

A Bill for an Act Relating to Aloha Tower Development Corporation.

*Be It Enacted by the Legislature of the State of Hawaii:*

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

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

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

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

**“§206J- Partnership with department of transportation for Honolulu harbor.** (a) Consistent with its general powers under this chapter, the development corporation may undertake projects for Honolulu harbor and its adjacent lands, which are under the jurisdiction of the department of transportation. Notwithstanding any provision in section 206J-17 to the contrary, payments to the development corporation for its administrative and operational expenses shall be made by the department of transportation and deposited into the Aloha Tower fund in a sub-account designated for the particular development project.

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

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

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

**SECTION 3.** New statutory material is underscored.<sup>1</sup>

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

(Approved June 4, 2007.)

**Note**

1. Edited pursuant to HRS §23G-16.5.