under the jurisdiction of the department of transportation.
2 Notwithstanding any provision in section 206J-17 to the
3 contrary, payments to the development corporation for its
4 administrative and operational expenses shall be made by the
5 department of transportation and deposited into the Aloha Tower
6 fund in a sub-account designated for the particular development
7 project.

8 (b) Authorization for funding and participation of the
9 development corporation in Honolulu harbor projects under this
10 section, and additional position authorizations within the
11 development corporation therefor, shall be subject to
12 legislative approval on a project-by-project basis. The
13 approval may set forth the terms, conditions, and any other
14 limitations on the participation of the development corporation
15 that the legislature may enact.

16 (c) If the legislature approves a Honolulu harbor project
17 to be developed by the development corporation, all
18 appropriations therefor shall be received and administered by
19 the department of transportation. The department of
20 transportation shall retain fiscal management and oversight of
21 all project cost expenditures, budget, and contract approvals.



1 (d) Subject to existing contractual and statutory
2 commitments to the department of transportation for any losses
3 in revenue under this chapter, the development corporation may
4 apply any revenues derived from commercial development projects
5 in the Aloha Tower project area to defray the cost of the harbor
6 infrastructure improvements incurred within the State."

7 SECTION 3. New statutory material is underscored.

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

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. (SD1)

