

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS  
ON  
HOUSE BILL NO. 2145

January 26, 2012

RELATING TO ECONOMIC DEVELOPMENT

House Bill No. 2145 establishes, as state policy, an intent to complete or facilitate completion of ten specific projects within the next ten years. The purpose of this delineation is to promote economic development in Hawaii.

One of the Administration's policies is to spur economic development through government construction projects and many of the projects identified in this bill are also targeted as Administration objectives. I would point out that some of the critical components the Administration is considering in its review of the viability of these projects are in the areas of financing methods, timing of financing opportunities, project incubation, planning lead-time, right-timing entitlement issues, and project duration. Of course, consultation and input from the responsible departments is essential on a number of other projects that are on the horizon. We encourage the Committee to also engage in information gathering in these areas to better gauge the amount of timing and progress as required for each of these projects to come to fruition before the 2025 deadline.

The Administration is supportive of the legislative intent to promote economic development and these projects in particular. The Administration is interested and willing in continued dialogue for legislative support on other projects as well that the Administration thinks valuable and/or strategic for the long term.

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IN REPLY REFER TO:

January , 2012

**HB 2145**  
**RELATING TO ECONOMIC DEVELOPMENT**

**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS**

The Department of Transportation understands the intent of the Act to address economic development by establishing, as state policy, an intent to complete or facilitate the completion of the ten specific projects including the airport and harbor new day work projects within the next ten-year period.

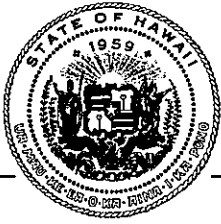
The timely progress of the airports and harbors new day work programs are of the utmost importance to the department. The department continues to make every effort to move forward with the planning, design, and construction of each phase of these projects.

Though it is always the goal of the department to meet long term milestones, inevitably there will arise unforeseen issues contributing to delays in the progress of the modernization plans. Historically, financial, environmental, and even organizational constraints such as the transfer of the ATDC to the harbors division have impacted the planned progression of modernization.

The Department will continue to support the push for economic development through projects in the airports, harbors, and highways divisions.

The Department of Transportation thanks you for the opportunity to provide testimony.





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

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Statement of  
**JESSE K. SOUKI**  
Director, Office of Planning  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS**

Thursday, January 26, 2012  
8:30 AM  
State Capitol, Conference Room 312

in consideration of  
**HB 2145**  
**RELATING TO ECONOMIC DEVELOPMENT**

Chair McKelvey, Vice Chair Choy, and Members of the House Committee on Economic Revitalization.

The Office of Planning supports the intent of HB 2145, but believes that amending Chapter 226, Hawaii State Planning Act, Hawaii Revised Statutes (Planning Act) to include specific projects is not the proper vehicle for this measure. The Planning Act is intended to provide broad policies, goals and objectives which are then implemented through the existing statewide planning system.

Thank you for the opportunity to comment.



IN REPLY REFER TO:  
CMS-AP00-00112

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Kenneth Toru Hamayasu, P.E.  
INTERIM EXECUTIVE DIRECTOR AND CEO

January 25, 2012

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VIA Email: [ERBtestimony@Capitol.hawaii.gov](mailto:ERBtestimony@Capitol.hawaii.gov)

The Honorable Angus L.K. McKelvey, Chair  
The Honorable Isaac W. Chong, Vice Chair,  
and Members of the Committee on Economic  
Revitalization and Business  
House of Representatives  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Dear Chair McKelvey and Committee Members:

Subject: HB 2145 Relating to Economic Development  
Committee on Economic Revitalization & Business  
Thursday, January 26, 2012, at 8:30 AM

We support HB 2145 RELATING TO ECONOMIC DEVELOPMENT.

The Honolulu Rail Transit Project has passed the critical milestones of completing the Final Environmental Impact Statement, obtaining a Record of Decision, and approval to enter into Final Design from the Federal Transit Administration (FTA). This project is progressing through the various FTA requirements toward a federal contribution of \$1.55 billion.

We support this measure as it carries out the wishes of the electorate of the City and County of Honolulu and recognizes the importance of completing public transportation systems as a way to create jobs and support Hawaii's economy.

Sincerely,

Kenneth Toru Hamayasu  
Interim Executive Director and CEO

cc: HART Board



# Sierra Club Hawai'i Chapter

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## HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

January 26, 2012, 8:30 A.M.  
(Testimony is 1 page long)

### TESTIMONY OPPOSING HB 2145

Aloha Chair McKelvey and Members of the Committee:

The Hawai'i Chapter of the Sierra Club, with 9,000 dues-paying members and supporters, opposes HB 2145. This measure makes it the policy of the State of Hawai'i to complete 10 projects before the risks and problems of the project(s) are considered.

The Hawai'i State Legislature previously determined that an environmental review should be completed at the earliest possible point in the planning and decision-making process, so as to ensure that decisions impacting the community are made with the best possible information available. Such a process allows an opportunity for experts and the community to resolve potential problems at an early point and to avoid bad projects.

By declaring it to be state policy to see specific projects that are still in their infancy -- like the 690 Pohukaiana Street development or the thirty-meter telescope on Mauna Kea -- it's likely that any future decision-making process will be pre-determined. It's questionable whether officials will address valuable considerations such as the project's impacts on traffic, infrastructure capacity, or the interests of the community.

Further, it is likely that such a process might be considered special legislation and, as such, unconstitutional. *See Sierra Club v. Dep't of Transp.*, No. 29035 (March 16, 2009).

The Sierra Club has no opposition, however, to broad goals like paragraph 9 on page 2: establishing enough renewable energy production to meet the goals of the Hawaii Clean Energy initiative. This is an example where the legislature can appropriately set an ambitious goal, but without dictating the specific project or how it should proceed.

Mahalo for the opportunity to testify.