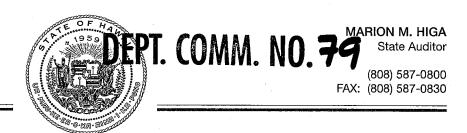
STATE OF HAWAI'I OFFICE OF THE AUDITOR

465 S. King Street, Room 500 Honolulu, Hawai'i 96813-2917



April 7, 2010

The Honorable Colleen Hanabusa President of the Senate State Capitol, Room 409 Honolulu, Hawai'i 96813

Dear Madam President:

I transmit to you a copy of our report, Management Audit of the Aloha Tower Development Corporation.

We found that after nearly 30 years of effort, the Aloha Tower Development Corporation is unlikely to succeed in its mission to redevelop the Aloha Tower complex. The corporation has been burdened by lawsuits and its sole development—the Aloha Tower Marketplace—is struggling. The corporation has not addressed constraints to development pointed out by the Auditor in 1987 and two consultants in 2001 and 2009. The corporation now justifies its existence with recently added statewide harbor infrastructure improvement work, which has little to do with its core mission. We recommend that the corporation be repealed.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Thursday, April 8, 2010.

Sincerely,

Marion M. Higa State Auditor

Enclosure

c: Carol Taniguchi, Senate Clerk

meren malega