



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

WRITTEN COMMENTS
OF
DEAN H. SEKI, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS
ON
February 19, 2014
S.B. 2437, S.D. 1

RELATING TO TRANSIT

Chair Ige and members of the Committee, thank you for the opportunity to submit written comments on S.B. 2437, S.D. 1.

The Department of Accounting and General Services (DAGS) supports the intent of S.B. 2437, S.D. 1 and provides the following concerns:

1. Pursuant to Section 26-6, Hawaii Revised Statutes (HRS), DAGS has jurisdictional authority to execute a Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU) only for State office building purposes on State-owned property assigned to DAGS in the Kalihi or Palama area (such as the Liliha Civic Center parcel) or for the Aloha Stadium property;
2. Pursuant to Chapter 171, HRS, the Department of Land and Natural Resources has jurisdictional authority for management of most State-owned property. Therefore,

any MOA/MOU impacting future use of State-owned properties assigned to DAGS under an Executive Order (such as the Liliha Civic Center parcel and the Aloha Stadium parcel) will need Board of Land and Natural Resources approval prior to final execution; and

3. Even though DAGS was issued an Executive Order for the Aloha Stadium property, the Aloha Stadium Board (which is administratively attached to DAGS) is ultimately responsible for overview management and control of “day-to-day” activities on the Aloha Stadium property. Also, a portion of the Aloha Stadium property is subject to a Federal deed reversion clause that limits use of portions of the Aloha Stadium property for “public recreational purposes”.

DAGS defers to the Department of Business, Economic Development and Tourism, Office of State Planning as it has the jurisdictional authority (pursuant to Sections 226-51 and 226-52, HRS) to coordinate and guide all major State and County activities and implement the overall theme, goals, objectives, policies, and priority guidelines for a statewide planning system.

Thank you for the opportunity to submit written comments on this matter.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Wednesday, February 19, 2014
9:25 A.M.
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2437, SENATE DRAFT 1
RELATING TO TRANSIT**

Senate Bill 2437, Senate Draft 1 proposes to require all state agencies within one-half mile of proposed rail stations to enter into memoranda of understanding with each other and convene working groups that include representatives of the Honolulu Authority for Rapid Transportation (HART), and additionally requires the submission of annual reports to the Legislature. **The Department of Land and Natural Resources (Department) will participate in any relevant working group established under this bill, but offers the following comments.**

The Department is responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations. To properly perform these fiduciary duties, the Board of Land and Natural Resources (BLNR) determined that the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs.

The BLNR manages lands within a one-half mile radius of the proposed Kapolei transit station. The Department intends to develop these lands for commercial purposes to generate revenues to support its above-described mission. The Department's mission does not extend to transportation or workforce housing. However, the Department is amenable to meeting with HART and other affected agencies regarding the Department's development plans for its lands.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
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KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

February 19, 2014

The Honorable Senator David Y. Ige, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Ige and Committee Members:

SUBJECT: Senate Bill No. 2437, SD1
Relating to Transit

The Department of Planning and Permitting (DPP) and the City's Transit Oriented Development (TOD) Program **oppose** Senate Bill No. 2437, SD1, but we appreciate the Senate's intent in encouraging State agencies to work together in the TOD areas. The Bill would require all State agencies within one-half mile of proposed rail stations to enter into a Memorandum of Understanding (MOU) and convene working groups with the Honolulu Authority for Rapid Transportation (HART) to address how the transit stations will affect the surrounding workforce and housing.

We applaud interest in involving State agencies in implementing TOD projects. The State owns a significant amount of land around transit stations, and has access to resources, partnerships, incentives and financing capacity that can be used to catalyze development on those parcels. We share your interest in maximizing the impact of State policies, land, and resources to support TOD projects that will enhance Oahu's neighborhoods, and look forward to continuing our partnership with the State.

However, the working groups' tasks appear to duplicate some of what the City's TOD Program and our partners have been working on for the last seven years. The Bill mentions working with HART, which is responsible only for the actual transit stations or development directly on limited HART-owned station sites, rather than the DPP and our TOD Program, which are responsible for developing plans, updated zoning, financial tools, and implementation strategies in the TOD areas. The Bill focuses on the impact of the transit station itself, rather than the TOD plans, policies, codes, investments, and implementation strategies. The proposed process seems overly complex, requiring separate working groups and MOUs for each of the eight stations selected, which could take a significant amount of agency staff time for limited results.

The Honorable Senator David Y. Ige, Chair
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Rather than convening eight separate working groups focused on analyzing the impact of transit stations alone, we respectfully suggest that it may be more effective – and quicker – to use our TOD program's efforts as a starting point. Perhaps the DPP could host a series of work sessions with key State agencies to walk through each of the TOD Plans, present what we have learned about community goals, needs and potential, explore infrastructure issues, and highlight key development opportunities. This effort could identify several potential sites, projects, and policies where the State's efforts could help leverage City and private developer investments. We suggest that the emphasis should be more on implementing projects – getting State resources directed geographically to the transit corridor – rather than on how State agencies should talk to each other. This effort could also help locate any new State facilities, especially offices, near rail stations. This is in keeping with last year's recommendations from Smart Growth America in a study led by the State Office of Planning.

The DPP's TOD Program has developed six draft Neighborhood TOD Plans for the areas around 15 of the transit stations, and we are preparing to conduct the Airport and Aloha Stadium TOD plans for four stations (the remaining two station areas are under Hawaii Community Development Authority jurisdiction). Each plan is based on extensive community participation, with three to four public workshops in each area, smaller stakeholder meetings with land owners, business and community groups, and detailed community surveys. Thorough technical analysis underlies each plan, including market analysis and feasibility studies. All of this work is available at www.todhonorolulu.org and has been shared with State agencies. In fact, we are pleased to share with you that State staff and directors have participated in the formulation of these plans as advisory committee members and participants at community meetings.

For the last year, we have focused on an implementation strategy to catalyze development opportunities, infrastructure investments, and neighborhood enhancements. We have started drafting land use ordinance and zoning updates, based on the Neighborhood TOD plans, which will make it easier to develop mixed-use projects that reflect the community's vision. The City's new TOD Sub-cabinet is a working group of infrastructure, transportation, environmental, housing, and planning directors who meet weekly to focus inter-agency efforts on expediting catalytic projects in the TOD areas. Three catalytic projects were selected for this year, along with multimodal access and safety improvements around the first half of the rail stations that will open in 2017. We are also working with landowners and developers to generate interest in potential projects in key areas.

The DPP has already been working with several state agencies on TOD-related issues, including the Department of Education (potential redevelopment opportunities and school access); Department of Health (potential bike share system and environmental/brownfields issues); Department of Accounting and General Services (potential State facilities and projects in TOD areas); HCDA (mobility and infrastructure improvements in Kakaako); and the University of Hawaii system (West Oahu, Leeward Community College and Honolulu Community College campuses, and long-term redevelopment potential). We are preparing to initiate the Aloha Stadium TOD Plan, and have been meeting with DAGS and the Stadium Authority. We are also initiating the Airport Neighborhood TOD Plan, and will be working closely with the Hawaii Department of Transportation on that plan, as well as transit station access and safety improvements for the station areas along Farrington and Kamehameha highways.

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In summary, the DPP and the Transit Oriented Development Program **oppose** Senate Bill No. 2437, SD1, as being counter-productive, and we ask that the Bill be held in Committee. We have included State agencies from the beginning of our TOD program in 2007 – initially in the formulation of neighborhood TOD plans, and then broadening into defining regional policies and development of actual TOD projects. In lieu of Senate Bill No. 2437, SD1, we would support a Resolution that endorses the continued joint efforts being done by State agencies with the City, with focus on constructing projects that meet public goals related to economic development, affordable housing, and sustainability.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in blue ink that reads "George I. Atta". The signature is written in a cursive style with a large initial "G".

George I. Atta, FAICP
Director

GIA:cl
SB2437SD1-hbr