

STAND. COM. REP. NO.

921

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1838  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1838, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO KAKAAKO,"

begs leave to report as follows:

The purpose of this measure is to plan for future developments by the Hawaii Community Development Authority, particularly in the Kakaako community development district.

Specifically, this measure:

- (1) Establishes the Kakaako central small business district;
- (2) Requires the Hawaii Community Development Authority to confer and obtain consensus from real property owners and small businesses adjacent to a proposed public facility;
- (3) Requires the transfer of revenues collected from any assessments made and received between July 1, 2001, and June 30, 2005, to the Department of Education;
- (4) Requires modification of the Queen street realignment project to be in accordance with the Kakaako mauka plan and rule revisions to be adopted in 2007; and
- (5) Establishes a moratorium on any capital improvement project in the Kakaako central small business district



relating to street improvements pending the adoption of the Kakaako mauka plan and rule revisions.

Your Committee has received comments from four landowner and business persons in Kakaako in support of this measure. The Hawaii Community Development Authority submitted comments in opposition to this measure. The Department of Education, principals of McKinley High School and Queen Kaahumanu School, and three landowners and business persons in Kakaako submitted comments.

Your Committee notes that earlier proposed plans for a street widening and improvement project planned by the Hawaii Community Development Authority for a portion of Queen Street between Ward Avenue and Kamakee Street raised the concerns of many of the small businesses on that stretch of Queen Street. The concern was with the loss of adjacent on-street parking and the proposed share of the assessments that would be charged to those small businesses for the street improvements that the small businesses were not in favor of in the first place.

Community meetings conducted by the Hawaii Community Development Authority with landowners and small businesses in the area led to changes to the Kakaako mauka plan and rule revision, both of which will impact those small businesses on Queen Street. The Kakaako mauka plan and the rule revisions will not be completed until mid-2007. This measure is in anticipation of those new changes.

Your Committee has amended this measure by:

- (1) Providing that dedications for public school facilities in any community development district shall be on a fair-share basis, as determined by the Department of Education, and that the terms of any dedication agreement shall be in writing between the department and any developer prior to any building permits being issued;
- (2) Requiring the Hawaii Community Development Authority to transfer all revenues from any dedication for public school facilities made pursuant to section 206E-12, Hawaii Revised Statutes, to the Department of Education;
- (3) Requiring the Hawaii Community Development Authority to transfer an unspecified amount of moneys from the Hawaii




community development revolving fund to the Department of Education to be expended by the Department of Education for capital improvement projects for public schools directly adjoining or serving the Kakaako community development district; and

- (4) Requiring the Department of Education to report to the Legislature annually on the expenditure of the moneys transferred, until the amount has been fully expended;
- (5) Changing the effective date of this measure to allow further discussion on this measure; and
- (6) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1838, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1838, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



