

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR

THEODORE E. LIU
DIRECTOR

MARK K. ANDERSON
DEPUTY DIRECTOR

MARY LOU KOBAYASHI
PLANNING PROGRAM ADMINISTRATOR
OFFICE OF PLANNING

OFFICE OF PLANNING

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824

Statement of
MARY LOU KOBAYASHI
Planning Program Administrator, Office of Planning
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
AND BUSINESS CONCERNS**

Tuesday, January 29, 2008
8:30 AM
State Capitol, Conference Room 325

in consideration of
HB 2891
RELATING TO PLANNING.

Chair Yamashita, Vice Chair Wakai, and Members of the House Committee on Economic Development and Business Concerns.

HB 2891, Relating to Planning, requires the Office of Planning (OP), in conjunction with the County planning departments, to develop a State Land Use Plan that proposes economic development zones, expedited permit processing, plans for complete rural communities in alternative economic development zones and historic preservation zones to be submitted in a report to the 2009 Legislature.

OP supports the intent of HB 2891 but we are concerned about the cost implications generated by this proposal. OP does not have the capacity or budgetary resources to do a State Land Use Plan that determines economic development zones, creates expedited permitting incentives, proposes plans for complete communities in

alternative economic development zones and identifies historic preservation zones with compensation to landowners without additional resources.

OP did complete a Statewide Comprehensive Economic Development Strategy (CEDS), in conjunction with the County economic development boards, in 2003 -2004. CEDS was not a land use plan. It was an analysis of emerging industry clusters in each County that needed infrastructure projects to grow. The clusters included the types of economic development that would be appropriate to rural areas as well as urban areas.

The U.S. Department of Commerce, Economic Development Administration (EDA), funded this effort with a grant that enabled OP to sub-grant funds to the four County economic development boards to conduct community-level discussions and rank proposed cluster infrastructure projects.

OP has applied for another EDA grant to update the 2004 CEDS in 2008 and 2009, again in conjunction with DBEDT and the County economic development boards. If OP is awarded the grant, perhaps the CEDS Update project could include identification of geographic economic growth areas in each County.

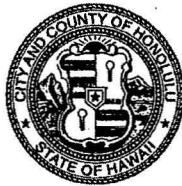
However, given the limitations of the EDA funding, OP would not be able to research and propose incentives for development in economic development areas, e.g., tax credits, tax breaks, etc. In addition, there are other agencies/programs which have more expertise and experience with these types of incentives than does OP.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honolulu.dpp.org

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

January 29, 2008

The Honorable Kyle T. Yamashita, Chair
and Members of the Committee on Economic
Development & Business Concerns
State House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Yamashita and Members:

**Subject: House Bill No. 2891
Relating to Planning**

The Department of Planning and Permitting has **comments** on House Bill No. 2891, which requires the office of planning, in conjunction with the county planning departments, to develop a state land use plan that takes into account economic development.

All counties have long range land use plans. These plans reflect consideration of market demands, necessary supportive infrastructure, natural resource protection, community values and county growth policies. Therefore, the state should use these plans as the basis for economic development strategies, rather than blanket "job creation and demand." While we do not object to the possibility of state economic development zones, the programs resulting from such zones should concentrate on state incentives, rather than "expediting permit issuance and inspections," as suggested under Section 2 (3) of the bill.

Thank you for the opportunity to testify.

Sincerely yours,


Henry Eng, FAICP, Director
Department of Planning and Permitting

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