

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2676

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations, to which was referred S.B. No. 2676 entitled:

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

beg leave to report as follows:

The purpose of this measure is to approve the settlement between Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. and increase the budget ceiling appropriation from the Aloha Tower Fund.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

After completing an eighteen-month long arbitration proceeding and an additional six months of motions and hearings before the United States District Court, the Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. reached a settlement agreement to resolve all disputes arising from the 2004 development agreement to develop Piers 5 and 6 within the Aloha Tower project area. The settlement agreement was entered into record before the court on November 13, 2009, and requires the Aloha Tower Development Corporation to make a one-time payment of \$1,550,000 to Kenneth H. Hughes, Inc. This measure increases the Aloha Tower Development Corporation's 2009-2010 budget appropriation and spending ceiling by \$900,000 from the Aloha Tower Fund to maintain the Corporation's annual budget and provide



the necessary funds to make the one-time settlement payment. Your Committees find that this measure is necessary to pay the settlement sum, which is a significant savings from the arbitrator's ruling.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2676 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land,
Agriculture, and Hawaiian
Affairs and Judiciary and
Government Operations,


BRIAN T. TANIGUCHI, Chair


CLAYTON HEE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Water, Land, Agriculture and Hawaiian Affairs
WTL

Bill / Resolution No.:* SB 2676	Committee Referral: WTL/JGO, WAM	Date: 2/11/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
TOKUDA, Jill N. (VC)				/
BUNDA, Robert				/
FUKUNAGA, Carol	/			
KOKUBUN, Russell S.	/			
TAKAMINE, Dwight Y.	/			
HEMMINGS, Fred				/
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;"> <i>Russell S. Kohl</i> </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

***Only one measure per Record of Votes**

Record of Votes
Committee on Judiciary and Government Operations
JGO

*Only one measure per Record of Votes