

# HOUSE COMMITTEE on ECONOMIC DEVELOPMENT and BUSINESS HOUSE COMMITTEE on WATER and LAND

March 19, 2013 Public Hearing House Conference Room 312 9:00 AM

# SENATE BILL 215, SD 3 Relating to Economic Development

Testimony in STRONG OPPOSITION by M.S. Matson

Senate Bill SD3 is yet another attempt to dress the Public Land Development Corporation wolf in sheep's clothing under another name. By any other name the Public Land Development Corporation and its exploitation of public lands for private and political purposes is still the thorny, undesirable and unwanted Public Land Development Corporation (PLDC), whether renamed as a Public Private Partnership Corporation (PPPC) or as a Public Private Partnership Authority (PPPA).

Mirroring the PLDC, Senate Bill SD3 establishes five (5) PPPA voting board members, with a majority of only three (3) necessary to make decisions on the taking of public agency lands statewide. This measure enables the PPPA, like the PLDC, to manage, control and develop any public lands (state or county) transferred from any agency for unlimited purposes. So few people taking significant liberties on public land is undemocratic and contrary to the public interest.

This proposal includes a mysterious pilot project and an unnamed "county" project to be completed prior to additional development projects identified by the proposed PPPA. There is no clarification of the type or scope of such pilot projects in this open-ended measure. If these concepts have sound and significant public merit they should be considered and deliberated upon separately in accordance with community-based involvement and the full legislative process.

Clearly, Senate Bill 215, SD3 is yet another transparent attempt to pull the wool over the public's eyes with the intent to exploit protected public land for private purposes.

Please Hold Senate Bill 215, SD3 and Repeal the PLDC



From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 3:37 PM

To: edbtestimony
Cc: vsc@hawaiiantel.net

**Subject:** Submitted testimony for SB215 on Mar 19, 2013 09:00AM

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Victoria Cannon	Individual	Oppose	No

Comments: No PPPA - another name for PLDC. No more 'appointed' board members. No more pretending to benefit the people of Hawai'i. No more nonsense and bad governance. No more shenanigans. Oppose SB 215

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# TESTIMONY to the House Committee on Economic Development & Business and the House Committee on Water & Land

SB 215 SD3 Relating to Economic Development

Tuesday, March 19, 2013

9:00 AM -- House Conference Room 312

Submitted in **OPPOSITION** by Mary Smart, Mililani, HI

Chairman Tsuji, Vice-Chair Ward, Chairwoman Evans, Vice-Chair Lowen, and Committee Members

- 1. The Bill acknowledges that Hawaii's legislature has failed to be good stewards of our taxes. Government organizations have overspent their budget and instead of reining in spending, the legislature continues to approve bills that will accrue additional expenses. SB215 S.D. 3 appears to be a sleight of hand cover up gross mismanagement at great cost to the taxpayer, encumbering our public assets. As paragraph 1 indicates, it "may" have positive outcomes, but using that word indicates it "may" not.
- 2. This Bill puts our government into the hands of unelected officials who are exempt from many laws, (chapter 76, 171, and taxation) that the rest of the community must obey. Similar reasons are why the Public Land Development Corporation (PLDC) is hotly contested. If it is good to exempt the Public Private Partnership Authority (PPPA) from laws, it would be good for everyone to be exempted from the same onerous requirements.
- 3. Governments around the world have gone to public-private partnerships because many governments do not embrace America's freedom promoting, prosperity generating, capitalistic system. Many suffer under a socialist, fascist, or communist form of governance all of which have been rejected. America fought wars to protect people from these types of governance. Capitalism, which separates public and private enterprises, has fueled the economic engine of the world. Putting our public assets "at-risk" by joint ownership with the private sector is reckless. Private entities could include individuals, corporations, nations, etc.. When there is shared interest, there is shared power in deciding how the asset is managed. This will dilute the influence of the citizens of Hawai'i who are the actual owners of these public assets. A short tutorial on Public-Private Partnerships can be found at the links here and here
- 4. The co-mingling of public and private initiatives could result in private entities having undue influence in the operation of our government. This arrangement facilitates the possibility corporate cronyism and subversion. The partnership could put Hawaii's economic stability under the control of unfriendly partners. Other governments have become corrupted. There is no reason to think that Hawaii's is immune to corruption. It is imperative that we protect our state from outside, unwanted influence and vote down

the PPPA and refuse to promote any other unelected body that operates outside the parameters of the law.

- 5. The State of Hawai'i has too many special funds and SB215 S.D.3 talks about yet another. The state has not respected the original intent of the special fund and has raided them at will. There are so many special funds it is doubtful that the state even knows how many there are and how much of Hawaii's treasure has been squirreled away into these special funds which have turned into a political "slush fund".
- 6. At a time of fiscal constraints, the concept of salaries being set by the organization and exempt from chapter 76 of Hawai'i statutes appears to be yet another irresponsible feature of the bill. Another concern is that the PPA will "Receive, examine, and determine the acceptability of applications of qualified persons for public-private partnerships;". This is much too much power in the hands of a non-elected board that has widespread impact on the livelihood of the people of Hawai'i.
- 7. Among the powers mentioned is to sue and be sued. This is yet one more liability for the state that we cannot afford.
- 8. The bill gives the PPPA the power to "Manage projects by itself or ...". This is too much power for one unelected board.
- 9. The bill authorizes the PPPA to "Accept gifts or grants in any form from any public agency or any other source;" which is a questionable practice for an honest, ethical organization.
- 10. Although the bill limits the PPPA to the pilot projects, the county initiated project is open ended and could be much more expansive than anyone would agree if it were identified in advance.
- 11. The bill indicates that the PPPA can report directly to the Governor and the legislature. This essentially cuts the legislature out of any control function as they are merely a formality. This bill appears to make the legislature superfluous to the governance of the state.
- 12. There is absolutely no advantage to the people of Hawai'i offered by this bill. However, there are many problems and liabilities that we could suffer if this bill or any like it, were passed or failed to be repealed (PLDC).





Monday, March 18, 2013

Chairs and Committee Members
Joint Hearing of the House Committees on Economic Development & Business and Water & Land
Hawaii State Legislature
State Capitol
415 S. Beretania Street

RE: SB 215, SD 3 regarding Economic Development

Chair Tsuji, Chair Evans, and Committee members:

Aikea Hawaii seeks to build a movement that embraces our diversity, promotes justice, and rejects politicians who break their word. Aikea is aimed at encouraging participation in our political system and encapsulates a growing need of putting power back into the hands of the people to reclaim Hawaii for our future. Aikea hereby registers our opposition to SB 215, SD 3 which would create the "Public-Private Partnership Authority".

We are in agreement that we must work to secure our State's economic security, and evaluate our State agencies effectiveness. It is our position that Act 55, which established the Public Land Development Corporation (PLDC) as well as similar laws by different names, reduced scope or changed jurisdiction are not in the public's interest, and should be repealed in its entirety.

As we have testified before the Legislature and the PLDC Board in 2012, we see the PLDC as just one example of how broken our political system really is.

Our people are being pushed off our islands while so many of us can't afford homes. More and more of our local jobs go to mainland companies while locals struggle to earn a living wage.

In 2012 and over the last several months, we have spoken with thousands of people. People are overwhelmingly opposed to attempts at "fast tracking development" projects and reducing public input. More to the point, people have become increasingly frustrated with an overall sense of powerlessness that persists in part because of laws like Act 55 and a perceived lack of representation by our elected leaders.

Rather than moving ahead with creating any agency or law similar to the PLDC, a greater act of leadership would be to listen to the voice of the people, repeal or stop all PLDC like initiatives and start fresh. By working together, we can begin to restore public trust and develop solutions that truly address the root causes of our financial problems.

We thank you for allowing our comments to be heard on SB 215, SD 3.

Thank you.





25 Maluniu Ave., Suite 102., PMB 282 • Kailua, HI 96734 • Phone/Fax: (808) 262-0682 E-mail: htt@lava.net

March 19, 2013

#### **COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS**

Rep. Clift Tsuji, Chair Rep. Gene Ward, Vice Chair

#### **COMMITTEE ON WATER & LAND**

Rep. Cindy Evans, Chair Rep. Nicole E. Lowen, Vice Chair

SB 215, SD3
RELATING TO ECONOMIC DEVELOPMENT

#### Committee Chairs and members:

Hawaii's Thousand Friends, a statewide non-profit land and water advocacy organization, opposes SB 215, SD3 that establishes the public-private partnership authority (PPPA)

SB 215, SD3 is so similar to PLDC that it is scary. So if HRS 171C is repealed and SB 215, SD3 is passed then the executive director and staff that HB 1133 and SB 707 transfer to DLNR will become the new ED and staff under the Public-Private Partnership Authority. How convenient.

Does anyone remember what happened when PLDC went out for rule making? Perhaps the theory is that with only three projects the rule making and use of public land won't be so bad. But SB 215 SD3 creates an entire new entity that has the authority to go far beyond 3 pilot projects. PPPA has the authority to:

- 1. "...create a vehicle and process to use the skills and **assets** of both the public and private sectors to deliver services and facilities for the economic, environmental, and social benefit of the people of Hawaii." Three projects are going to do all that?
- 2. Administer appropriate and culturally-sensitive projects
- 3. Identify projects,, carry out appropriate analyses, enter into public-private agreements etc
- 4. Create a public-private partnership special fund
- 5. Have a board of directors with 5 voting members and one aha moku member advisory only
- 6. The ED may appoint officers, agents, and employees and fix their salaries
- 7. Provide advisory, consultative, training, and educational services and technical assistance to any person, partnership, or corporation to carry out the purposes of this chapter
- 8. "...enter into a cooperative agreement with any public agency to implement projects on behalf of the public agency."
- 9. Lease and manage properties
- 10. At the end of each of the three pilot projects make recommendations on how to improve the effectiveness of the PPPA.

If the three pilot projects are that important then there must be ways to bring them to fruition other than establishing another PLDC like entity?

Save us all from another round of contentious hearings and hold SB 215 SD3 in committee.

ALAN M. ARAKAWA Mayor



#### OFFICE OF THE MAYOR

Keʻena O Ka Meia COUNTY OF MAUI – Kalana O Maui 200 South High Street Wailuku, Hawai'i 96793-2155 Telephone (808) 270-7855 Fax (808) 270-7870 e-mail: mayors.office@mauicounty.gov



# TESTIMONY OF ALAN ARAKAWA, MAYOR COUNTY OF MAUI

### BEFORE THE HOUSE

### COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

AND

**COMMITTEE ON WATER & LAND** 

# SENATE BILL 215 (Proposed SD3) RELATING TO ECONOMIC DEVELOPMENT

Tuesday, March 19, 2013, 9:00 a.m., Conf Room 312

The Honorable Rep. Clift Tsuji, Chair
And Members of the Committee on Economic Development & Business

The Honorable Rep. Cindy Evans, Chair And Members of the Committee on Water & Land

Thank you for this opportunity to offer testimony on **Senate Bill 215** (Proposed SD3) relating to economic development. We understand that the State is facing fiscal challenges while continuously having to address the ever increasing infrastructure and service needs. We believe this measure will create a vehicle and process allowing for public-private partnerships to work collaboratively with state agencies and other public and private entities to help generate funds from state lands to bolster the revenue-strapped departments and agencies that operate throughout the state. Such funds can be used to better manage, service, and make needed capital improvements.

As Mayor of Maui County, I can **SUPPORT** SB 215, SD3, **but contingent** upon the following provision be added to Section 5, at subsection (e):

"The counties may, by ordinance or memorandum of agreement, waive county zoning, land use, and permitting requirements on any project; provided that the action shall occur prior to project construction."

As each of our counties is unique, we believe it is essential that the counties' right to "home rule" is preserved by allowing them the ability to approve or disapprove projects with requirements that would most benefit our individual communities.

Thank you for considering our testimony in support of SB215, contingent upon our request set-forth in herein.





March 19, 2013

Representative Clift Tsuji, Chair Representative Gene Ward, Vice Chair House Committee on Economic Development and Business

Representative Cindy Evans, Chair Representative Nicole E. Lowen, Vice Chair House Committee on Water and Land

Comments in Support of SB 215, S.D. 3 Relating to Economic Development (Establishes the public-private partnership authority and Stadium Facilities Special Fund.)

#### Tuesday, March 19, 2013, 9:00 a.m., in Conference Room 312

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to provide **comments in support of the intent** of this measure.

**SB 215, SD3.** This measure establishes the Public-Private Partnership Authority ("Authority") to administer appropriate and culturally-sensitive projects. The purpose of this bill is to create a vehicle and process to use the skills and assets of both the public and private sectors to deliver services and facilities for the economic, environmental, and social benefit of the people of Hawaii.

The Authority is required to coordinate and administer projects, while ensuring that resources are maintained for the people of Hawaii. The Authority shall identify projects that are suitable under this chapter, carry out appropriate analyses, enter into public-private agreements, and provide leadership for the facilitation of financing, improvement, or enhancement of appropriate facilities, operations, and property.

This bill also requires the Authority to initiate the following pilot projects: (1) A film production facility on state lands on the most populous island of a county with a population between one hundred thousand and one hundred seventy-five thousand; (2) A main-street project on state lands in Wahiawa, City and County of Honolulu; and (3) One county initiated project. The bill also appropriates an unspecified sum for the Authority. Its effective date is July 1, 2050 and the repeal date is July 1, 2018.

House Committee on Economic Development and Business House Committee on Water and Land March 19, 2013 Page 2

**LURF's Position.** While LURF supports the intent of SB 215, SD3 and also supports a measured approach to identify, select and pursue pilot or signature public-private partnership projects; it also believes that it is critical that the Authority concurrently develop and implement a long-term systemic public-private partnership approach, which emphasizes modernization, energy efficiency, technological integration, efficient land use and community engagement/involvement, and includes a request for proposal process based on other successful public-private partnerships in Hawaii and the United States.

The current version of the bill includes overly detailed and proscriptive statutory language which could create obstacles to the achievement of its goals. However, LURF nevertheless supports the intent of this measure, because the bill looks to and establishes innovative methods through which the State may use its assets to improve public projects and infrastructure to benefit Hawaii's residents. The measure also recognizes the unmet community development needs of the State, including undercapitalized facilities, and the need for the State to cooperate and partner with private enterprise and the various components of federal, state and county governments in bringing economic redevelopment plans to fruition.

Perhaps it may be well for this Committee to also explore other models or strategies to attain the objectives sought by this bill, including public-private partnerships which have already proved successful in Hawaii, including the Ford Island project partnership between the U.S. Navy and Hunt Companies. Such arrangements could provide benefits such as community engagement/involvement, appropriate land uses, efficient construction, and near-term and future development of state facilities without substantial use of taxpayer dollars and legislative appropriations.

<u>Conclusion</u>. LURF supports the intent of SB 215, SD3, and the bill's inventive means of utilizing public-private partnerships to deliver services and facilities for the economic, environmental, and social benefit of the people of Hawaii. LURF would respectfully recommend, however, that this Committee and the Legislature amend this measure to delete the overly detailed and proscriptive provisions and instead include language which encourage and facilitate the models and strategies of public-private partnerships which have proven successful in Hawaii and the United States.

Thank you for the opportunity to present testimony in support of this measure.



From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 6:16 PM

To: edbtestimony

Cc: Alemorrier@gmail.com

**Subject:** \*Submitted testimony for SB215 on Mar 19, 2013 09:00AM\*

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Alicia Morrier	Individual	Oppose	No

#### Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.



From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:20 PM

To: edbtestimony Cc: mh@interpac.net

Subject: Submitted testimony for SB215 on Mar 19, 2013 09:00AM

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Cory Harden	Individual	Oppose	No

Comments: Please oppose this bill. PPPA has NO process for public hearings or public involvement on the projects other than the rule making process. Mahalo!

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:37 PM

To: edbtestimony Cc: 09jjuju@hotmail.com

**Subject:** \*Submitted testimony for SB215 on Mar 19, 2013 09:00AM\*

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Julian Jiman	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:38 PM

To: edbtestimony

Cc: FishiePiggie@msn.com

**Subject:** \*Submitted testimony for SB215 on Mar 19, 2013 09:00AM\*

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Finia Kaanoa	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:39 PM

To: edbtestimony Cc: ford3@mail.com

**Subject:** \*Submitted testimony for SB215 on Mar 19, 2013 09:00AM\*

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Faye Ford	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:39 PM

To: edbtestimony

Cc: drtran\_montreal@yahoo.com

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**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
donald tran	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:39 PM

To: edbtestimony

Cc: silverpenny10@hotmail.com

**Subject:** \*Submitted testimony for SB215 on Mar 19, 2013 09:00AM\*

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
penny silva	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:40 PM

To: edbtestimony

Cc: tjsimms2000@hotmail.com

**Subject:** \*Submitted testimony for SB215 on Mar 19, 2013 09:00AM\*

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
tj simms	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 11:02 PM

To: edbtestimony

Cc: naritaslee@yahoo.com

Subject: Submitted testimony for SB215 on Mar 19, 2013 09:00AM

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/18/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Susan Law	Individual	Oppose	No

Comments: We need public hearings so that we the people can have a say in how these decisions are made.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 19, 2013 7:44 AM

To: edbtestimony

Cc: waynetakamine@hawaii.rr.com

Subject: Submitted testimony for SB215 on Mar 19, 2013 09:00AM

Categories: LATE TESTIMONY

**SB215** 

Submitted on: 3/19/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Wayne Takamine	Individual	Oppose	No	

Comments: SENATE BILL 215, PROPOSED SD1 RELATING TO ECONOMIC DEVELOPMENT Testimony in OPPOSITION by Wayne Takamine The proposed SD3 for Senate Bill 215 and the proposed Public Private Partnership Corporation (PPPC) is similar to the controversial Public Land Development Corporation (PLDC) that has created a storm surge of public disapproval. The proposed SD 3 includes areas of concerns that the public has voiced its opposition. Like the PLDC the PPPC has a limited amount of representation from the public at the community level. The proposed SD3 establishes six (6) PPPA voting board members, with a majority of only four (4) necessary to make decisions on the taking of public lands statewide. So few people taking such significant liberties on public land is undemocratic and contrary to the public interest. The proposed SD3 enables the PPPA, like the PLDC, to manage, control and develop any public lands (state or county) transferred from any agency for unlimited purposes; including, for example, our "state parks" treasured by residents and visitors alike developed for inappropriate commercial use. • Public-Private Partnership Authority (PPPA) • Attached to DBEDT to control & manage projects & properties of any public agency; • Allows counties to waive zoning, land use, and permitting requirements on any project; • Requires the PPPA to initiate certain pilot projects before undertaking any others: o 1 film industry facility on Maui; o 1 city-sized block in Wahiawa town o 1 undefined county development project. • If any of these projects have public merit and public support, clearly they should be deliberated on separately & openly if public funds are used. The proposed SD 3 does not show support for coastal zone management laws and it overlooks HRS 205 and HRS 205-A (Land Use Commission, agricultural lands and coastal zone management) protections, among others. From my conversations with stakeholders in the Kaka'ako Makai and Kewalo Basin Harbor areas that include numerous community groups and individual recreational park users, the proposed SD 3 is similar to the PLDC and does not include adequate protection for the appropriate development of our valuable and sensitive coastal zone areas. I strongly oppose SB 215 SD3 for its lack of protection for the use of public land. Respectfully, Wayne Takamine Honolulu

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# DEPARTMENT OF PLANNING AND PERMITTING

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813

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KIRK CALDWELL



March 19, 2013

GEORGE I. ATTA FAICP, LEED AP, CEI DIRECTOR DESIGNATE

JIRO A. SUMADA DEPUTY DIRECTOR

The Honorable Clift Tsuji, Chair and Members of the Committee on Economic Development & Business
The Honorable Cindy Evans, Chair And Members of the Committee on Water & Land State House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Tsuji, Evans and Committee Members:

Subject: Senate Bill No. 215, S.D. 3

Relating to Economic Development

The Department of Planning and Permitting has **comments** on Senate Bill No. 215, S.D. 3, which would establish a Private-Public Partnership Authority (P3A) and would use the skills of both the public and private sectors to develop projects on behalf of public agencies. Three specific projects are assigned to the P3A as pilot projects.

We support the redevelopment of underutilized lands, especially in Honolulu's transit corridor. We need to make better use of urban lands by emphasizing compact, mixed use development. This leads to healthier lifestyles, reduced infrastructure maintenance and less dependence on the private car. Public-private partnerships could play a significant role in meeting these objectives.

We are not taking a position on whether the P3A is the best vehicle to achieve the goals of making better use of State lands. However, designating an existing agency could be a viable option that reduces administrative costs. In addition, the relationship with, or the differentiation from the Hawaii Community Development Authority's mission, which is also a redevelopment agency, should be clarified.

Given that P3A is not intended to infringe on county homerule, and it will comply with county plans, zoning and development codes, we can support the Bill. While we appreciate this intent, given the current public concerns over transparency and conformance with existing laws, we request that proposed Section -10 of the Bill should reflect compliance with all county laws, in addition to state laws.

The Honorable Clift Tsuji, Chair and Members of the Committee on Economic Development & Business
The Honorable Cindy Evans, Chair
And Members of the Committee on Water & Land State House of Representatives
Senate Bill No. 215, S.D. 3
March 19, 2013
Page 2

Lastly, we note this program would be repealed on July 1, 2018. Given the lengthy time it takes to plan, entitle and construct projects, this deadline may not reflect a realistic timeframe to complete the pilot projects.

Thank you for this opportunity to comment.

Very truly yours,

George I. Atta, FAICP, LEED AP, CEI

Twy I ata

Director Designate

Department of Planning and Permitting

GIA:jmf sb215sd3-EconDevel-k



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 19, 2013 10:11 AM

To: edbtestimony

Cc: palmtree7@earthlink.net

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**SB215** 

Submitted on: 3/19/2013

Testimony for EDB/WAL on Mar 19, 2013 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
janice palma-glenie	Individual	Oppose	No

Comments: NO PLDC!! Why do we have to keep saying it????

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#### Testimony to



# House Committee on Economic Development and Business

House Committee on Water and Land

Tuesday, March 19, 2013

By: Stephan D. Smith

President, SHM Partners/Film Studio Group

### SB 215, SD3 —Relating to Economic Development

Representative Clift Tsuji. Chair; Representative Gene Ward, Vice Chair--EDB Representative Cindy Evans, Chair; Representative Nicole E. Lowen, Vice Chair--WAL

The positive impact of film and television production on the State is irrefutable. The primary reason that there's not more of it is the lack of studio space. Given a stable production tax credit regime, there's no reason that production expenditures in Hawaii would not meet or exceed the high-water level of 2010, over \$400 million, every year if the proper infrastructure were built. Without it, production expenditures in the State will continue its seesaw pattern as it is so heavily based on location-based shooting, thereby missing many project entirely and losing over half the spending of others that leave the Islands for their stage work.

Passage of SB 215 would provide an essential building block for providing the proper studio infrastructure and ensuring the long-term viability of the film industry in the State. However, it is critical that the pilot studio project be located in the county where the critical mass of the film industry in the State resides, i.e. Oahu. The vast majority of Hawaii's crew base and infrastructure are on Oahu, not to mention the only truly urban "locations". While it might make sense for production facilities to exist on other islands, larger productions, which benefit the State the most, prefer to be based on Oahu. Therefore, the focus should be on providing a new, properly equipped studio facility where the film/television industry has demonstrated it wants to locate the vast majority of its production.

Another building block for ensuring the sustainability and growth of the film industry is the production tax credit. As has been starkly demonstrated in other states and countries, the stability of this credit is critical to attracting productions. Beyond that, a modest increase in the credit and significant increase in the perproject cap would attract more productions as well as more private capital for infrastructure improvements. A new studio would be able to attract \$100 million productions; it would be a shame for the production tax credit to be the limiting factor.