

SB2731

Measure Title: RELATING TO SCHOOLS.

Report Title: School Impact Fee Review; Task Force; Appropriation (\$)

Description: Establishes a task force to review the school impact fees law and recommend any necessary amendments. Appropriates funds for the administrative and operating expenses of the task force.

Companion:

Package: None

Current Referral: EDU, WAM

Introducer(s): TOKUDA, KIDANI, Galuteria



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Education
Monday, February 8, 2016 at 9:45 A.M.
Conference Room 229, State Capitol**

RE: SENATE BILL 2731 RELATING TO SCHOOLS

Chair Kidani, Vice Chair Harimoto, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 2731, which establishes a task force to review the school impact fees law and recommend any necessary amendments. Also appropriates funds for the administrative and operating expenses of the task force.

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.

Act 245, Session Laws of Hawaii 2007, established the law regarding school impact fees. Act 245 implemented a new method for financing, in part, new or expanding existing department of education educational facilities in partnership with developers of new residential developments.

The preamble language of Act 245 states: "It also recognizes the need for more detailed planning for implementation of this Act by the department of education, and recognition of how the methodology will be applied in new residential projects involving rezoned properties or parcels, current zoned parcels with or without buildings, and redevelopment projects." At the time, the Act recognized that the methodology developed in Act 245 was primarily focused on "Greenfield" developments and would not be appropriate for "in-fill" developments.

The proposed bill states that land use planning, development patterns, and preferences have changed since 2007. Kakaako, for example, has many existing and proposed high-density residential projects that will require at least one new school in that area. Further, a rail transit system may require attention if resultant population shifts require schools to be located near rail stations. The purpose of this Act is to establish a school impact fee review task force to review the law regarding school impact fees.

As the City and County of Honolulu focuses all future development along the rail transit corridor, we believe it is critical to determine an urban "in-fill" school impact fee especially in light of the fact that there are only a handful of existing public schools in the ¼ to ½ mile radius of the 20 planned transit stations. The Department of Education must be pro-active in



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repositioning its assets along the rail transit corridor to accommodate the planned future growth areas on Oahu.

We express our strong support for SB 2731 and appreciate the opportunity to express our views on this matter.