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**DAVID Y. IGE**  
GOVERNOR

**LEO R. ASUNCION**  
DIRECTOR  
OFFICE OF PLANNING

Statement of  
**LEO R. ASUNCION**  
Director, Office of Planning  
before the  
**HOUSE COMMITTEE ON TRANSPORTATION  
AND  
HOUSE COMMITTEE ON WATER AND LAND**  
Wednesday, February 10, 2016  
11:45 AM  
State Capitol, Conference Room 309

in consideration of  
**HB 2199**  
**RELATING TO TRANSIT ORIENTED DEVELOPMENT.**

Chairs Aquino and Yamane, Vice Chairs LoPresti and Cullen, and Members of the House Committees on Transportation and Water and Land.

The Office of Planning (OP) offers comments on HB 2199, which would establish a Transit Oriented Development (TOD) Infrastructure Authority within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on State lands within one-quarter mile radius of rail stations.

The coordination and financing of infrastructure improvements in planned growth areas, such as along the Honolulu rail corridor, is a major impediment to realizing the potential of TOD in providing needed housing and creating vibrant and sustainable mixed-use communities. Both the State and the City and County of Honolulu have identified the establishment of alternative funding mechanisms for infrastructure development as a priority for their TOD implementation efforts.

While this proposal could provide much-needed funding for facilitating infrastructure to support development in TOD areas, OP has a number of concerns about the nature of the proposed authority and its functions and responsibilities:

- The language on page 4, lines 20-21, gives the authority jurisdiction for all infrastructure development along the rail corridor, and requires that State agencies enter into a memorandum of understanding with the authority. As written, the bill could create conflicts with county agencies responsible for the development of local roads, sewer, drainage, and water facilities, and create another layer in the development process for State agency projects.
- Similarly, language on page 5, lines 13-21 would give the authority the power to amend a transit oriented development plan. As the bill does not define or authorize development of a transit oriented development plan, this could be interpreted to mean the City's adopted TOD plans, which OP could not support.
- The specific infrastructure requirements of an individual project is typically identified in the project planning phase, and the redevelopment potential of many State-owned properties along the rail corridor has yet to be assessed. The effective delivery of infrastructure system capacity to accommodate planned and future State agency projects with those of other public and private developers requires a much broader and coordinated approach to State agency land use planning and development along the rail corridor.
- The one-quarter mile radius is smaller than the typical one-half mile radius of TOD. There are numerous State-owned parcels along the rail corridor that are located

beyond the proposed one-quarter mile radius, including public housing projects, which are proposed for redevelopment due to their proximity to rail.

For these reasons, OP would prefer that the planning and development of TOD projects on State lands, including infrastructure, be undertaken on a more coordinated basis through a vehicle such as the Interagency Council for TOD proposed in the Administration's HB 2302.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE  
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
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**DEPARTMENT OF BUDGET AND FINANCE**

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MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEES ON TRANSPORTATION AND WATER AND LAND  
ON  
HOUSE BILL NO. 2199

February 10, 2016  
11:45 a.m.

RELATING TO TRANSIT ORIENTED DEVELOPMENT

House Bill No. 2199 establishes a Transit Oriented Development Infrastructure Authority within the Department of Business, Economic Development and Tourism to oversee and manage development of infrastructure on State lands within one-quarter mile radius of rail stations, establishes the Transit Oriented Development Infrastructure Authority Special Fund, allocates funds from the Transient Accommodations Tax, and appropriates funds.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 2199, it is difficult to determine whether the proposed fund would be self-sustaining and whether there is a clear nexus between Transient Accommodations Tax revenues and transit oriented development. The percent of Transient Accommodations Tax revenues proposed for deposit into the special fund is undetermined.

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**BUILDING INDUSTRY ASSOCIATION**

THE VOICE OF THE CONSTRUCTION INDUSTRY

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## Testimony to the House Committee on Transportation and House Committee on Water & Land Wednesday, February 10, 2016 11:45 a.m. State Capitol, Conference Room 309

### **RE: HB 2199, Relating to Transit-Oriented Development.**

Dear Chairs Aquino & Yamane, Vice-Chairs LoPresti & Cullen, and members of the Committees:

My name is Gladys Marrone, Chief Executive Officer 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, and affiliated with the National Association of Home Builders.

BIA Hawaii supports the intent of H.B. 2199, which would establish a Transit Oriented Development Authority within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on state lands within one-quarter mile radius of rail stations.

This bill is similar to H.B. 2302, which proposed the establishment of the Hawaii Interagency Council for Transit-Oriented Development within the Department of Business, Economic Development, and Tourism to institutionalize intergovernmental and interagency coordination on transit-oriented development planning statewide.

We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a pressing need to address infrastructure capacity building along the entire transit corridor if we are to realize any of the increased density at the transit stations.

However, we strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

We appreciate the opportunity to express our support for H.B. 2199.



*Locally Owned & Operated in Hawaii Since 1961*

February 08, 2016

**Testimony to the House Committee on Transportation, and Water and Land  
Wednesday, February 10, 2016 at 11:45 am  
State Capitol-Conference Room 309**

**RE: House Bill 2199 Relating to Transit Oriented Development**

Honorable Chair Aquino and Yamane and Vice Chairs Lo Presti, and Cullen, and members of the committees:

We **support the intent of H.B. 2199** which would establish a Transit Oriented Development Authority within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on state lands within one-quarter mile radius of rail stations.

This bill is similar in nature to H.B 2302 which proposed the establishment of the Hawaii Interagency Council within the Department of Business, Economic Development, and Tourism to provide for intergovernmental and interagency coordination on transit oriented development planning statewide.

We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a time sensitive need to address infrastructure capacity building along the entire transit corridor on Oahu if we are to realize any of the increased density at the transit stations.

However, we **strongly** believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effective approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

Thank you.

Respectfully submitted,

Anthony Borge  
General Manager  
RMA Sales  
99-134 Waiua Way  
Aiea, HI 96701

From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 08, 2016 12:19 PM  
To: TRNtestimony  
Cc: evan@grahambuilders.com  
Subject: Submitted testimony for HB2199 on Feb 10, 2016 11:45AM

**HB2199**

Submitted on: 2/8/2016

Testimony for TRN/WAL on Feb 10, 2016 11:45AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Evan K. Fujimoto	Individual	Support	No

Comments: TOD will languish without vision, leadership, and strong commitment emanating from a newly formed Transit Oriented Development Authority within DBEDT. Infrastructure within a 1/4 mile radius of proposed rail stations is essential for redevelopment to take place. HB2302 proposes an Interagency Council, but this will only add a bureaucratic burden to what needs to be a high priority matter for the benefits of rail and TOD to be fully realized. However, we strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill. Thank you for the opportunity to support HB2199.

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.

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**Testimony to the House Committee on Transportation and Committee on  
Water & Land**

**Wednesday, February 10, 2016 at 11:45 A.M.  
Conference Room 309, State Capitol**

**RE: HOUSE BILL 2199 RELATING TO TRANSIT ORIENTED DEVELOPMENT**

Chairs Aquino and Yamane, Vice Chairs LoPresti and Cullen, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent of** HB 2199, which would establish a Transit Oriented Development Authority within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on state lands within one-quarter mile radius of rail stations.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 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 members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

This bill is similar to H.B. 2302 which proposed the establishment of the Hawaii Interagency Council for Transit-Oriented Development within the Department of Business, Economic Development, and Tourism to institutionalize intergovernmental and interagency coordination on transit-oriented development planning statewide.

We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a pressing need to address infrastructure capacity building along the entire transit corridor if we are to realize any of the increased density at the transit stations.

However, we strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

We appreciate the opportunity to express our support for H.B. 2199.



February 10, 2016

**The Honorable Henry J.C. Aquino, Chair**

House Committee on Transportation

**The Honorable Ryan I. Yamane, Chair**

House Committee on Water & Land

State Capitol, Room 309

Honolulu, Hawaii 96813

**RE: H.B. 2199, Relating to Transit Oriented Development**

**HEARING: Wednesday, February 10, 2016 at 11:45 a.m.**

Aloha Chair Aquino, Chair Yamane, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,800 members. HAR **supports the intent** of H.B. 2199 which:

1. Establishes a Transit Oriented Development Authority within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on state lands within one-quarter mile radius of rail stations; and
2. Establishes the Transient Oriented Development Infrastructure Fund into which shall be deposited from the transient accommodations tax and appropriation from the legislature.

Hawai'i is in a dire need for housing and the development of regional infrastructure improvements, in accordance with an orderly and predictable infrastructure plan, will serve to accommodate population growth in areas that are suitable for development.

The most significant barrier to increasing the supply of housing at all price points is the lack of infrastructure capacity. HAR believes a strong and appropriate entity to oversee the planning and redevelopment of our infrastructure is absolutely needed.

HAR would note that H.B. 2305, an Administration bill, creates a Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and the use of the Dwelling Unit Revolving Fund to provide loans and grants to finance regional state infrastructure improvements in areas of planned growth.

Mahalo for the opportunity to testify.



February 9, 2016

Representative Henry J.C. Aquino, Chair  
Representative Matthew S. LoPresti, Vice Chair  
House Committee on Transportation

Representative Ryan I. Yamane, Chair  
Representative Ty J.K. Cullen, Vice Chair  
House Committee on Water & Land

**Comments regarding HB 2199 Relating to Transit-Oriented Development. (Establishes a Transit Oriented Development Authority within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on state lands within one-quarter mile radius of rail stations; and creates a Transit Oriented Development Special Fund,)**

**Wednesday, February 10, 2016, 11:45 a.m., in Conference Room 309**

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 and requested amendments relating to HB 2199.**

**HB 2199.** This bill proposes to establish a Transit Oriented Development Authority (Authority) within the Department of Business, Economic Development, and Tourism to oversee and manage development of infrastructure on state lands within one-quarter mile radius of rail stations; and creates a Transit Oriented Development Special Fund, to be funded by a percentage of the Transient Accommodations Tax, appropriations from the legislature and gifts, donations and grants from public agencies and private persons. The Special Fund will be used for the purpose of the Authority, including administrative, personnel and operational costs of the authority.

**LURF's Position.** TOD is expected to provide significant economic, social, and environmental benefits through the co-location of jobs, workforce housing, public transportation alternatives and economic opportunities in mixed-use communities near public transportation nodes. LURF fully supports the intent of HB 2199, which is to manage the development of infrastructure on state lands within one-quarter mile radius of the rail stations.

However, LURF has two major **comments and concerns**. First, that the proposed Authority does not include the state agencies that own lands within one-quarter mile radius of the rail stations, or important private “partners” and stakeholders including the experts in development and the large landowners along the TOD corridor, whose input and cooperation will be crucial to the success of TOD. Second, could the same goal be achieved without the necessity of statutorily creating a new State Authority? LURF is concerned that the Authority and its process might create yet another administrative permitting or regulatory agency which will result in more costs, delays, legal challenges and litigation relating to State and private TOD projects.

It is important for the State agencies, City and County Department of Planning and Permitting, and TOD stakeholders to share information and work together cooperatively to achieve the goals of this bill – which is to coordinate efficient TOD infrastructure planning and construction on state lands near the rail stations. However, the bill does not address the need for “public-private partnerships” and collaboration amongst diverse sectors of the community which would be crucial to the successful development of TOD infrastructure near the rail stations – private professionals in housing, finance, land use and construction.

**Conclusion.** While LURF supports the intent of this measure, LURF **cannot fully support this bill in its current form**. Thus, LURF further respectfully requests **amendment of this measure:** (1) to allow Authority membership and input by the state agencies that own lands within one-quarter mile radius of the rail stations, TOD stakeholders, including, but not limited to experts in housing, finance, land use and construction, in order to have the expertise and input to achieve successful TOD infrastructure projects on State lands; and (2) to confirm that this Authority is not a government permitting or regulatory agency, which will create additional costs, delays, legal challenges and litigation.

Thank you for the opportunity to present comments regarding this matter.