

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2366
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 2366 entitled:

"A BILL FOR AN ACT RELATING TO COMMUNITY PLANNING,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Public Land Development Corporation to designate development districts and allocate a percentage of general excise tax revenues collected in a development district to be used by the Corporation to pay principal and interest on bonds associated with projects located in the development district.

Prior to the hearing, your Committee posted a proposed S.D. 1 of this measure that replaced the contents with the following provisions:

- (1) Renaming the Hawaii Community Development Authority as the Hawaii Community Planning Authority;
- (2) Establishing planning districts centered around rail and bus transit stations or centers;
- (3) Creating a process for developers to apply for residential and commercial exceptional planning projects within the planning districts;
- (4) Authorizing counties to establish a transit-oriented development program;



- (5) Allocating general excise tax revenues collected within a planning district to be used by the Authority to pay principal and interest on bonds associated with projects located in a planning district;
- (6) Authorizing the Authority to create business improvement districts and community facilities districts and assess a special assessment to fund the improvement within the districts; and
- (7) Authorizing the Authority to act as a density rights bank.

Your Committee received testimony in support of the proposed S.D. 1 from the Honolulu Authority for Rapid Transportation, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Budget and Finance. Your Committee received comments on the proposed S.D. 1 from the Hawaii Community Development Authority, County of Kauai Planning Department, Tax Foundation of Hawaii, and Land Use Research Foundation of Hawaii.

Your Committee finds that the State has reached an urgent need to streamline its current planning processes as the City and County of Honolulu moves toward the implementation of the Honolulu Rail Transit Project. Currently, there is no single entity to coordinate the additional future planning needs of the State due to our growing population and the opportunities surrounding the areas of proposed rail and bus transit stations. It is imperative that we place the necessary mechanisms for the proper planning and development of all Hawaii's lands.

Your Committee finds that the Hawaii Community Development Authority was established as a comprehensive authority for community development and is best suited as an agency to administer the state-wide planning and development. However, it is not your Committee's intent to jeopardize or supersede any existing agreements or contracts held by the authority specifically in the Kakaako community development district.

Upon further consideration and cooperation with interested stakeholders, your Committee has amended the proposed S.D. 1 by:

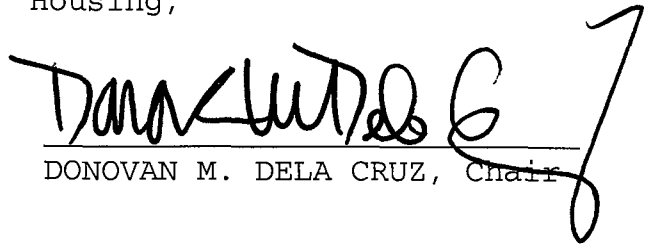


- (1) Including a findings and purpose section;
- (2) Amending the definition of "exceptional planning project" to give flexibility to each county;
- (3) Reducing the number of days the county planning agency can extend the deadline of posting their final decision regarding an application for an exceptional planning project;
- (4) Providing state and county incentives, such as exemptions from various fees, for exceptional planning projects;
- (5) Deleting language regarding unlicensed contractors or subcontractors;
- (6) Creating a general excise tax exemption for exceptional planning projects;
- (7) Requiring a qualified developer to submit its application first to the county planning agency and if the application is refused, allowing the developer to submit its application to the Hawaii Community Planning Authority;
- (8) Changing the effective date to July 1, 2020; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2366, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,

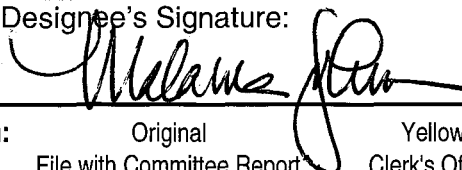
A handwritten signature in black ink, appearing to read "Donovan M. DeLa Cruz", written over a horizontal line. The signature is stylized and includes a large, sweeping flourish on the right side that extends upwards and then curves back down.

DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2366	WLH, WAM	2-16-12		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)	✓			
FUKUNAGA, Carol			✓	
RYAN, Pohai		✓		
SHIMABUKURO, Maile				✓
TOKUDA, Jill N.		✓		
SLOM, Sam			✓	
TOTAL	2	2	2	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes