



LAND USE RESEARCH
FOUNDATION OF HAWAII

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Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair
Senate Committee on Ways and Means

Testimony in Support of HB 1741, Relating to County Infrastructure Capacity Building Construction Financing (Establishes a revolving fund to provide loans to counties, state agencies, or private developers for infrastructure improvements. Makes appropriations).

Friday, March 21, 2014, 9:05 a.m., in Conference Room 211

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. One of LURF's missions 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 testimony **in support of HB 1741** and to offer comments.

HB 1741. The purpose of this measure is to establish an infrastructure capacity construction loan revolving fund to provide loans to the counties, state agencies, and private developers to finance the costs of infrastructure improvements that would increase the capacity of the infrastructure facilities, including regional sewer, water, drainage systems, and roads. The intent of this measure is to also allow for innovative financing techniques, such as tax increment financing, improvement districts, etc., to fund the loan based upon the use of the new infrastructure capacity. The loans will be made only for capital improvement projects approved by the respective county council or state agency with a view towards planned growth rather than upkeep and maintenance. The bill also appropriates an unspecified sum for the making of the loans.

LURF's Position. Providing the necessary regional infrastructure for Hawaii's growing population is a matter of state-wide concern. The State and counties engage in detailed planning to address Hawaii's projected population increase, by directing growth to specific regions or redevelopment areas and mitigating any adverse impacts. The State and county governments are also responsible for planning, coordinating, phasing and constructing the necessary regional infrastructure for these new communities, including sewer, water, drainage systems, and roads.

This measure will support the State's and counties' efforts toward the orderly and predictable planning for the housing of Hawaii's increasing population, providing the infrastructure for livable communities with a desirable quality of life and managing the resulting economic growth.

The revolving loan program proposed by this measure will provide new infrastructure that will give rise to more housing, commercial and industrial areas, employment opportunities and increased economic growth that will generate millions in general excise taxes and real property taxes, and other benefits to the State and counties.

For the reasons stated above, LURF is **in support of HB 1741**, and respectfully urges your favorable consideration of this bill.

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