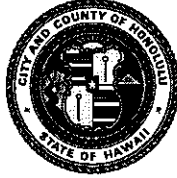


# SB1304

Authorizes counties to establish smart growth planning districts and transit-oriented redevelopment district programs. Creates a process for developers to apply for projects that promote public transit ridership and mixed-use development. Authorizes state and county incentives for qualified projects. Establishes a discretionary review process for the transfer of floor area within certain planning districts to preserve open space and agricultural lands.

OFFICE OF THE MAYOR  
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 \* HONOLULU, HAWAII 96813  
PHONE: (808) 768-4141 \* FAX: (808) 768-4242 \* INTERNET: [www.honolulu.gov](http://www.honolulu.gov)



KIRK CALDWELL  
MAYOR

EMBER LEE SHINN  
MANAGING DIRECTOR DESIGNATE

GEORGETTE T. DEEMER  
DEPUTY MANAGING DIRECTOR

TESTIMONY OF KIRK CALDWELL, MAYOR  
CITY AND COUNTY OF HONOLULU  
BEFORE THE SENATE  
COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING  
&  
COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS  
Wednesday, February 13, 2013, 3:00 p.m., Conference Room 16

**SENATE BILL 1304 SD1, "RELATING TO ECONOMIC DEVELOPMENT"**  
**POSITION: SUPPORT**

To: The Honorable Donovan M. Dela Cruz, Chair  
and Members of the Committee on Economic Development, Government Operations & Housing

The Honorable Will Espero, Chair  
and Members of the Committee on Public Safety, Intergovernmental and Military Affairs

The City & County of Honolulu supports the proposed SD1 to Senate Bill 1304, "Relating to Economic Development", which proposes to authorize the issuance of general obligation bonds and appropriates the funds to the City and County of Honolulu for sewer infrastructure improvements.

The City & County of Honolulu has an aging infrastructure that continues to deteriorate every day. In fact, Honolulu has some of the oldest sewer infrastructure in the State, especially in the urban core areas. Some of our oldest existing sewer lines were originally installed before Statehood. This bill will allow for up to \$500,000,000 in general obligation bonds to help us to upgrade and maintain our aging sewer system, which will address public health issues and improve the quality of life for Honolulu residents. As an added benefit, this bill will create many jobs, which will help to stimulate our economy. Finally, with the current low interest rates, the timing is right to issue these bonds and start rebuilding our aging sewer systems.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact me at 768-4141.

DEPARTMENT OF ENVIRONMENTAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

1000 ULUOHA STREET, SUITE 508, KAPOLEI, HAWAII 96707  
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhionolulu.org>

KIRK CALDWELL  
MAYOR



LORI M.K. KAHIKINA, P.E.  
DIRECTOR DESIGNATE

EDUARDO P. MANGLALLAN  
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.  
DEPUTY DIRECTOR

IN REPLY REFER TO:  
WAS 13-32

February 12, 2013

The Honorable Donovan Dela Cruz, Chair  
and Members of the Committee on  
Economic Development, Government  
Operations and Housing  
The Honorable Will Espero, Chair  
and Members of the Committee on  
Public Safety, Intergovernmental and Military Affairs  
State Senate  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Dela Cruz, Chair Espero, and Members:

Subject: Senate Bill 1304, Proposed SD1,  
Relating to Economic Development

The City and County of Honolulu's Department of Environmental Services (ENV) supports Senate Bill 1304, Proposed SD1, Relating to Economic Development, which would authorize the issuance of State of Hawaii general obligation bonds in the sum of \$500,000,000 and appropriate the funds to the City and County of Honolulu for sewer infrastructure improvements. Such funds would allow the City and County of Honolulu to add capacity upgrades not within Consent Decree requirements without adding to rate payer burden. Capacity upgrades would support urban infill with benefits to transit use and community improvements.

The City and County of Honolulu has approximately 2,100 miles of sewer lines that range in age from new to over 80 years old. It is constantly necessary to upgrade these sewer lines to both ensure effective safe operation, improve reliability, and to provide necessary capacity for the community. As you know, the City and County of Honolulu entered into a Consent Decree with the U.S. Environmental Protection Agency and the State of Hawaii in 2010. That Consent Decree, which incorporated ongoing work from a 1995 Consent Decree and other documents, focuses requirements through 2020 on improvements to the wastewater collection system to improve reliability and to

The Honorable Donovan Dela Cruz, Chair  
The Honorable Will Espero, Chair  
February 12, 2013  
Page 2

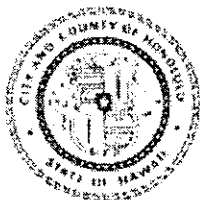
reduce spills. Improvements to the existing collection system include rehabilitation or replacement of lines with structural problems and capacity upgrade of those lines where existing capacity limitations have or may cause spills. While we do add capacity where required to specific projects called for in the Consent Decree, this does not address all system capacity requirements.

The City and County's Capital Improvement Program for the wastewater system for the period 2001 to 2020 anticipates total appropriations of \$4.915B and expenditures over the same period of \$4.312B. This is all rate payer supported. As additional capacity needs are identified in support of development plans, significant additional work and cost could be required to upgrade the capacity of sewer lines within developed areas all adding to rate payer burden. Any opportunity to support capacity upgrades and provide timely opportunity for development without adding to rate payer burden would be welcomed.

Thank you for your consideration.

Sincerely,

  
Lori M.K. Kahikina, P.E.  
Director Designate



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3065

**BREENE HARIMOTO**  
Councilmember District VIII  
Chair, Committee on Transportation  
Telephone: (808) 768-5008  
Email: [bharimoto@honolulu.gov](mailto:bharimoto@honolulu.gov)

February 13, 2013

The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Will Espero, Chair  
and Members of the Senate Committees on Economic Development, Government Operations,  
and Housing and Public Safety, Intergovernmental and Military Affairs  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Subject: **Senate Bill 1304, Proposed SD1, Relating to Economic Development**

Dear Chair Dela Cruz, Chair Espero, and Committee Members:

I offer my testimony in strong support of this measure which would authorize the issuance of general obligation bonds for sewer infrastructure improvements in the City and County of Honolulu.

As introduced, SB 1304 proposed the establishment of smart growth planning districts to help reduce urban sprawl and facilitate transit-oriented development ("TOD"). To advance this objective, the bill provided a variety of incentives at both the state and county levels. TOD is a desirable land use policy that has been embraced and encouraged by both the state and the county; and while the provisions of SB 1304 would be helpful in achieving that policy, the envisioned redevelopment simply cannot occur without the basic infrastructure in place to support and accommodate such development.

The proposed SD1 version of SB 1304 addresses this essential first step. Honolulu's aging sewer infrastructure and lack of capacity is the single most limiting factor inhibiting the redevelopment of Honolulu's urban core, and the highest hurdle to TOD becoming a reality. The availability of state GO Bond revenue would greatly assist the city in expeditiously upgrading its sewage infrastructure, thereby enabling and facilitating the TOD we all desire.

I ask for your favorable support of this measure.

Very truly yours,

A handwritten signature in cursive script that reads "Breene Harimoto".

Breene Harimoto  
Chair, Committee on Transportation  
Honolulu City Council

The Pacific Resource  
**PARTNERSHIP**



Testimony of Cindy McMillan  
The Pacific Resource Partnership

Committee on Economic Development, Government Operations and Housing  
Senator Donovan M. Dela Cruz, Chair  
Senator Sam Slom, Vice Chair

Committee on Public Safety, Intergovernmental and Military Affairs  
Senator Will Espero, Chair  
Senator Rosalyn H. Baker, Vice Chair

SB 1304, Proposed SD1 – Relating to Economic Development  
Wednesday, February 13, 2013  
3 pm  
Conference Room 16

Aloha Chairs Dela Cruz and Espero, Vice Chairs Slom and Baker, and Members of the Committee:

The Pacific Resource Partnership (PRP) is a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters.

PRP supports SB 1304, Proposed SD1 Relating to Economic Development. This bill authorizes the director of finance to issue general obligation bonds in the sum of \$500,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2013-2014 to the city and county of Honolulu for sewer infrastructure improvements.

Much of the state's past and projected population growth has and will continue to be focused on Oahu. Past land use and transportation patterns that have accompanied this growth have led to harmful suburban sprawl. This is one of the greatest environmental and economic threats to Hawaii.

The only way to accommodate the projected level of growth without sacrificing our environment and overtaxing our roadways is to build the majority of the needed housing units

February 13, 2013

Testimony Supporting SB 1304, Proposed SD1 – Relating to Economic Development

Page 2

within the urban corridor and in the designated growth areas, like Kapolei. This will require adequate infrastructure. The City and County of Honolulu is moving forward with one major piece of infrastructure: the rail transit system. There is also a pressing need to rebuild and upgrade the city's sewer system. Without adequate sewers, it will be impossible to focus growth along the transit corridor.

This bill provides a financing mechanism to upgrade the sewer system. This, in turn, will allow the City and County of Honolulu to make better use of finite space and natural resources. It will encourage a more sustainable land-use policy, one that provides environmental benefits, like more open space and less gas and water consumption, to the state.

We respectfully ask for your support on SB1304. Thank you for the opportunity to share our views with you.

# **BIA-HAWAII**

## **BUILDING INDUSTRY ASSOCIATION**

*"Building Better Communities"*

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Complete Construction Services Corp.

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Hawaiian Dredging Construction Co., Inc.

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BIA-Hawaii

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JW, Inc.

**Ryan Engle**  
Bays Lung Rose & Holma

**Scotty Anderson**  
Pacific Rim Partners

**W. Bruce Barrett**  
Castle & Cooke Homes Hawaii, Inc.

**Testimony to the Senate Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs**  
**Wednesday, February 13, 2013**

**3:00 p.m.**  
**State Capitol - Conference Room 016**

**RE: S.B. 1304, S.D. 1, Relating to Economic Development**

Dear Chairs Dela Cruz and Espero, Vice-Chairs Slom and Baker, and members of the committees:

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the voice of the construction industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, affiliated with the National Association of Home Builders.

BIA-Hawaii **strongly supports** S.B. 1304, S.D. 1, which authorizes the issuance of general obligation bonds and appropriates the funds to the city and county of Honolulu for sewer infrastructure improvements.

We understand that the purpose of the bill is to assist the City and County of Honolulu in creating opportunities for higher density development around proposed rail transit stations by building more infrastructure capacity (sewer). Investing in major backbone infrastructure capacity now will create opportunities for investments in and around future rail transit stations as these sites are zoned for transit oriented development (TOD).

Currently, infrastructure capacity issues severely limit higher densities in existing urban areas. Providing funding assistance to the City and County of Honolulu will remove some of the barriers and uncertainty for TOD's.

Thank you for the opportunity to share with you our views.



# **BIA-HAWAII**

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BIA-Hawaii **strongly supports** S.B. 1304, S.D. 1, which authorizes the issuance of general obligation bonds and appropriates the funds to the city and county of Honolulu for sewer infrastructure improvements.

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Thank you for the opportunity to share with you our views.



**Testimony to the Senate Committees on  
Economic Development, Government Operations and Housing, and  
Public Safety, Intergovernmental and Military Affairs  
Wednesday, February 13, 2013  
3:00 p.m.  
State Capitol - Conference Room 016**

**RE: SENATE BILL NO. 1304, S.D. 1, RELATING TO ECONOMIC DEVELOPMENT**

Chairs Dela Cruz and Espero and Vice Chairs Slom and Baker, and members of the committees:

The Chamber of Commerce of Hawaii **strongly supports S.B. 1304, S.D. 1**. The bill authorizes the issuance of general obligation bonds and appropriates the funds to the city and county of Honolulu for sewer infrastructure improvements.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

We understand that the purpose of the bill is to assist the City and County of Honolulu in creating opportunities for higher density development around proposed transit stations by building more infrastructure capacity (sewer). Investing in major backbone infrastructure capacity now will create opportunities for investments in and around future transit stations as these sites are zoned for transit oriented developments (TOD).

Currently, infrastructure capacity issues severely limit higher densities in existing urban areas. Providing funding assistance to the City and County of Honolulu will remove some of the barriers and uncertainty for TOD's.

Thank you for this opportunity to express our views.

**Dane Wicker**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 11, 2013 8:34 AM  
**To:** EGHTestimony  
**Cc:** 497b5233@opayq.com  
**Subject:** \*Submitted testimony for SB1304 on Feb 13, 2013 15:00PM\*

**SB1304**

Submitted on: 2/11/2013

Testimony for EGH/PSM on Feb 13, 2013 15:00PM in Conference Room 016

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Troy Abraham        | Individual          | Support                   | No                        |

Comments:

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