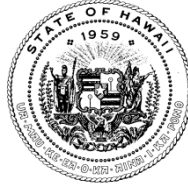


DAVID Y. IGE
GOVERNOR



Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 22, 2017
9:30 p.m.
State Capitol, Room 423

S.B. 1183, S.D.2
RELATING TO TAXATION

House Committee on Transportation

The Department of Transportation (DOT) provides **comments** on S.B. 1183, S.D. 2 which repeals the requirement that 10 % of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs.

The DOT recommends that the bill provide funds to be retained by the State for use by DOT for the administration of the HDOT State Safety Oversight Program required under federal law 49 U.S. Code § 5329(e) and set forth in Title 49 Code of Federal Regulations Part 674 entitled "State Safety Oversight Program"

Thank you for the opportunity to provide testimony.

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON TRANSPORTATION
ON
SENATE BILL NO. 1183, S.D. 2

**March 22, 2017
9:30 a.m.
Room 423**

RELATING TO TAXATION

Senate Bill (S.B.) No. 1183, S.D. 2, repeals the ten percent State administrative assessment on the county surcharge on State taxes adopted by a county ordinance. To date, only the City and County of Honolulu has established the county surcharge on State tax to fund a rail transportation project. S.B. No. 1183, S.D. 2, requires an amendment or repeal of any provision in a county ordinance that prohibits the use of county funds for capital cost of the project and interest to finance capital costs by December 31, 2017. If the December 31, 2017 deadline is not met, this measure shall be deemed repealed. S.B. No. 1183, S.D. 2, also requires the mayor(s) to submit the following plans/reports to the Legislature:

- 1) By January 1, 2018, and updated through January 1, 2028, a plan to pay for the capital cost of the project and any interest to finance the capital cost with county funds under various scenarios; and
- 2) By January 1, 2018, a plan to fund the operations and maintenance costs and on-going system wide capital costs of the integrated rail and bus transportation system.

The Department of Budget and Finance supports the intent of this measure and will work with the Committee to determine how this measure might fit into the financial plan being developed by the Legislature.

Thank you for your consideration of our comments.

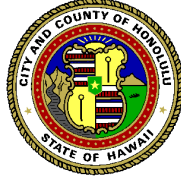
**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR



CITY AND COUNTY OF HONOLULU
BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION
WEDNESDAY, MARCH 22, 2017; 9:30 AM

TO: THE HONORABLE HENRY J.C. AQUINO, CHAIR
THE HONORABLE SEAN QUINLAN, VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON TRANSPORTATION

FROM: KIRK CALDWELL, MAYOR
CITY AND COUNTY OF HONOLULU

SUBJECT: COMMENTS ON SB1183, SD2 RELATING TO TAXATION.

The City and County of Honolulu (City) appreciates the intent of SB1183, SD2, which returns the State's portion of the county surcharge revenues on the general excise tax (GET) to the City. While this measure ensures that the City receives approximately \$300,000,000 over the next ten years, this amount is insufficient to cover construction and financing costs of the minimum operable segment of 20 miles and 21 stations, all the way to Ala Moana Center. The Honolulu Authority for Rapid Transportation estimates that the total construction cost for the rail project is \$8,200,000,000, exclusive of the financing costs.

To ensure that the City is able to cover financing costs, we respectfully request that this measure be amended to allow the City to extend the surcharge sufficient to build and finance the minimum operable segment plus future extensions.

Extending the county surcharge on the GET is the best option to cover these costs, as it places no additional burden on residents other than continuing to pay the same surcharge beyond 2027. Should the surcharge end in 2027, this share of the burden of paying for the construction of rail would be shifted to the residents of Oahu.

Thank you for considering these comments.

Bernard P. Carvalho Jr.
Mayor



Wallace G. Rezentes Jr.
Managing Director

OFFICE OF THE MAYOR

County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 235, Līhu'e, Hawai'i 96766
TEL (808) 241-4900 FAX (808) 241-6877

OFFICE OF THE MAYOR

County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 235, Līhu'e, Hawai'i 96766
TEL (808) 241-4900 FAX (808) 241-6877

Testimony of
Bernard P. Carvalho Jr.

Before the House Committee on Transportation
Wednesday, March 22, 2017

In consideration of
SENATE BILL 1183, SD2 RELATING TO TAXATION

Aloha Honorable Chair Aquino and Members of the Committee. Allow me to express my support for the overall intent of SB1183, SD2 which will provide the counties the authority to levy a surcharge on the general excise tax (GET).

It is critical that the counties be granted authority to levy a surcharge on the GET. Real property taxes now total over 81% of the county's main source of revenue, followed by the Transient Accommodations Tax (TAT), which as you know is presently capped. In FY 2015, Kaua'i's real property tax rates were increased for Residential, Commercial, Industrial, and Hotel and Resort classes so that they now more closely align with state averages. Furthermore, in FY 2016 the County created two new tax classes: Residential Investor and Commercialized Home Use which resulted in increased real property tax revenue for the County. By these actions, the County of Kaua'i responded to legislative concerns about the County independently seeking the appropriate action to pursue revenue resources in addition to its desire for the TAT and GET. Other revenue sources for the County include the vehicle weight tax, the annual vacation rental permit renewal fee, and the vehicle registration fee which have been increased as well.

There are many expensive capital improvements, service improvements and charter driven obligations that we must find a way to fund in the coming decade. These include: expansion of The Kauai Bus, catching up on \$100 million in deferred roadway repairs and improvements, constructing a new landfill and resource recovery park, seeking critical remediation to our multiple transfer stations to remain compliant with state and federal environmental regulations, and building more affordable housing. Consideration for some

An Equal Opportunity Employer

flexibility in the use of GET funds to meet a range of important needs would be appreciated. Also, we would appreciate a reasonable timeframe to enact such a surcharge.

For the past two years we have been in discussions with the legislature about expanding our revenue portfolio via the authorization of a county-specific GET surcharge. We feel that being granted this authority, coupled with the adoption of a fair distribution of the TAT, will provide us with the resources we need to enact a sustainable, long-term financial plan. We hope that discussion on this bill will continue and that agreement may be reached this session.

Mahalo for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bernard P. Carvalho Jr.", with a stylized flourish at the end.

Bernard P. Carvalho Jr.
Mayor



IN REPLY REFER TO:
CMS-AP00-02003

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Krishniah N. Murthy
INTERIM EXECUTIVE DIRECTOR AND CEO

BOARD OF DIRECTORS

Damien T.K. Kim
CHAIR

Terrence M. Lee
VICE CHAIR

HOUSE COMMITTEE ON TRANSPORTATION

Wednesday, March 22, 2017
9:30 A.M.
State Capitol, Conference Room 423

John Henry Felix
Wes Frysztacki
Ford N. Fuchigami
Terri Fujii
William "Buzz" Hong
Colbert M. Matsumoto
Glenn M. Nohara
Kathy Sokugawa

Chair Aquino, Vice Chair Quinlan and Members of the House Committee on Transportation:

The Honolulu Authority for Rapid Transportation (HART) would like to offer comments of concern with regard to S.B. 1183, S.D. 2, for your consideration.

S.B. 1183, S.D. 2, proposes to repeal the requirement that ten (10) percent of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs. S.B. 1183, S.D. 2, further proposes to sunset unless a county ordinance is enacted by December 31, 2017, that repeals any provision in a county ordinance that prohibits the use of county funds for the capital cost of the project and interest to finance that capital cost. Finally, S.B. 1183, S.D. 2, proposes to require the mayor of the county to submit certain plans with respect to the rapid transportation system.

While HART is appreciative of the Senate's efforts in seeking to explore revenues sources resulting in an increase of funding levels for the construction of the Honolulu Rail Transit Project (Project), HART believes extending the surcharge on the State general excise and use tax (GET) beyond the sunset date of December 31, 2027, is the best option to achieve our immediate goal of meeting the City's obligations under the Full Funding Grant Agreement to complete this Project.

HART estimates the cost to complete construction of the Project will be \$8.2 billion, inclusive of contingency as required by the Federal Transit Administration (FTA), but excluding finance charges. Contingency, which is an important component of a construction budget, is based on historical experiences and industry standards and practices using a percentage of expected additional cost increases due to unanticipated and unforeseen conditions during construction. While the expectation is to manage and control the financial impacts of dealing with any unforeseen conditions, industry practice is such that a project should anticipate encountering these unanticipated issues and plan accordingly to absorb the resultant costs.

Consequently, financing the Project through the issuance of bonds will be in addition to the \$8.2 billion in capital project cost. S.B. 1183, S.D.2 would potentially provide insufficient funding to complete the construction of the Minimum Operable Segment from East Kapolei to Ala Moana Center.

HART must demonstrate that it has clear access to sufficient revenue to cover the Project's entire capital budget including contingency and financing charges through identified revenue sources that are committed solely to the Project. An acceptable contingency level that is approved by the FTA for an adopted financial plan is required as part of HART's Recovery Plan to be submitted to the FTA. If GET Surcharge revenue are insufficient to cover the total capital budget, the City will be required to identify other revenues that will be committed to the Project and take the appropriate steps immediately prior to any submission of the Recovery Plan to the FTA.

Finally, we respectfully request your committee to consider amending Section 2 of S.B. 1183, S.D. 2, specifically Hawaii Revised Statutes Section 248-2.6, which requires the Department of Taxation to pay into the State treasury all county surcharges on State tax collected on a monthly basis, rather than quarterly. The Department of Taxation has testified that it collects and reports the county surcharge amounts to the Department of Budget and Finance and Department of Accounting and General Services each month. If the State Legislature agrees to amend payments to the counties from a quarterly to a monthly basis, the amount of savings to the Project is approximately \$11 million through 2027 compared to the potential loss of interest earning to the State of approximately \$2 million. The State's current average target rate of return on treasury investments is 0.7% whereas the City's debt financing interest rates are projected to range from 3.0% to 4.5%.

Thank you for this opportunity to provide written testimony.

PRESIDENT

EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

PRESIDENT-ELECT

DEAN UCHIDA
SSFM INTERNATIONAL, INC.

VICE PRESIDENT

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HOMEWORKS CONSTRUCTION, INC.

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CK INDEPENDENT LIVING BUILDERS

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MARK KENNEDY
HASEKO CONSTRUCTION MANAGEMENT
GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE

PETER ELDRIDGE
RAYNOR OVERHEAD DOORS & GATES

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PAUL D. SILEN
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CONSTRUCTION CO. INC.

ALAN TWU
HK CONSTRUCTION CORP.

MAILING:
P.O. BOX 970967
WAIPAHU, HAWAII 96797-0967

PHYSICAL:
94-487 AKOKI STREET
WAIPAHU, HAWAII 96797

Testimony to the House Committee on Transportation
Wednesday, March 22, 2017
9:30 am
Conference Room 423

RE: SB 1183 SD2 – Relating to Taxation

Chair Aquino, Vice-Chair Quinlan, and members of the committees:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is in support of SB 1183, Relating to Taxation. BIA-Hawaii has been a strong proponent of the rail transit system as a necessary "growth management" tool to increase population densities along the 20-mile transit corridor. Not supporting the transit system at this crucial time would prevent future growth without significant targeted investments in roadway infrastructure; or it will require more development into areas not currently planned for future growth (i.e. Hawaii Kai, Windward Oahu, North Shore, and Central Oahu - between Wahiawa and Waialua). According to a Dept. of Budget, Economic Development, & Tourism study, Oahu will need over 25,000 new housing units through 2025. In 2014, only 804 building permits for single-family homes were issued, and we are falling further behind every year. Although it is not the only answer to this housing crisis, rail transit and transit-oriented development will play a significant role in providing housing for Oahu's residents.

A transit-oriented urban growth model for O'ahu is the ideal long-range approach to provide badly needed housing for our children, grandchildren and all future generations.

Certainly, we are concerned about the level of transparency and accountability as the project moves forward. In construction projects of this magnitude, however, it is not uncommon to encounter delays and unforeseen circumstances that increase construction costs.

That being said, we are very concerned about the current movement to change or stop the project. Policy makers need to be aware that the future housing needs on Oahu are tied to the transit project. With the critical lack of supply of housing at all price points driving up housing costs, stopping the transit project at this point would prevent or severely limit the amount of density within the urban core.

For the sake of the next generation, we must find a way to complete construction of the rail transit project. The rail transit project gives us the best opportunity to "build" our way out of the housing crisis we are in right now.

Thank you for the opportunity to express our views on this matter.

bikeshare hawaii is a local 501(c)(3) nonprofit that will launch and manage a large-scale bikeshare system in hawaii. *let's move hawaii forward. try bike.*



999 Bishop Street, Suite 1202
Honolulu, HI 96813

BikeshareHawaii.org
@bikesharehawaii

Lori McCarney, *CEO*
Benjamin Trevino, *President & COO*

Board of Directors
Greg Gaug, *Chair*
Rick Egged
Bruce Coppa

March 20th 2017

Re: Support for SB1183

Dear Chair Aquino, Vice Chair Quinlan and Members of the House Committee on Transportation.

Bikeshare Hawaii strongly supports the intent of SB1183 to support the construction costs and completion of rail and urges the committee to provide sufficient funds to complete the full 20-mile 21 station project to Ala Moana Center as planned.

Bikeshare Hawaii is a Hawaii non-profit organization dedicated to bringing bikesharing transportation networks to community around the state, starting 1000 bikes and 100 stations in urban Honolulu. The system, called Biki will launch in summer 2017 and will give residents and visitors a much needed transportation option.

Transportation and cost of living are two of the most critical issues facing our community and your constituents. Inherent in Bikeshare Hawaii's mission is a commitment to providing an equitable transportation system that is sustainable and accessible to all. Rail is an essential component in that system and a project whose intent we completely support. Bikeshare provides low cost transportation for short distances, but will never be a substitute for the high capacity long distance capabilities of the planned rail system.

It is undoubtedly a complicated public works requiring a massive public resources. And I applaud the state and it's legislative bodies for scrutinizing the project and providing meaningful oversight in considering lending its continuing support. A project like this benefits from invested stakeholders watching over it.

Rail can transform the lives of our residents who spend hundreds of thousands of productive hours sitting in traffic, by returning their time, their families, and physical activity to their lives. But to do that it needs to be completed and be completed as planned, and with your support, your guidance, and your leadership, it can.

Ben Trevino
Bikeshare Hawaii
President & COO



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
House of Representatives
Committee on Transportation

Testimony by
Hawaii Government Employees Association

March 22, 2017

S.B. 1183, S.D. 2 - RELATING TO TAXATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of prior iterations of S.B. 1183 which authorizes certain counties to extend a state tax surcharge. While we remain concerned about the increased construction costs above what was originally projected, the residents of Oahu have determined a need for a viable rapid transit system and additional funds are needed to continue the construction of the rail project until its completion.

Thank you for the opportunity to testify in support of S.B. 1183, S.D. 2, with a request to revert to the original S.B. language.

Respectfully submitted,


fr Randy Perreira
Executive Director



March 21, 2017

The Honorable Henry J.C. Aquino, Chair
The Honorable Sean Quinlan, Vice Chair
and Members of the Committee on Transportation
Hawaii State Capitol, Room 423
415 South Beretania Street
Honolulu, HI 96813

Dear Chair Aquino, Vice Chair Quinlan and Committee Members:

Testimony in Support of and Comments
on SB 1183 SD2, Relating to Taxation

The James Campbell Company LLC supports the intent of SB 1183 SD2; however, the measure should go further and provide sufficient funding to complete the full rail project with future extensions as planned.

We see no other option but to extend the general excise tax surcharge to complete the rail transit system as originally planned. Shortening the rail system because of a lack of funding will run afoul of the City and County of Honolulu's Full Funding Grant Agreement with the Federal Transit Administration (FTA), creating large tax payer liabilities to return federal funds and leaving island residents with an incomplete system. Even if the agreement were to be renegotiated with the FTA to facilitate a shorter system, the new environmental studies that will be required to assess reduced ridership, and the resulting potential litigation, would add years to the project or stop it entirely. Further delays will result in even greater project costs than currently estimated given our State's propensity for year over year construction cost escalations.

Much of the State's future population growth is slated for the Kapolei region. Kapolei is quickly becoming Oahu's new urban center. In the next 20 years, there will be many more new jobs in the region, new homes and thousands of new residents will call Kapolei home. Our company has long supported Honolulu's rail transit project. We view rail as an important component of much needed transportation infrastructure that will facilitate the growth, development and long term prosperity of the City of Kapolei.

We wish to express our continued support for the rail project, and respectfully request your approval of a revised version of SB 1183 SD2 to continue funding for the rail project to keep rail moving forward, and minimize future delays.

Sincerely,

Stephen H. Kelly
Vice President, Development

ga:04001300\K10503

TESTIMONY
OF THE KAPOLEI CHAMBER OF COMMERCE
IN SUPPORT OF SB1183, SD2
RELATING TO TAXATION



To: Chair Aquino, Vice Chair Quinlan and Members of the State House Transportation Committee

Working together for Kapolei

March 22, 2017

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce, submitting this testimony **in favor** of SB 1183, SD2 with the following comment. While we appreciate the legislative efforts to provide more funding for rail construction, **we urge the Committee to provide sufficient funding to complete the full 20 mile, 21 station project as planned.**

The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. The Chamber is a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

Much of the State's future population growth is slated for Kapolei and the Ewa region. Exciting things are happening and Kapolei is quickly becoming a new urban center for Oahu. In the next 20 years, there will be many more new jobs in the region, new homes and thousands of new residents will call Kapolei home.

The Kapolei Chamber and its members have long supported Honolulu's rail transit project. We view rail as an important component of much needed transportation infrastructure that will facilitate the growth, development and long term prosperity of the city of Kapolei.

Therefore, we respectfully request your approval of legislation that continues funding to finish the rail project, keep rail moving forward, and minimize future delays. Thank you kindly for allowing me to submit this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Polk", written over a light gray rectangular background.

Kiran Polk
Executive Director



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST
650 Iwilei Road, Suite 285 · Honolulu, HI 96817 · Phone: 808-845-3238 · Fax: 808-845-8300

**TESTIMONY OF HAWAII LECET
CLYDE T. HAYASHI - DIRECTOR**

HOUSE COMMITTEE ON TRANSPORTATION
Rep Henry J.C. Aquino, Chair
Rep. Sean Quinlan, Vice Chair

NOTICE OF HEARING

DATE: Friday, March 22, 2017
TIME: 9:30 a.m.
PLACE: State Capitol, Room 423

TESTIMONY ON SENATE BILL NO. 1183 SD2 PROPOSED, RELATING TO TAXATION

ALOHA COMMITTEE CHAIR AQUINO, COMMITTEE VICE CHAIR QUINLAN, AND COMMITTEE MEMBERS:

My name is Clyde T. Hayashi, and I am the Director of Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **SUPPORT of the INTENT** of Senate Bill No. 1183 SD2, which we believe is to complete the Honolulu Rail Project to Ala Moana Shopping Center (the full 20 miles, 21 stations and 80 cars).

We are concerned that SB1183 SD2 does not extend the Rail .5 percent GET Surcharge beyond the December 31, 2027 sunset date, so we request that the bill be amended to include extending the Rail .5 percent GET Surcharge for at least 20 years. This is the best way to ensure that the Rail Project can be completed to Ala Moana Shopping Center. Oahu residents are already set to pay the Rail .5 percent GET Surcharge until December 31, 2027. An extension of the surcharge to complete Rail means that residents will NOT pay anything more until January 1, 2028.

The Honolulu Rail Project must be completed to Ala Moana Shopping Center (the full 20 miles, 21 stations and 80 cars). It is the only major transportation project planned for Oahu to provide major traffic relief and because it is elevated, will be independent from our highway system. The rail system will take cars off the road and provide a daily commuting alternative, especially for the thousands of West and Central Oahu residents whose destinations are the airport, Downtown, Kakaako/Ala Moana, and Waikiki.

The FTA is requiring the City to provide a Recovery Plan by April 30, 2017. This plan needs to include the funding for Rail to be completed to Ala Moana Shopping Center. The only way for this can occur, given the FTA's requirements, is to extend the .05 percent Rail GET Surcharge by at least 20 years.

Failure to provide a financial plan which will complete the Rail to Ala Moana Shopping Center will likely mean that the City has breached the terms of the Full Funding Grant Agreement (FFGA) (which Mayor Carlisle signed on December 19, 2012) and the City will lose the \$1.55 billion of federal funds pledged to this project. It will mean that the City will have to repay the FTA an estimated \$700 million to \$800 million.

The completion of the Honolulu Rail Project will provide us the opportunity for building more affordable housing, especially around rail stations. With properly planned TOD, it will help us to build a modern, sustainable Honolulu.

Our thousands of members and our contractors have benefited from the many construction jobs that Rail has created and will continue to create. We also look forward to working on TOD and on the affordable housing projects the completion of Rail will bring about.

For these reasons, we **support the intent** of Senate Bill No. 1183 SD2.



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Ninth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Transportation

Testimony by
Hawaii State AFL-CIO
March 22, 2017

S.B. 1183, S.D.2 – RELATING TO TAXATION

The Hawaii State AFL-CIO supports the intent of S.B. 1183, S.D.2 which repeals the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs, sunsets if an ordinance that allows the capital costs of a rapid transportation system to be paid from county funds is not enacted before December 31, 2017 and requires the mayor of the county to submit certain plans with respect to the rapid transportation system.

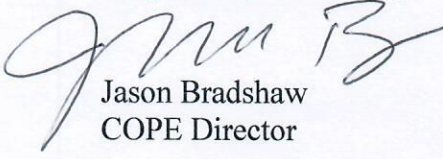
The Hawaii State AFL-CIO prefers an extension to the General Excise Tax (GET) surcharge for the Honolulu Rail Project.

Traffic on Oahu is continually getting worse. Each year, there are thousands of new vehicles on the road creating additional gridlock, increased frustration, and more time spent in a vehicle instead of at home with loved ones. Increasingly, commuters from West Oahu face the daunting reality that traveling to Honolulu or back to West Oahu can take upwards of three to four hours round-trip and on a bad day it could be considerably worse. Rail will help alleviate the daily traffic nightmare that so many commuters face and improve the quality of life for many.

Further, Oahu voters in 2008 approved the Honolulu Rail Transit Project and were promised a rail system that would be operational no later than 2020. In addition, the U.S. Department of Transportation signed a \$1.55 billion federal funding agreement to help build the 20-mile rail project. Unfortunately, lawsuits and other complications caused significant delays resulting in a number of unexpected costs. As a result, the rail project has gone over budget. Without extending or making permanent the half-percent increase to the general excise tax, the HART will not be able to complete the 20-mile planned route and Oahu taxpayers will be on the hook of paying back the federal government the \$1.55 billion they provided. In addition, a shortened rail line may not have as great of an impact reducing traffic.

Thank you for the opportunity to testify.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Bradshaw". The signature is fluid and cursive, with a large initial "J" and a stylized "B".

Jason Bradshaw
COPE Director

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Repeal 10% Skim Off County Surcharge

BILL NUMBER: SB 1183, SD-2

INTRODUCED BY: Senate Committee on ways and Means

EXECUTIVE SUMMARY: A contributing factor to the financial woes of the City and County of Honolulu is the fact that the state is siphoning 10% of all rail surcharge collections into the general fund. This diversion was supposed to represent payment to the state for the costs incurred in administering the surcharge, but the amount diverted turns is a massive amount of money, roughly \$25 million a year which is almost as much as the entire operating budget of the department of taxation. The amount is obviously far in excess of the costs involved. The Foundation has contended that a diversion of the City and County's revenue of that magnitude is unconstitutional and its lawsuit is still pending in the court system.

This bill eliminates the 10% diversion, contingent upon the repeal of a current City & County ordinance that prohibits county funds from being used to build rail. We suggest that the contingency be removed. Under the financial constraints inherent in this bill, the City & County of Honolulu would find its ordinance an intolerable constraint on its ability to finish the project, and would need to remove the ordinance itself.

SYNOPSIS: Amends HRS section 248-2.6 to repeal the provisions requiring the State to collect and keep 10% of the gross amount of county surcharge collected under HRS sections 237-8.6 and 238-2.6.

Calls for the repeal of any county ordinance that prohibits the use of county funds for the capital cost, such as City & County of Honolulu Ord. 07-001. If the ordinance is not repealed by December 31, 2017, the amendments provided by this bill will repeal on that date.

Requires any recipient of county surcharge moneys to file plans and financial reports.

EFFECTIVE DATE: July 1, 2017, but subject to possible repeal on December 31, 2017, if the above mentioned conditions are not met.

STAFF COMMENTS: This bill concerns the surcharge on Hawaii General Excise Tax (GET) and Use Tax now imposed by HRS sections 237-8.6 and 238-2.6. Most of us are aware that an extra 0.5% is added to the price of most things that we in Honolulu buy or import. What not all of us are aware of, however, is that 10% of the gross collections go straight to the State's general fund, as is apparently required by HRS section 248-2.6(a).

As stated in the report on the Committee on Public Safety, Intergovernmental, and Military Affairs:

Your Committee finds that the State Director of Finance's deduction of ten per cent of the gross proceeds of a respective county's surcharge on state tax is unfair and inequitable to the taxpayers of the respective counties. As constituted, the ten per cent deduction for the county's surcharge allows significant taxpayer dollars paid by taxpayers of a particular county to be redistributed for state projects that may provide no benefit to the county taxpayers. Moreover, repealing the State's deduction of ten per cent of the counties' surcharge on state tax will provide increased revenue to the counties to use on a variety of initiatives, including public transportation projects.

Senate Stand. Comm. Rep. No. 347 (2017) (discussing SB 938).

On October 21, 2015, the Foundation sued the State of Hawaii over the 10% skim, contending that the diverted money is a hidden State tax unwittingly paid by Oahu residents and businesses—and only by them, even though the tax goes straight to the general fund to be used for projects benefiting the entire State. The Foundation's suit is now pending in the Supreme Court of Hawaii.

The bill drafters apparently have an issue with City & County of Honolulu Ord. No. 07-001, section 3 of which states that the capital cost of rail and any interest to finance that capital cost shall be paid entirely from general excise and use tax surcharge revenues, interest earned on the revenues, and any federal, state, or private revenues. But the proposed remedy of having the bill drop dead if the ordinance is not repealed or substantially modified may cause unintended disruption. We suggest that the contingency is not necessary for two reasons.

First, as a practical matter the City & County would need to repeal or substantially amend the ordinance to have any realistic shot at completing the project.

Second, it should be remembered that the surcharge was imposed by a county ordinance, not state law, so the proceeds of the surcharge belong to the county. The State Legislature does have the power to enact laws of statewide concern, also known as “general laws,” but it is questionable whether it can dictate to one county how it can or cannot spend its own money. In addition, with respect to real property tax revenues, *State of Hawaii v. City & County of Honolulu*, 99 Haw. 508, 57 P.3d 433 (2002), indicates that the county is free to spend that money however it sees fit and the State has no business restricting its use of that money.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 11:25 AM
To: TRNtestimony
Cc: mgolojuch@hotmail.com
Subject: *Submitted testimony for SB1183 on Mar 22, 2017 09:30AM*

SB1183

Submitted on: 3/20/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	Yes

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



**Testimony to the House Committee on Transportation
Wednesday, March 22, 2017 at 9:30 A.M.
Conference Room 423, State Capitol**

RE: SENATE BILL 1183 SD2 RELATING TO TAXATION

Chair Aquino, Vice Chair Quinlan, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent of SB 1183 SD2**, which repeals the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs; sunsets if an ordinance that allows the capital costs of a rapid transportation system to be paid from county funds is not enacted before December 31, 2017; requires the mayor of the county to submit certain plans with respect to the rapid transportation system.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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.

The Chamber has always supported rail and, this session, supports a limited extension of the county surcharge on the excise tax for rail. However, we do not have a position on the length of the extension, other than to have enough funding to see the completion of the project as set forth in the Full Funding Grant Agreement between the City & County of Honolulu and the Federal Transit Administration, and to see the completion of rail at the least to Ala Moana. We do not support an extension in perpetuity. We also do not take any position on other issues in the bill.

The decision is a challenging one and concerns about the financial situation are valid. We agree that the stakeholders should be held more accountable and held to higher standards as we see the price of rail escalate. We also see opportunities for more collaboration and partnerships.

With that said, this transportation solution is in line with one of the Chamber's primary missions: to improve the quality of life for the people of Hawaii, while supporting initiatives that are the catalyst for business growth opportunities. It will create livable and connectable communities, improve the well-being of individuals and families, provide opportunities for entrepreneurs and small businesses, and increase the inventory of housing among many other reasons.



Chamber *of* Commerce HAWAII

The Voice of Business

By looking at the big picture and long-term benefits of this project, we believe that rail will be a positive step for Hawaii and an investment that should be made. This is about planning for the future and not for the past or the present.

Thank you for the opportunity to testify.

Testimony of
Christopher Delaunay, Government Relations Manager
Pacific Resource Partnership

HOUSE OF REPRESENTATIVES
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON TRANSPORTATION
Representative Henry J.C. Aquino, Chair
Representative Sean Quinlan, Vice Chair

NOTICE OF HEARING

DATE: Monday, March 22, 2017
TIME: 9:30 a.m.
PLACE: Conference Room 423
State Capitol

Aloha Chair Aquino, Vice Chair Quinlan, and Members of the Committee:

We **support the intent** of Senate Bill 1183, SD2 Relating to Taxation.

We respectfully urge the members of the Hawaii State Legislature to lift the county surcharge sunset date to complete the Minimal Operating Segment of 20 miles with 21 stations. This project will create thousands of jobs in construction, engineering, and professional services. In addition, thousands of other indirect jobs will be created by the businesses that provide goods and services to the project. The direct investment of federal and local funds will boost the economy and increase demand for goods and services at local businesses, while increasing tax revenues for the City and State. Transit oriented development around all 21- rail stations will sustain the demand for jobs in a variety of industries for many years into the future.

For the reasons mentioned above, we respectfully request your support on moving Senate Bill 1183, SD2 forward for further discussion. Thank you for allowing us to voice our opinion on this matter.



(Continued From Page 1)

About PRP

Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.

The Twenty-Ninth Legislature
Regular Session of 2017

HOUSE OF REPRESENTATIVES
Committee on Transportation

Representative Henry Aquino, Chair

Representative Sean Quinlan, Vice Chair

State Capitol, Conference Room 423

Wednesday, March 22, 2017; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 1183 SD 2
RELATING TO TAXATION**

The ILWU Local 142 supports the intent of S.B. 1183 SD 2, to the extent that it can serve as a “vehicle” to address the Rail Project and the financial shortfall that currently exists. Initially, part of the language of S.B. 1183 would have extended the .5% GET surcharge. This was one way of handling the financial short fall, and the ILWU supported the bill for that reason. It appears that although S.B. 1183 SD 2 contains different language, it could still serve as a “vehicle” for serving that function.

The rail project on Oahu, is the single largest capital improvement project in the State’s history. Given the challenges currently facing the project, especially the financial shortfall, this bill provides the potential to address these concerns. Given the financial resources and time already invested, and the fact that it is substantially completed, establishes strong justification to complete the effort.

It would not make sense to essentially “pull the plug” on the Rail Project. Polling of the Oahu residents has made this clear. Therefore, the continuation of this discussion, and resolution of these challenges are critical. Time is of the essence, and this factor becomes more urgent as we approach the final deadlines for this legislative session.

The ILWU Local 142 urges the passage of S.B. 1183 SD 2, with additional language to address the concerns raised in our testimony. Thank you for the opportunity to share our views on this important matter.

SB1183 SD2

Testimony by John Bond, FTA HART Rail PA Consulting Party

RELATING TO (RAIL) TAXATION

Repeals the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs. Sunsets if an ordinance that allows the capital costs of a rapid transportation system to be paid from county funds is not enacted before December 31, 2017. Requires the mayor of the county to submit certain plans with respect to the rapid transportation system. (SD2)

Aloha Chair Aquino and

COMMITTEE ON TRANSPORTATION committee members

Rep. Henry J.C. Aquino, Chair

Rep. Sean Quinlan, Vice Chair

Thank you for the opportunity to provide some comments illustrated with slide points and photos. Some of the Powerpoint slides in this testimony were presentations done by Tony Seba, teacher, author, entrepreneur and widely regarded technology futurist. It is vitally important that his well-researched and proven projections are read and understood by State of Hawaii government and Legislature for any votes taken on Energy and Transportation issues.

Every premise about HART Rail ridership, stations and Transit Oriented Development needs to be completely reanalyzed in light of this major revolution. And like it or not, this is THE major coming transit phenomenon of our lifetimes.

No other city or country in the world is building \$500 million dollar a mile elevated railway based upon 19th century technology. China, Singapore, India, Asian nations are all leaping ahead into the future as Hawaii continues to insanely throw money into a debt pit boondoggle and financial fiasco of epic proportions.

Published on YouTube April 4, 2016

Clean Disruption - Why Energy & Transportation will be Transformed by 2030

<https://www.youtube.com/watch?v=Kxryv2XrnqM> – 53 minutes

Tony Seba's Clean Disruption Keynote presentation at the Swedbank Nordic Energy Summit in Oslo, Norway, March 17th, 2016.

This keynote is based on '*Clean Disruption of Energy and Transportation*' a book which asserts that four technology categories will disrupt energy and transportation by:

- 1- Batteries / Energy Storage
- 2- Electric Vehicles
- 3- Self-Driving Vehicles
- 4- Solar Energy

The outcome of the Clean Disruption is that by 2030

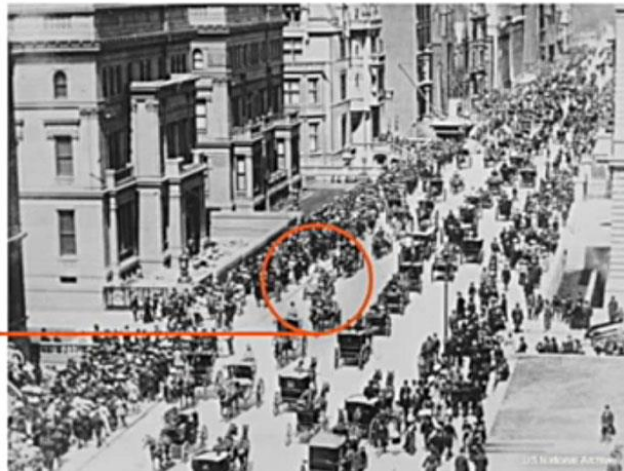
- All new vehicles will be electric.
- All new vehicles will be autonomous (self-driving).
 - Oil will be obsolete.
 - Coal, natural gas and nuclear will be obsolete.
 - 80+ per cent of parking spaces will be obsolete.
 - Individual car ownership will be obsolete.
- All new energy will be provided by solar (and wind)

Clean Disruption is a technology disruption. Just like digital cameras disrupted film and the web disrupted publishing, Clean Disruption is inevitable and it will be swift. It is coming very soon to the streets and highways of Oahu challenging every assumption about transportation, rail ridership, fees, taxes and services.



Summary: On the Cusp of major Disruptions in Energy and Transportation

2016
We are
here



Copyright © 2016 Tony Seba

WE ARE HERE – Tony Seba makes the point that when this photo was taken in New York City there was only ONE CAR to be found among horse drawn carriages.

17 Years later only a single horse could be found in a similar photo of the same street full of “horseless” carriages. This was a massive Transportation Disruption.

HAWAII and the WORLD is on the verge of another Transportation Disruption.

Self-driving electric vehicles will be the "private industry capital" needed for Hawaii public transit innovation that is favored by the Trump DOT administration and the previous Obama DOT administration. A lot of the smart capital investment money is going into it. This is a transportation and energy “disruption” supported by major investors, software and automotive companies.

HAWAII will be TOTALLY STUPID to remain out of this TRANSIT REVOLUTION!

2016 - Clean Disruption of Energy & Transportation

- ▶ The technologies, skills, and organizations of the industrial revolution have run out of steam
- ▶ They are being replaced by the technologies, skills, and organizations of the **information technology revolution**
 1. Energy Storage
 2. Electric Vehicles
 3. Self-Driving Cars
 4. Solar PV
- ▶ We will see **more changes** in energy & transportation over the **next 5-10 years** than we have seen in a century - since the invention of the **gasoline/diesel ICE vehicle** and the **central generation electric utility**



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CLEAN DISRUPTION OF ENERGY & TRANSPORTATION

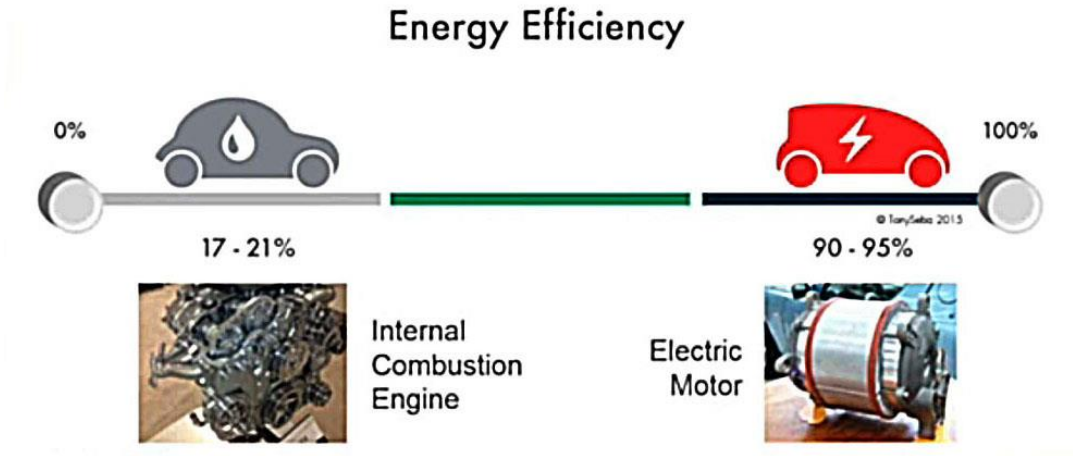
- 1 Energy Storage
- 2 Electric Vehicles
- 3 Self-driving Cars
- 4 Solar



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Driverless Electric Vehicles (EV) will revolutionize all concepts of Public Transit and Transit Oriented Development in Hawaii. This is a trend that by 2020 – less than 3 years away, will change everything about how people will go to places in Hawaii. In 5 years this will be as ubiquitous as cell phones today. Mass media, social media, TV, movies will all help drive its popularity and acceptance.

1. Electric Motor - 5X more Energy Efficient



3. EVs: 100X fewer Moving Parts

ICE (Gas) Vehicle
2,000+ moving parts (1)

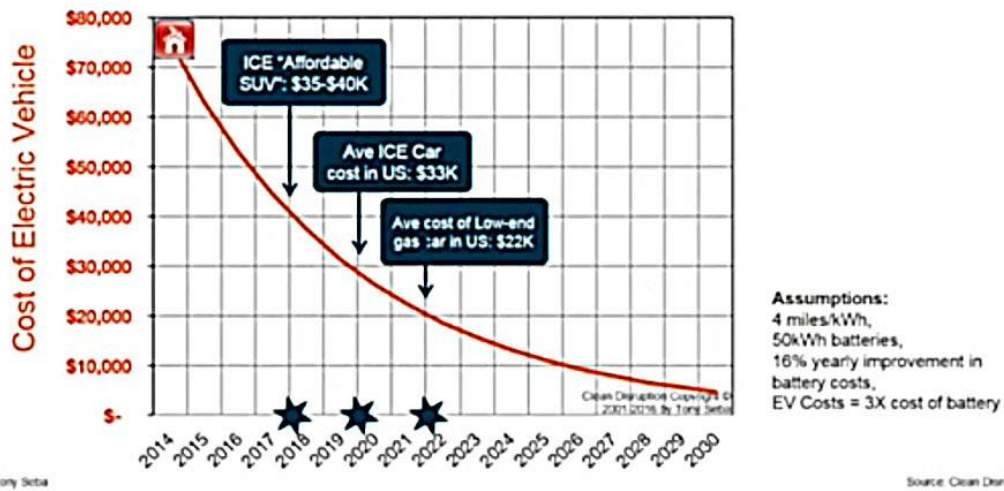
Electric Vehicle (EV)
18 moving parts (1)

Transmission, driveshaft, clutch, valves, differentials, pistons, gears, carburetors, crankshafts...



- EVs **10X-100X** cheaper to maintain!
- Tesla: **Infinite Mile Warranty!** (2)

Disruption from Above: Cost of EV with 200-mile (320 Km) range



OAHU Is Pouring Money Into Concrete Rail Pylons Instead Of Good Future Job Opportunities And Low Cost Transportation!

The rapidly growing self-driving vehicle industry covers everything from road testing to software development, electronics, styling design, automotive servicing, mechanics, and offers major entrepreneurial business and job creation opportunities. *And like it or not, this is THE major coming transit phenomenon.*

2. EVs are 10X cheaper to charge/fuel

- It costs **\$15,000** to fill up a (gas) Jeep Liberty over **five years** (Consumer Reports)
- An **Electric** Jeep Liberty would cost **\$1,565** in electricity
- Improvements in power electronics will **increase 10X**

Assumptions:
12,000 miles/year
Tesla Roadster: 4.6 miles per kWh.
Ave retail electricity in the U.S.: 12 ¢/kWh
5 year-cost = (60,000 miles * 0.12 \$/kWh) / 4.6 miles/kWh = \$1,565.

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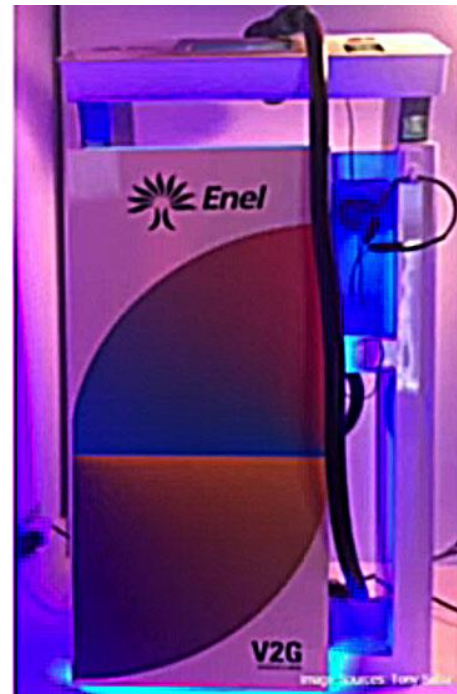


Sources: Consumer Reports, DOE, Clean

EVs Generating \$ Providing Services to Grid

- ▶ With Vehicle-to-grid (V2G) technology, an **Electric Vehicle** (Nissan Leaf) can power a house or a small apartment building for a day or two.
- ▶ EVs can also provide the grid with ancillary services that can **generate revenue for the EV owner**.
- ▶ At COP21 Paris, Nissan showed V3G product that ENEL will roll out in 1Q 2016
- ▶ **EVs = Power Plants on Wheels**

Copyright © 2016 Tony Sebba



Electric Vehicles will be Computers and Power Plants on wheels. EV's can be charged with home PV systems and in Hawaii disaster emergencies the EV's will power homes.

It's usually the 'experts' and 'insiders' who dismiss Disruptive Opportunities

"The Internet will catastrophically collapse in 1996."

Robert Metcalfe, 1995

"There is no reason anyone would want a computer in their home."

Ken Olson, 1977

"I do not believe the introduction of motor-cars will ever affect the riding of horses."

Scott-Montague, 1903

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- At best, **95% of highway surface is not being used at a given time.**⁽¹⁾
- Cars equipped with Adaptive Cruise Control (ACC) can **improve highway capacity by ~40%.**
- Using ACC and inter-vehicle communications can **boost highway capacity by 273%.**⁽²⁾



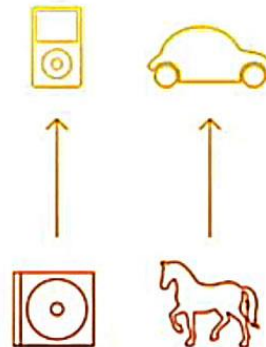
Image: Tony Seba

✓ **Autonomous vehicles could increase highway capacity by > 3.7 times.**

What is a Disruption?

WHEN A NEW PRODUCT OR SERVICE HELPS
create a new market

AND
significantly weaken,
transform, or
destroy an existing product,
market category / industry



Driverless electric vehicles will be the best answer for revenue generation for State highway improvements. They can create virtual hot lanes, capacity increasing vehicle convoys, make automatic electronic toll payments, move far more people in total comfort with much better traffic flow and with much fewer highway accidents. Their insurance rates will be lower, more free lane space will be created on H-1, need for huge parking lots will be eliminated – every premise of rail ridership estimates and Transit Oriented Development schemes will need to be revised.

'Expert' Disruption Forecasts

In the mid-1980s AT&T hired McKinsey & Co to forecast cell phone adoption by the year 2000

THEIR (15-YEAR) PREDICTION

900,000

SUBSCRIBERS

THE ACTUAL NUMBER WAS

109 million

They were off
by a factor of:

**120
X**



Most major self-driving vehicle developers see 2020 as the new decade year when the combination of many technologies become mainstream with widespread deployment and public acceptance. Smart phone applications, social media and popular movie, TV and internet media fueled by major advertising budgets will all help drive it forward very quickly as the technology is rolled out everywhere. *Hawaii doesn't have to be the last place this happens.*

PC / Internet / Mobile Phone industries: Convergence of Exponential Technologies

- ▶ **Technologies improving at exponential rates**
- ▶ **Data Storage** – Kryder's Law
 - ▶ Hard Disk \$ cost per bit down **50% every 18 months**
- ▶ **Digital Imaging** – Hendy's Law
 - ▶ Pixels per \$ - **59% / year**
- ▶ **Network Capacity** – Butter's Law of Photonics
 - ▶ The \$ cost of transmitting a bit decreases by **50% every 9 months**

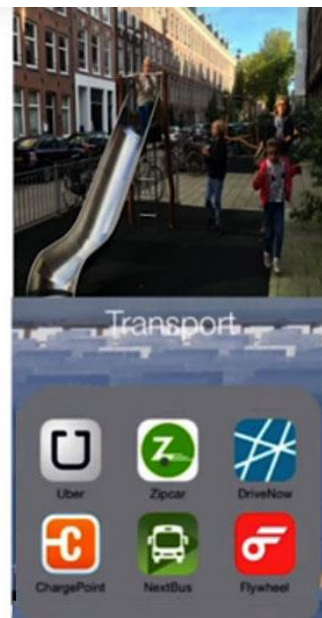


3 The Autonomous Vehicle Disruption



Most major self-driving vehicle developers see 2020 as the new decade year when the combination of many technologies become mainstream with widespread deployment and public acceptance. Smart phone applications, social media and popular movie, TV and internet media fueled by major advertising budgets will all help drive it forward very quickly as the technology is rolled out everywhere. Currently HART uses extremely old outdated data to push along their extremely old outdated 19th Century train scheme requiring huge maintenance.

- **Mobility on Demand / Car-as-a-service:**
 - Cars, Buses, Vans available **on-demand anytime anywhere** to take you anywhere.
 - Cars go from **parking ~90+%** of time to **driving ~90+%** of time.
 - Cost / mile **~10X cheaper** than car ownership
- We'll need **~80% fewer cars**
 - **80+% fewer parking spots**



Autonomous Vehicles = Computer on Wheels

WHAT IS THE
**Cost Curve
of Computing
Power**
TO PROCESS SENSOR
INPUT?



Copyright © 2016 Tony Beta

Image © Copyright Tony Beta

EV- Electric “Computer On Wheels” vehicles are projected to rapidly drop in price – as the entire business model of Silicon Valley has shown. Computing power that once filled an office floor costing \$50 Million can now be purchased for \$50! This is a MAJOR DISRUPTION!

Exponential Technologies: GPU: NVIDIA Drive™ PX

Dual Tegra® X1 GPU Processor
2.3 TeraFlops

Power Consumption = 15 W

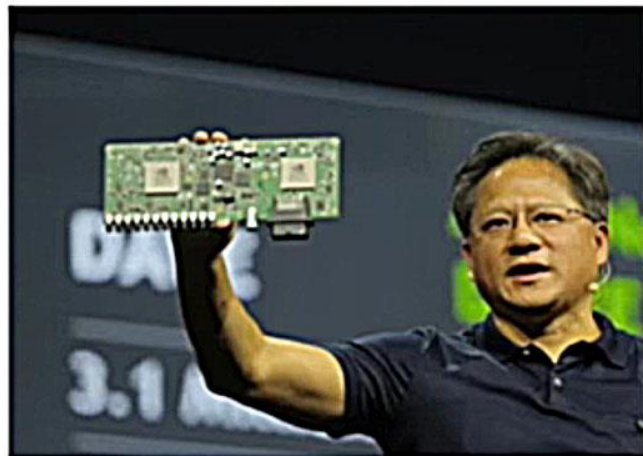
56,666X improvement

Cost = \$59

~1 million improvement

Built for Self-Driving Cars

- Surround Computer Vision (CV) with Advanced Rendering
- Deep Learning S/W
- Over-the-air updates



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Image and Data Sources: NVIDIA

Are consumers ready for autonomous cars?

Consumers Desire More Automated Automobiles

Consumers Trust Driverless Cars



57%

of consumers, globally, trust driverless cars—even more so in emerging markets



While other states have permitted testing, California has just taken a major step forward for the self-driving vehicle industry. Given California's size as the most populous state, its clout as the nation's biggest car market and longtime role as a cultural trendsetter this will most certainly will affect Hawaii in the near future. The State Legislature should examine the process California underwent to move self-driving vehicles forward. The Governor should act immediately along with the State Legislature to bring the major self-driving vehicle developers like Google and Apple over to Hawaii to brief the University and State legislature on the many possible job opportunities and benefits. Smart vehicle testing and product development in Hawaii would be a real high tech boom, with grants and jobs for college students and researchers.

FORD TO INVEST \$4.5B IN ELECTRIC CARS

"CEO Fields said Ford will invest \$4.5 billion to develop 13 EVs by 2020."

The company will enter the **carsharing** market and become a 'mobility service provider', a market worth **\$5+ trillion**.

"We [now] get zero of that market." ⁽¹⁾



FOXCONN TO MAKE EV FOR \$15,000

"Foxconn, the maker of the Apple iPhone to invest \$811m to develop Electric Cars."

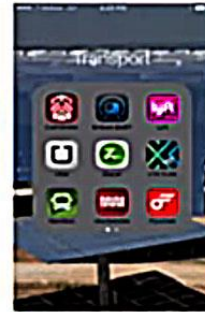
"Foxconn CEO Terry Gou said they are targeting EVs priced at less than **\$15,000.**" ⁽¹⁾



My Smartphone: On-demand Car-as-a-Service

Plan & schedule All transportation needs with Apps

1. Buses: Muni, NextBus
2. **Car-Sharing: Zipcar**
3. **Ride-Sharing: Uber, Lyft**
4. On-Demand Bus: VTAFlex
5. Taxis: FlyWheel



Asset Utilization



1. **By 2030 Car-as-a-service** will make Individual Car Ownership Obsolete
2. **All New Cars will be Electric and Self-Driving**
3. **New Car Market** to shrink by **~80%**.
 - Disruption of Auto industry
4. **~80%-90% parking space** obsolete
 - Citiscape to be **re-designed**



SELF-DRIVING + CAR SHARING:

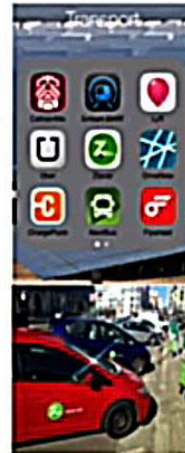
**Convergence of
Technology &
Business Model
Innovation**





Car-as-a-Service: The End of Car Ownership

- Mobility on Demand / Car-as-a-service:
 - **Self-Driving Cars** tech with
 - **Car/Ride Sharing** biz model
- Cars go from **parking ~90+% of time** to **driving ~90+% of time.**
- **Cost / mile ~10X cheaper** than car ownership
- We'll need **~80% fewer cars**
 - 80+% fewer parking spots ⁽¹⁾



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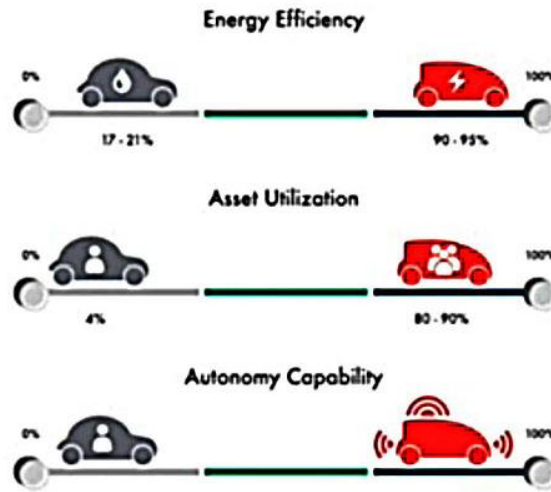
Source: (1) Clean Disruption

Driverless electric vehicles are tapping into the already built and growing phenomena of many cheaper technologies, including fashion trends, in ways that most people have not yet imagined what the revolutionary implications are!

THE FUTURE IS NOT 19th CENTURY RAIL

This Major Transportation Disruption will be POPULAR and driven by SOCIAL MEDIA! It cannot be stopped – Oahu Rail will be nothing but a heavy concrete Boat Anchor regressively sucking money away from lower income, elderly, handicapped, students – it could be projected that the people forcing rail down everyone's throat will be widely despised when everyone realizes how badly they have been cheated out of a better, lower cost transit future.

3D – CLEAN DISRUPTION OF TRANSFORMATION



Will the Next Generation want to ride in slow, smelly rail cattle cars or ride with these guys?



John Bond
Ewa, Oahu ewabond@gmail.com

<http://tonyseba.com/biography/>

On Driverless Car Disruption – 17 minutes

<https://www.youtube.com/watch?v=xg03UUYKG1s>

The Electric Vehicle Disruption - End Of Oil by 2030 - 11 Min version

https://www.youtube.com/watch?v=E7Jg1IJ68_g



<https://waymo.com/>

<http://www.mobileye.com/en-us/>

<http://www.nme.com/news/knight-rider-reboot-1780812>

Driverless vehicles can form virtual On Demand Hot Lane Toll Lanes and transmit fees electronically. No toll booths needed.

Operating cost of 6-10 passenger self-driving VanPool vehicles will be very competitive and can safely tailgate at 60 MPH like virtual railway train cars but with much greater capacity and comfort.

Driverless Vehicles will provide transportation services all day and all night, without needing to park on the street or in a garage. Insurance rates will be the lowest for driverless vehicles because they will have the lowest accident rates.

VOLCANIC ASH



DAVID
SHAPIRO

Mayor's plan brings rail to new level of insanity

Mayor Kirk Caldwell and City Council Chairman Ron Menor think Oahu taxpayers are so rich we can pay not only for a \$10 billion rail system that's \$5 billion over budget and climbing, but also for road projects on the neighbor islands.

The two offered leery law-

makers a ludicrous bribe if they bail out the city from its rail deficit by extending the Oahu's half-percent rail excise tax surcharge.

They invited the state to increase its controversial 10 percent skim of the tax to 20 percent or 25 percent, which could boost the state's annual rake from nearly \$25 million to more than \$60 million.

Most preposterously, Caldwell suggested these funds raised solely from Oahu taxpayers be used for projects such as a highway widening on the Big Island and a bypass road on Kauai.

Adding a 25 percent political premium to a grossly expensive project that's already wildly over budget would move Oahu rail past train-wreck status to bats-in-the-belfry crazy.

The scheme comes the same week a University of Hawaii study called the state's skim exorbitant and said it should be cut to 1 percent or less.

Caldwell has been mired in rail's dysfunction since 2008, when he was former Mayor Mufi Hannemann's self-described "primary point person" on the project.

He's lost any conscience about the burden he'll put on his constituents to avoid needed cost-cutting adjustments as he and his cohorts continue to bungle rail.

It's easy to give away taxpayers' money when you've got it made with a \$165,000 mayoral salary and a \$200,000-to-\$300,000 side job at the bank.

But the excise tax he's so eager to spread around must also be paid by a homeless mother buying milk for her kids or a hardworking laborer who will never be able to afford one of the luxury condos along the rail route.

Caldwell himself complained in 2011 that the state's skim, intended only to cover the cost of collecting the rail tax for the city, yielded enough to pay for the entire operation of the

state tax department.

Gov. David Ige says he's depending on the state's rail-tax share to cover an \$80 million upgrade to the tax department's computer system.

Why should Oahu taxpayers alone bear the cost of the tax department or a computer system that serves the whole state?

Charging one county's residents a higher tax to fund projects in other counties is unprecedented and possibly unconstitutional.

If rail-tax revenues are to be spent statewide, the tax should be levied statewide. (Hear neighbor islanders scream about having to help pay for Oahu rail.)

Let's hope Oahu legislators, a sizable majority, have more scruples than our mayor and Council in protecting their constituents and will scuttle this shabby ploy.

Reach David Shapiro at volcanicash@gmail.com.

Quieter electric self-driving vehicles can be charged using solar voltaic panels and will not require the enormous electric bill, traction power and power plant stations required by the current HART rail. This new public transit industry will be self-funded by private enterprise.

Hawaii's government Social Services would likely make it affordable for low income by providing electronic ride share cards subsidizing trips for students, elderly, handicapped, medical appointments and as an unemployed benefit.

Driverless Vehicles will report in for periodic servicing automatically at the most optimal coordinated times, significantly lowering operations cost. Their safety checks and registrations will always be current. Tolls and fees paid automatically.



Goldman Sachs has projected the market for advanced driver assistance systems and autonomous vehicles will grow from about \$3 billion in 2015 to \$96 billion in 2025 and \$290 billion in 2035. Intel just recently paid \$15 billion to purchase Mobileye, a world leader in vehicle collision avoidance technology.

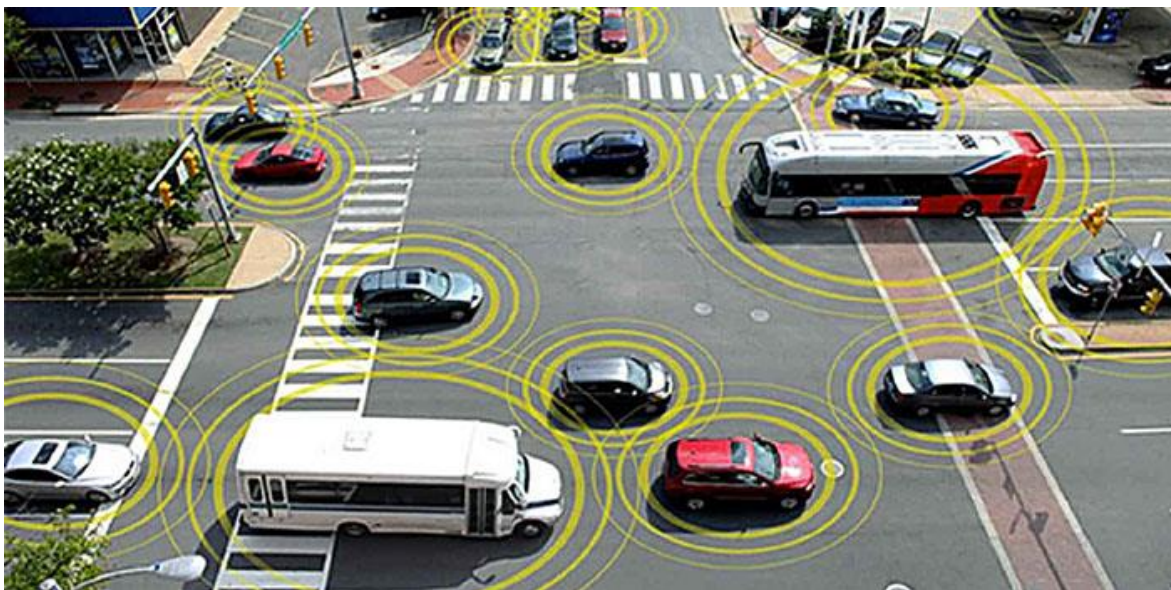


<http://reneweconomy.com.au/fossil-fuels-utilities-petrol-cars-to-be-obsolete-by-2030-2030/> Tony Seba says energy and transportation disruption is quickly moving towards a participatory energy model, that will also use a distributed architecture of energy production and usage made possible by software, sensors, artificial intelligence, robotics, smartphones, mobile Internet, big data, analytics, satellites, nanotechnology, electricity storage, materials science, and other exponentially improving technologies.

<http://www.nationmultimedia.com/news/business/corporate/30286009> EVs will hit the low-end automobile segments by 2020 when their prices drop to \$20,000 (Bt700,000) and will put an end to internal combustion engine cars when EV prices fall to \$5,000 in 2030, he predicted. Tesla recently introduced its Model 3 at an unsubsidised retail price tag of \$35,000. Within 24 hours, it received 180,000 bookings – a record for the car industry.

Google Waymo Lidar https://storage.googleapis.com/sdc-prod/v1/press/Waymo_Lidar_Fact_Sheet.pdf

Intel's \$15 billion purchase of Mobileye shakes up driverless car sector
<http://www.cnbc.com/2017/03/14/intels-15-billion-purchase-of-mobileye-shakes-up-driverless-car-sector.html>



Driverless Vehicles will help eliminate the need to own a second or multiple family cars. Traditional family cars will likely remain for a decade in garages as the public accepts the reliability and lower cost features of driverless on demand transit services for daily job commuting.

There will be a wide range of specialized driverless vehicle services created or enhanced including overnight package delivery, emergency medical response, food market deliveries, etc. People not requiring driver licenses or car insurance can accompany driverless vehicles for personalized service at the destination.

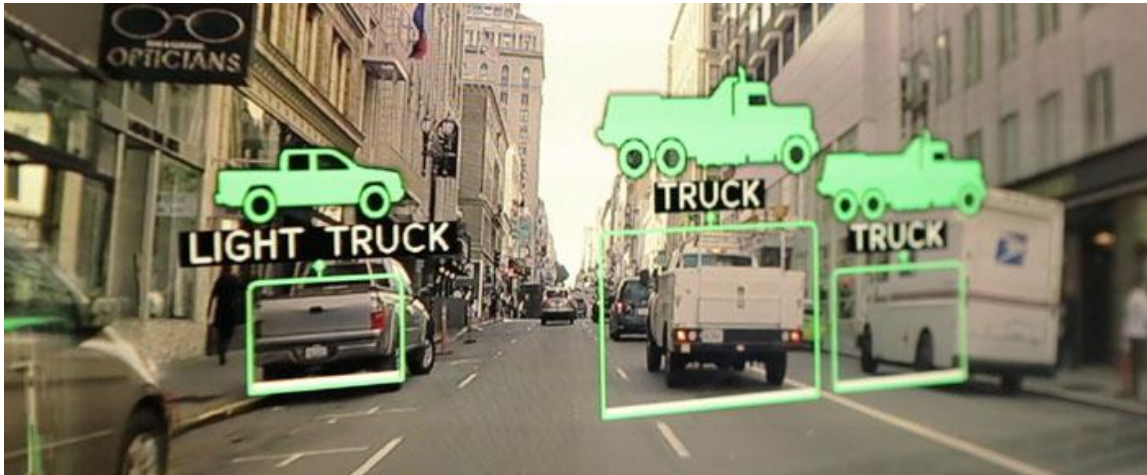
The introduction of self-driving cars will lessen consumer opposition to paying more to use roads during peak periods. Ride-hailing apps have taught consumers to accept surge pricing, and people are generally less resistant to paying for something new if it is comfortable and convenient. It's like ordering a pizza. H-1 congestion pricing, toll fees, virtual hot lanes will be built in to self-driving transit.

Commuters will get to work and get home much earlier than the bus, rail, station, bus re-boarding mess created by HART rail. Much greater inconvenience, much longer daily commute times, mostly standing up in HART rail subway style "cattle cars" sometimes with very undesirable, strange, smelly people, professional thief opportunities, railway and station accidents delaying trains will make HART rail very unpopular. TV, movies and social media will promote the great comfort of self-driving options over the hugely more expensive rail fiasco.



Larger Hawaii corporations will likely offer self-driving vehicle services to their employees as a very popular employment benefit. Daily home to office commutes will be extremely popular and a time to sleep, read or talk with coworkers.

Hawaii military DoD will likely contract self-driving vehicle services for active duty military and base workers. This will become a booming private industry with or without a DoD subsidy.



Those private industry Smart Car/Van operators will find the right mix of customers just as clothing stores and restaurants determine exactly the style and tastes their customers want and are willing to pay for. This is why the private industry "On Demand Transit" model will be superior in every way - including safety checked vehicles with low insurance rates automatically paying highway toll fees and taxes to the State.

TV's Knight Rider's concepts of AI and autonomous vehicles were science-fiction in the 1980s and are now a science fact. Popular internet, social media, movies, TV will drive the self-driving vehicle phenomena forward backed by ad budgets.

<http://www.businessinsider.com/companies-making-driverless-cars-by-2020-2016-10>

Google has never given a formal deadline, but has suggested it's working on having the technology ready by 2020.

Toyota is looking to have a driverless car ready to go by 2020.

Volvo is aiming to make its cars "deathproof" by 2020

Nissan and Honda are committed to have a commercially viable autonomous car on the roads by 2020.

Daimler, the maker of the Mercedes-Benz, is aiming to have its driverless trucks ready by 2020.

PSA Groupe, the second largest car manufacturer in Europe, is aiming to have fully driverless cars ready by 2020.

VOLCANIC ASH



DAVID SHAPIRO

City needs to prove rail's worth before funding flows

Mayor Kirk Caldwell is begging the Legislature for another excise tax bailout for Oahu's runaway rail project, claiming, "This project is just too important to let it die (or) let it stop at Middle Street."

Lawmakers should make him prove it before dumping more money into this end-

less fiasco.

The last cost-benefit analysis on rail was back when the projected cost was \$4.5 billion — \$3 billion from a local excise tax surcharge and \$1.5 billion from federal funds.

Expected benefits in terms of ridership and traffic relief are unchanged; if anything, critics contend those numbers are as over-optimistic as original financial projections.

Costs have changed massively. The \$4.5 billion is now \$10 billion and climbing. The local share is up from \$3 billion to \$8.5 billion.

Caldwell won't say what he thinks rail will ultimately cost. Rather than nail it down, he wants legislators to write a blank check for future overruns by permanently extending the half-cent excise tax that was supposed to last only 15 years.

The near-tripling of local costs with no increase in benefits cries for a fresh

cost-benefit study to assess if it's still worth pushing rail to Ala Moana, or if it makes sense to trim back and pursue cheaper traffic-relief measures.

Caldwell is pressuring the Legislature with a federal threat to withhold its funding unless local money covers the deficit by April.

But with the new regime in Washington, who knows if our funding will be released no matter what we do? And it makes no sense to let the feds, whose share is now 15 percent and shrinking, call 100 percent of the shots.

Out-of-control rail is devouring funds sorely needed for other state and city priorities.

In addition to the forever excise tax surcharge, the city is plotting a \$65 million increase in gas taxes and parking fees, which usually fund road maintenance, to pay for rail. Higher property taxes and garbage fees for rail are also on the table.

The Legislature, which already scoops 10 percent of

the rail excise tax, is threatening to take even more, meaning strapped Oahu taxpayers must not only pay for rail overruns, but also pay more for state services than neighbor islanders.

Our tax base is only so deep, and if every available penny is sucked out for rail, where do we get money for roads, schools, hospitals, decaying infrastructure, affordable housing, and pension debt?

The Legislature should pause further rail bailouts until the city produces a credible bottom-line cost for finishing to Ala Moana and an honest new cost-benefit analysis to prove it's worth it.

Meantime, the city can use existing funds to get rail to Middle Street, feed it into the bus system and provide commuters a measure of relief.

Reach David Shapiro at volcanicash@gmail.com.



LIUNA!

TESTIMONY OF HAWAII LABORERS UNION LOCAL 368 PETER GANABAN – BUSINESS MANAGER

PETER A. GANABAN
*Business Manager/
Secretary-Treasurer*

ALFONSO OLIVER
President

JOBY NORTH II
Vice President

TONI FIGUEROA
Recording Secretary

JAMES DRUMGOLD JR.
Executive Board

ORLANDO PAESTE
Executive Board

JOSEPH YAW
Executive Board

ROBERT DICION
Auditor

RUSSELL NAPIHA'A
Auditor

MARK TRAVALINO
Auditor

ALFRED HUFANA JR.
Sergeant-At-Arms

HOUSE COMMITTEE ON TRANSPORTATION
Representative Henry J.C. Aquino, Chair
Representative Sean Quinlan, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 22, 2017

TIME: 9:30 A.M.

PLACE: State Capitol, Conference Room 225

TESTIMONY ON SENATE BILL 1183 SD2 RELATING TO TAXATION

Aloha Committee Chair Aquino, Vice Chair Quinlan and Committee Members:

My name is Peter Ganaban, Business Manager of the Hawaii Laborers Union, Local 368. The Hawaii Laborers Union, Local 368 is made up of more than 5000 men and women both working and retired across the State of Hawaii.

The Hawaii Laborers Union, Local 368 **SUPPORTS THE INTENT** of SB1183 SD2 that seeks to repeal the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs.

While the repeal of the 10% skim would amount to the State giving up \$30 million annually, it will not be enough to fund the rail to completion (the full 20 miles to Ala Moana, 21 stations, and 80 cars). We feel that the only way to fully fund the Rail Project to completion is to extend the .5 percent surcharge for 20-25 years.

The Honolulu Rail Project, while ultimately providing a much needed transportation alternative for our residents, means much more to the State than just that. In September of 2016, UHERO forecasted that Hawaii's construction industry would peak, and growth would slow beginning in 2017.

While no one knows how severely construction activity will slow in the future, one thing holds true, the Honolulu Rail Project has a "cushioning" effect on the decline in construction activity by keeping thousands of our members and other tradesmen employed and working on this project. Even after the actual completion of the Rail Project itself, Rail will continue to keep our members and other tradesmen working on planned Transit Oriented Development projects decades after the rail line is completed.

LIUNA Local 368
1617 Palama Street
Honolulu, HI 96817
Phone: (808) 841-5877
Fax: (808) 847-7829
www.local368.org

Feel the Power

Therefore, while we **support the intent** of SB 1183 SD2, we feel that the only way to fully fund the Rail Project to completion, and to keep our members and other tradesmen working in the face of a decline in construction activity, is to extend the .5 percent surcharge for 20-25 years.

Thank you for the opportunity to testify.

Head

CHINATOWN MERCHANTS ASSOCIATION

Fax 808 593-8277

975 Kapiolani Blvd., 2nd Floor
Honolulu, Hawaii 96814

Bus 808 593-9776

A 501(c)(3) Non Profit Organization
Contribution and Donations are welcomed

FEIN: 99-0349550

Chinatown Merchants
Hawaii Dragon Boat Festival & Races
Chinatown Light Market

Night In Chinatown Festival & Parade
Aloha Chinese Concepts
D.B. Productions, Inc.

March 20, 2017

Sent via email: repaquino@Capital.Hawaii.gov
repquinlan@Capital.Hawaii.gov

TO: HONORABLE HENRY J.C. AQUINO, Chairperson of Transportation
HONORABLE SEAN QUINLAN, Vice-Chairperson of Transportation

FR: Gifford Chang , President , Chinatown Merchants Association

RE: Support for SB 1183, Relating to Transportation

Wednesday, March 22, 2017

Time: 9:30 AM

Location: State Capitol, Conference Room 211

Dear Chair, Vice Chair and Members of the committee:

I wanted to appear in person to orally testify on this matter, but have a conflicting hearing regarding Chinatown matters with the City and County of Honolulu.

Thank you for allowing me to submit written testimony in support of SB1183. As you are well aware the Senate version replaced the provision of extending the GE tax in order to complete the project. They put into the bill the giving back of the 10% for the remainder of the grant period which would amount to a total of \$300 million when the current bill sunsets. The

=====
Night In Chinatown
Hawaii Dragon Boat Festival
General email address

Web Site: www.nightinchinatown.com
Web Site: www.dragonboathawaii.com
<hawaiiichinatown@yahoo.com>

House Bill 349 is the bill that died and our organization is requesting your committee to restore the language in the House Bill to complete the 20 mile 21 station project which is commonly known and referred to as Plan A. Our Oahu County needs to have sufficient funds in order to do that.

As you know, our County tried its best to have the GE tax extended in perpetuity but this may not or will not happen. Should the GE tax have been extended in perpetuity, the completion and operation of the rail project would be back on track.

However, it is extremely important that we stick to plan A because if we do not, the Trump administration (FTA) will require HART to come up with a new EIS report that would increase project costs due to delays, and jeopardized our New starts funding. It is our understanding that the \$1.5 billion of which the Oahu County received and expended approximately \$750 million will remain intact if we build the project based on the Full funding grant agreement ("Plan A").

Our specific organization, including other cross collateral membership of other ethnic and cultural organization members are in full support for the completion of the entire 20 mile and 21 rail stations as planned and submitted to the US Department of Transportation.

We look forward to the anticipated benefits of having an integrated multimodal system that would effectively and efficiently transport our residents and visiting guests to their respective daily destinations.

We look forward to the economic benefits that Transit Oriented Development will provide in each respective community. TOD will vitalize and improve the quality of life of the residents of Oahu as well as enhance businesses resulting in additional tax revenue for the State of Hawaii (tax multiplier effect).

We have waited a long time for this project and request that you pass legislation that will grant the rail project to be completed.

=====
Night In Chinatown
Hawaii Dragon Boat Festival
General email address

Web Site: www.nightinchinatown.com
Web Site: www.dragonboathawaii.com
<hawaiiichinatown@yahoo.com>

Thank you for allowing me the opportunity to submit this testimony on behalf of our organization, its contributing members, and its cross collateral membership of other ethnic and cultural organizations in Chinatown community and societies.

=====
Night In Chinatown

Hawaii Dragon Boat Festival

General email address

Web Site: www.nightinchinatown.com

Web Site: www.dragonboathawaii.com

<hawaiiichinatown@yahoo.com>

IRON WORKERS STABILIZATION FUND

March 21, 2017

Henry Aquino, Chair
Committee on Transportation
House of Representatives
State Capitol
Honolulu, Hawai'i 96813

Re: SB1183 – Relating to Taxation

Aloha Chair Aquino and Members:

We **SUPPORT THE INTENT** of the bill and offer comments and amendments.

SB1183, SD2 repeals the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs, sunsets if an ordinance that allows the capital costs of a rapid transportation system to be paid from county funds is not enacted before December 31, 2017, and requires the mayor of the county to submit certain plans with respect to the rapid transportation system.

We support the completion of the Honolulu High Capacity Transit Corridor Project commonly known as the Honolulu Rail Project, as stated in the Full Funding Grant Agreement between the United States of America Department of Transportation Federal Transit Administration and the City and County of Honolulu (FAT FFGA-19, October 1, 2012) (Hereinafter, "FFGA"). The FFGA stipulates within the term and conditions that the grant is being awarded for a project that is "...a 20-mile, elevated fixed guideway rail system from East Kapolei to the Ala Moana Center." Deviation from these project specifications could result in the City and County of Honolulu having to repay the Federal Transit Administration the awarded amount of the grant, up to \$1.55 billion dollars. This would most likely result in an increase of fees and tax on the citizens of the county of Honolulu to pay off or at least a deferment of needed services while the county pays back the federal government.

We support the repeal of the 10% of revenues from the county surcharge. The current 10% garnered for administrative costs exceeds the annual budget of the Department of Taxation (UHERO, The Economic Research Organization at the University of Hawai'i, *The Exorbitant Cost of Collecting Honolulu's Rail Surcharge Tax*, Feb. 2, 2017). Further, we ask for inclusion of language for the **extension** of the City and County of Honolulu surcharge on the general excise tax (GET) **in perpetuity**. If the state does not support the county in securing firm funds for the Honolulu Rail Project, then the FFGA may be put into jeopardy. We support all remaining tax revenues being used for additional transit lines on O'ahu, for line and station maintenance, and for the operations of the rail transit system. *We do not support a sunset of any kind at this time.* Rail is an infrastructure investment that will give the opportunity for present and future generations of Hawai'i, and especially O'ahu, a chance to flourish.

Mahalo.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 22, 2017

TO: HONORABLE HENRY AQUINO, CHAIR, HONORABLE SEAN QUINLAN,
VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON
TRANSPORTATION

SUBJECT: **SUPPORT INTENT OF S.B. 1183, SD2, RELATING TO TAXATION.**

Repeals the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs. Sunsets if an ordinance that allows the capital costs of a rapid transportation system to be paid from county funds is not enacted before December 31, 2017. Requires the mayor of the county to submit certain plans with respect to the rapid transportation system. (SD2)

HEARING

DATE: March 22, 2017
TIME: 9:30 AM
PLACE: Conference Room 423

Dear Chair Aquino, Vice Chair Quinlan and Members of the Committee,

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

The GCA **supports** the Honolulu Rail project's completion as planned to Ala Moana so the residents of the City and County of Honolulu have options in public transportation. This measure proposes to remove the ten percent that the State uses to administer the surcharge tax for Honolulu and dedicate such funds to the project, which is commendable. It is apparent that the need for funding is paramount to the project's success. GCA supports efforts to ensure the project's completion as proposed to Ala Moana.

Rail is one of the biggest job stimulus available in the state of Hawaii and is putting many people to work, and they will in turn, put this money back into the economy. Rail will also encourage Transit-Oriented Development (TOD) around the rail stations and along the route, which will in turn support sustainable, affordable, and more livable communities.

Rail is transportation infrastructure necessary for our island's quality, growth and prosperity. But a significant side benefit is the economic stimulus effect it would bring to the entire state in the future. **GCA respectfully requests that this Committee pass this measure.**

Thank you for the opportunity to express our support on this matter.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 10:51 AM
To: TRNtestimony
Cc: tomberg00@yahoo.com
Subject: Submitted testimony for SB1183 on Mar 22, 2017 09:30AM

SB1183

Submitted on: 3/20/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Berg	Individual	Oppose	Yes

Comments: Time is running out- the opportunity for the landscape in the Ewa Region to house a New York City type "Central Park" - is about to be lost forever- expire. Imagine NYC without its Central Park- future generations robbed of what "greenery" was once there....all the while, here at home, just imagine the tourism potential and educational advancements that could surround a Pueo Sanctuary within the scope of the Second City on Oahu- how grand such a Pueo Park setting could be and serve the future- how grateful those people of the tomorrows would be for this little patch of representation of Open Space left - protected - and to have the ability to see the Pueo in it..... what a wonderful thing that would be. But no one- it appears, has the guts to report in any news outlet or means (except radio), that the noise from the steel wheel rail and its operations at UHWO/East Kapolei Rail Station /TOD, will ruin all Pueo Park inceptions that could be.....however, if the rail project were converted to urban maglev rail, noise mitigation for the Pueo would have been met. Urban Maglev - its pillars do not puncture karst and caves and water table- Urban Maglev - its cost is 1/3 less than that of steel wheel to construct- Urban Maglev - can use current track, structure, and rail cars retrofitted- Urban Maglev - less blight, less noise, less energy consumption, less O&M costs- Urban Maglev - can co-exist with Pueo, and other migratory species of birds- Urban Maglev - studied/compared against light rail, heavy rail, monorail, at grade, elevated, subways, trams, and the results are, that- URBAN MAGLEV beats steel wheel and all other forms of rail hands down. Want to save the Pueo? Convert the rail project to Urban Maglev, simple, doable, and cost effective- and FTA APPROVES! Save this City! Do what China is doing- its URBAN MAGLEV rail carries more people, uses less energy, is quicker to build, cheaper to operate, and is QUIET- priceless. BEIJING_ Cities across country building economical, quiet alternatives to subways <http://asia.nikkei.com/Business/Trends/Slower-maglev-trains-pick-up-steam-in-China> Slower maglev trains pick up steam in China IN ORDER TO SAVE THE PUEO AT HONOULIULI /on the Ewa Plain- right there at The University of Hawaii West Oahu Campus- please ponder this: Inline image The university (UHWO) ALREADY has its footprint in /infrastructure built on its 200 acres out of the 500- What about the 300 acres remaining at UHWO that is not yet developed that the university owns that is the current home to the Pueo? These very lands- the 300 acres- are depicted in the videos taken

yesterday- see link to new videos pasted below- These lands are to be leased /liquidated by an agreement made by the State Legislature and Governor per previous legislation for the permitting of full-on development on all remaining 300 acres- and leased for the purposes of creating commercial and tract housing- SOLUTION: Ask our State Legislative process to intervene- that it change that previous agreement and initiate the means to have the 300 acres be preserved and protected- And in result, that 300 acre property serve for the study of endangered species and managed by the university on-site ---in situ, as a working laboratory, to enhance the university experience and attract worldwide notoriety. Imagine an outdoor endangered specie lab, already built-in, right on campus- to add to the biology department's curriculum- such is a win-win end-use of the land and could be easily attained without expending a dollar- for the Pueo are there - ready for study. March 19, 2017 @ West Kaloi Stream UHWO Property / Barn Owls

<https://www.youtube.com/watch?v=M0seNwe4fqo&feature=youtu.be> March 19, 2017 @ West Kaloi Stream UHWO Property / Heron

<https://www.youtube.com/watch?v=wP80WwGgnFo> March 18, 2017 @ West Kaloi Stream UHWO Property / Barn Owls

<https://www.youtube.com/watch?v=4ufeE3KTgMA&t=69s> March 8, 2017- PUEO USING SAME TREES, SAME STREAM, SAME LAND AS BARN OWLS AND HERONS TO SURVIVE @ UHWO's 300 acres left remaining "undeveloped" :

<https://www.youtube.com/watch?v=GiHOev2uh7U&t=147s> Commentary: Did you know- that every inch of grass left standing on those 300 acres at UHWO is to be paved over in cement and plowed under? And Kaloi Stream, together with Honouliuli Stream, as is planned, will be sterilized of all wildlife; and any tree buffer remaining, will be subjected to clearcutting- and as a result, all wildlife goes with it- did you know? And...in complete defiance and opposition to the premise that rail creates more open space and stops urban sprawl - and that our rail project is the model of Smart Growth principles-well, what a trauma- threat, this lie regarding Open Space has turned out to be indeed for the Pueo..... What we have instead, in contrast- what we are faced with in reality, is rather, a condition that after the undeveloped acreage that is still remaining in all of Ewa as defined as "open space" is taken away- taken away BY THE RAIL (TOD), which is currently located in parcels located at Varona Villages, DHHL, and Ho'opili, DID YOU KNOW that the only patch of greenery of substance LEFT REMAINING that could possibly cater and house Pueo- is and would be on those 300 acres left at UHWO? So, right above the UHWO campus where people think the Pueo might flee to after the crane of development has transformed all of Ewa, where Monsanto /Syngenta/ Pioneer has leased land from the State- above the H-1 Freeway - did you know that there, on these very parcels, will be land that is slated for development- and there will be the 900-acre UHWO expansion already in law, and another 3,500 acre military housing plot for future needs previously bought by the feds in play, and a WWII Internment Camp National Park Museum in the works for the Pueo to contend with..... so where are they to go? POINT: This is why the 300 acres at UHWO needs to be protected and preserved where the Pueo are now- that this land be left in situ- be left to remain fallow- for IF PRESERVED, such land will be the ONLY land left in ALL OF EWA /HONOULIULI /EAST KAPOLEI left alone to function and serve as a Pueo Sanctuary, Pueo Preserve, or Pueo Refuge of any sort- from Ewa to town and beyond...this is all

that could be left. Tom Berg Ewa

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 1:09 PM
To: TRNtestimony
Cc: singabob@gmail.com
Subject: Submitted testimony for SB1183 on Mar 22, 2017 09:30AM

SB1183

Submitted on: 3/20/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Robert M Armstrong	Individual	Support	No

Comments: I support this legislation as a great city and State such as ours needs a great transportation system to serve its residents and visitors. While there are significant problems within and around HART, our 20-mile, 21-station plan is the only hope for a semblance of sanity and convenience in Honolulu for the future. I saw they same thing in Singapore during the seven years I live there and now their economy is booming. Please look past the usual criticism and problems associated with any futuristic vision for rail and approve this bill, to further any hope for a livable and affordable Honolulu to come. If you do not, you will kill any hope to move around comfortable in the near and long-term plus stifle any hope to build affordable housing along its path. Thank you.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Douglas Meller
2615 Aaliamanu Place
Honolulu, Hawaii 96813
douglasmeller@gmail.com

**COMMENTS ON SB 1183, SD 2, RELATING TO TAXATION
SUBMITTED FOR THE 3/22/17 9:30 AM PUBLIC HEARING OF THE
HOUSE COMMITTEE ON TRANSPORTATION
IN CONFERENCE ROOM 423**

Section 3 of SB 1183, SD 2 would only apply to the City and County of Honolulu. Because of Section 3, SB 1183, SD 2 may violate the Hawaii Constitution. Article VIII, Section 1 of the State Constitution does not authorize a special law which can only apply to a single county.

**ARTICLE VIII
LOCAL GOVERNMENT
CREATION; POWERS OF POLITICAL SUBDIVISIONS**

Section 1. The legislature shall create counties, and may create other political subdivisions within the State, and provide for the government thereof. Each political subdivision shall have and exercise such powers as shall be conferred under general laws.

Att. Gen. Op. 61-36. Law specifically repealing statute pertaining to single county is void as special law.

Att. Gen. Op. 62-11. Law conferring power on only certain specified counties is a special law.

DATE: March 22, 2017

TO: Representative Henry J. C. Aquino, Chair
Representative Sean Quinlan, Vice Chair
Members of House Committee on Transportation

FROM: Christine Trecker

RE: SB1183 SD2 Relating to Taxation **Comments**

We are at a critical juncture. The cost estimate to build the rail project has almost doubled to \$10 billion in the last 5 years. Public confidence in HART's ability to manage and deliver this enormously complex project has dwindled, and serious skepticism about the merits of the current rail plan mounts among transportation professionals and citizens.

Given the state's pivotal role in facilitating the funding of the project, I strongly believe it is not too late for the legislature to re-assess the cost/benefits of the county's 20 mile, 21 station elevated system rail plan and compare it with the viable, lower cost recovery rail plan option 2A that the FTA is willing to fund, a plan strongly endorsed by the Honolulu Transit Task Force.

While the legislature cannot dictate to the county which rapid transit option to choose, it can repeal the rail surcharge used to fund the project if after a thorough reassessment it decides proceeding with the current rail plan would be a grave financial mistake. (Section 46-16.8, Hawaii Revised Statutes, Att. Gen. Op. 15-1: "... the legislature retains the power to change, by new legislation, all aspects of the county surcharge, including repealing the county surcharge in its entirety. ")

I strongly urge you to defer SB1183 SD2 until the true cost/benefits of the county's \$10 billion rail plan are thoroughly compared with other dramatically lower cost viable options to address Oahu's traffic challenges. As guardians of taxpayer money, it is not too late to take the time to make the right choice!

Thank you for the opportunity to testify.

House Committee on Transportation

Rep. Henry J.C. Aquino, Chair

Rep. Sean Quinlan, Vice Chair

March 22, 2017

9:30 a.m.

Conference Room 423

Re: SB1183 SD2, Relating to Taxation

Chair Aquino, Vice Chair Quinlan, and Committee Members,

I am writing in **STRONG SUPPORT** of SB1183 SD2.

As a young professional and resident, I understand that rail and transit oriented development (“TOD”) is critical in my generation’s ability to continue to afford to live in Hawai‘i. I grew up in Pearl City, was fortunate to have the opportunity to attend college in Portland, Oregon before moving to Washington, D.C. to work. Portland and Washington, D.C. both have great public transportation options, including rail, which I utilized while living there. I particularly like Portland’s Free Rail Zone, which is a region of downtown Portland in which light rail and streetcar rides are free. I recently chose to move my family to Kaka‘ako as we can see the opportunities for new communities that are being created around rail stations. **However, I strongly support SB1183 SD2, because it is a mechanism to ensure there is sufficient funding complete the full 20-mile, 21-station rail project as planned. This will allow residents another option to travel to Honolulu from the Ewa plains.**

To say that “I won’t ride it, so I shouldn’t have to pay for it” is failing to understand how communities impact one another and are inherently interconnected. We built new development in Kapolei and West O‘ahu so that East O‘ahu and North Shore can continue to have our current quality of life without major developments. It is in O‘ahu’s General Plan for planned growth in West O‘ahu and I support the rail and growth in such areas, including Kaka‘ako, to preserve our rural areas in the North Shore and the Windward side.

While all projects have cost components, the GET surcharge has already been integrated into the business and consumer budgets and would have the least impact of the funding options currently being discussed. **Rail and TOD is a critical piece of the picture to help make Hawai‘i a place that young people can afford to raise their families.**

But building the homes without reasonable transit is like building the homes and no roads. Families deserve to be able to work and live in a way that doesn’t take 2 hours to drive 20 miles. Therefore, I humbly ask the Committee to PASS SB1183 SD2. Mahalo for the opportunity to provide testimony on this important measure.

Mahalo,
Jonathan Ching
Kaka‘ako, Honolulu

TO: State House Committee on Transportation
FROM: Frank Genadio
SUBJECT: Senate Bill 1183, SD2
DATE and TIME: March 22, 2017 at 9:30 a.m.

Chair Aquino, Vice Chair Quinlan, and Honorable Ladies and Gentlemen:

This testimony is submitted in full support of the passage of Senate Bill 1183, SD2. The House should back the Senate's conclusion that the surcharge applied to the General Excise and Use Tax (GET), effective January 1, 2007 through December 31, 2027, along with \$1.55 billion in federal funds, is sufficient for the development of a rail system on O'ahu. Despite city claims as to the need for additional public funding, this legislature should reject any bills aimed at extension of the surcharge for rail and advise the city to devise a "rescue" plan that uses available funding.

Completion of the 20-mile rail plan is possible with the approximate \$6.8 billion budget—if the City and County of Honolulu is ready to apply 21st Century urban magnetic levitation (maglev) rail technology. I have proposed this change to the administration and to the Honolulu Authority for Rapid Transportation (HART) to no avail. The lack of vision, built-in inertia, avoidance of competition at the outset of the rail project, mismanagement leading to cost overruns and delays, and inability to foresee problems in advance have resulted in the current opposition to rail by a majority of residents.

Neither the review of the project by the American Public Transportation Association, that offered palliatives, nor the latest idea for public-private partnerships to share the costs, offers a real solution to the project's huge shortfall. What is needed is a full review that covers costs, technology, and even the alignment, one conducted with the cooperation and funding support of the Federal Transit Administration (FTA). The new officials who will be heading the FTA as well as its Region IX may look favorably upon a sincere effort for the Honolulu rail project; they may even recommend the new plan for inclusion on the next list of the nation's top 50 infrastructure projects, a list from which it is currently—and conspicuously—absent.

The estimated \$6.8 billion is inadequate for completing the steel wheels on steel rails (SWSR) system's minimum operable segment (MOS) to Ala Moana Center. Along with renewed efforts by rail opponents, there is now a proposal from the Honolulu Transit Task Force for a change to at-grade rail, at a cost slightly above the available budget.

The figures following the signature block, also submitted in earlier testimony, show extrapolated costing for conversion of SWSR to either an at-grade system or to an urban maglev based on American technology. The maglev conversion costs, based on a start at the 12-mile point of the SWSR guideway, are conservative; the figures are higher than costs derived from the 2014 book, "Maglev America." In the letter sent to me signed by the book's principal author, Dr. James Powell, submitted to each of you earlier, the following passage is highlighted: **"In fact, we believe the cost estimates you presented were conservative and that a detailed design study would reveal that a superconducting maglev system could be implemented at an even lower total program cost."**

Aside from reduced costs for completion of the MOS, a maglev offers significant savings in operations and maintenance (O&M) costs. New calculations made for 30 years of O&M, and based on the current \$126 million O&M cost estimate for rail's first year of operations, indicate maglev savings of \$3 billion at two percent inflation and \$3.5 billion at three percent. With transit fare revenues limited to 27-33 percent of O&M, conversion to maglev means considerably less cost subsidies for taxpayers.

Conversion to urban maglev would restore public confidence in the project. A successful (maglev) MOS project would spur approvals for extensions to provide service to Waikiki, the Manoa campus of the University of Hawaii, and West Kapolei (i.e., the council-approved locally preferred alternative, or LPA). It also would bode well for gaining federal funding support to the LPA under the New Starts program. Positive impacts on rail ridership and level-of-service on the roadways, the supposed initial goal for implementing rail, will result. Conversion to maglev can only start with the full legislature's passage of SB 1183, SD2, sending a strong message to the city and HART to develop a real recovery plan. Mahalo and Aloha.

Frank Genadio
92-1370 Kikaha Street
Kapolei, HI 96707
(808) 672-9170

Costs for Conversion to an At-grade Rail System, March 2017 (From Honolulu Transit Task Force Report)

Starting point: The projected cost of the current elevated system to Middle Street — \$6.22B.
Five miles of dual rail tracks at street level at \$139M/mile — \$695M for five miles.
Changing the 80 rail cars from high-floor to low-floor type. Based on the total car contract amount (\$200M) and using a 1/3-of-total change order charge — \$66M.
Modification of maintenance yard equipment to service low-floor rail cars — \$100M.
Preparation of EIS Technical Memorandum — \$10M.
A/E redesign of the street level route (typically 20% of construction cost) — \$139M.
Using the above figures, the total cost of a modified HART project would be **\$7.23B**.
Operating and Maintenance Costs — \$2.7M per mile, or **\$54M** yearly.

Costs for Conversion to an Urban Magnetic Levitation System, March 2017 (From “Maglev America”)

Starting point: Twelve miles of completed guideway before pause, as follows:
Rail Car contract modified for 40 rail cars and systems — \$1B.
Maintenance and Storage (M&S) Facility — \$115M.
Guideway and Track elements for 12 miles — \$700M.
Sitework and special conditions for 12 miles — \$604M.
Right-of-way, Land, Existing Improvements — \$198M.
Professional Services — \$1.123B.
Total Cost (actual and estimated) for all 21 Stations — \$970M.
Cost for Pearl Highlands Transit Center — \$280M.
Sub-total for Modified Steel Wheels Project — \$4.99B.

Conversion of twelve guideway miles for maglev use — \$120M.
Modification of Maintenance and Storage Facility to accommodate maglev — \$50M.
Eight miles of maglev-only guideway (to Ala Moana Center) — \$400M.
Forty maglev rail cars (10 trains) — \$200M.
Contract renegotiation, manufacturing start-up, etc. — \$100M.
Unanticipated or unexpected costs (i.e., “buffer” for rounding) — \$40M.
Sub-total for Maglev Conversion Plan — \$910M.
Total of committed funding and maglev conversion plan funding required would be **\$5.9B**.
Contingency fund — \$900M.
Operating and Maintenance Costs — Less than half of steel wheels, or **\$51.66M** yearly.

(NOTE: Using “M” for million and “B” for billion.)

Strong Support of SB 1183

Testimony Strong

I write this letter in strong support for SB1183. We must finish the rail per the Full Funding Grant Agreement which means that we need to extend the time period of the GET rise. If any of the conditions cannot met, the agreement with the FTA will be violated and all monetary support of the grant must be paid back unless an alternative plan (Plan B) acceptable to the FTA is initiated.

The alternative Plan B would end at the Downtown rail station rather than Ala Moana, and also eliminate all rail stations between Middle Street and Aloha Tower, including the stations serving the Kalihi-Palama-Iwilei communities and would disrupt plans for TOD around the Kalihi and Honolulu Community College Kapalama stations.

Plan B would disrupt or even cease community development incumbent upon transits stations build in areas slated for development and beautification according to the Transit Oriented Development (TOD) plan. The Transit system will bring mobile equality for the benefit of all and, provide infrastructure support for Oahu's projected population growth.

I support an extension of the General Excise tax surcharge to complete the current rail project as planned; and that the Hawai'i State Legislature pass legislation to that effect.

Ken Farm

Member At Large

Kalihi-Palama

Neighborhood Board No 15

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 5:58 PM
To: TRNtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB1183 on Mar 22, 2017 09:30AM*

SB1183

Submitted on: 3/20/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	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.

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TRNtestimony

From: Noel DeMarco <vivadiva808@yahoo.com>
Sent: Tuesday, March 21, 2017 2:19 AM
To: TRNtestimony
Subject: Subject: Support for SB 1183, Relating to Taxation

CHAIR HENRY AQUINO

VICE-CHAIR SEAN QUINLAN

HOUSE TRANSPORTATION COMMITTEE

FROM: Noel DeMarco

Date: Wednesday, March 22, 2017

Time: 9:30 AM

Place: State Capitol, Conference Room 423

Subject: Support for SB 1183, Relating to Taxation

Chair Aquino and members of the House Transportation Committee:

I am writing in support of continued funding to complete the rail project all the way to Ala Moana Center.

We have already started building rail, and the structure is going up past Aloha Stadium now.

We have to finish the job, otherwise it won't make any sense. Not many commuters want to go to Middle Street. And transferring to a bus just to get to downtown from there is inconvenient. Rail has to be convenient to be successful.

Voters approved rail in 2008, and that was for a full 20 mile system with 21 stations from East Kapolei to Ala Moana, not half way.

Please do the right thing for our future, and approve the bill.

Noel Demarco
Waikele Resident

[Sent from Yahoo Mail on Android](#)

TRNtestimony

From: jackie zahn <jackiezahn@outlook.com>
Sent: Monday, March 20, 2017 4:57 PM
To: TRNtestimony
Subject: SB 1183 - SUPPORT

TO: CHAIR HENRY AQUINO
VICE-CHAIR SEAN QUINLAN
HOUSE TRANSPORTATION COMMITTEE

FROM: Jackie Zahn

Date: Wednesday, March 22, 2017
Time: 9:30 AM
Place: State Capitol, Conference Room 423

Subject: Support for SB 1183, Relating to Taxation

Chair Aquino and members of the House Transportation Committee:

We need to extend the GET for the rail project so the full 20 miles and all the stations can be built. Rail not only means improving public transportation, but also creating livable communities.

With rail stations, there will be development that will provide new housing projects. These projects will deliver a tremendous boost in affordable housing, which is badly needed. Without affordable housing our children won't be able to stay in Hawaii.

We can all agree that communities where residents can have more mobility, including walking and bicycling, as well as rail, improve the quality of life for island residents.

Please help make affordable housing and these kinds of livable communities possible by approving the funds to finish the rail project. Thank you for considering my testimony.

Aloha,

Jackie Zahn
Makakilo Resident

Georgette Anne Yaindl
P.O. Box 307
Kailua-Kona, HI 96745-0307
(808) 224-0219
gyaindl@gmail.com

March 20, 2017

Representative Henry J.C. Aquino
Chair, House Committee on Transportation
State of Hawai'i

Representative Sean Quinlan
Vice Chair, House Committee on Transportation
State of Hawai'i

VIA: <http://www.capitol.hawaii.gov/submittestimony.aspx>

Dear Representatives Aquino and Quinlan and members of the Committee,

RE: SB1183, SD2 RELATING TO TAXATION

HEARING DATE: Wednesday, March 22, 2017

TIME: 9:30 a.m.

**LOCATION: Conference Room 423
State Capitol
415 South Beretania Street**

**RE: STRONG SUPPORT ONLY for ELIMINATING THE STATE
ADMINISTRATIVE FEE on the COUNTY SURTAX ON GET**

Thank you for the opportunity to offer testimony about this proposed bill. The SD2 version of this bill arrives in your committee after hearings before the Senate Committees on Finance, Transportation, and Ways & Means, and it is believed therefore to be the Senate's last draft proposal for the legislative response this year for dealing with the issues arising from the collection and distribution of the City and County's (C&C) GET surtax revenue.

SD2 is much closer to providing the appropriate legislative response, having necessarily shredded numerous SD1 provisions that proposed, for example, increasing the GET by .05%; authorizing use of county surtax funds for Transit Oriented Development, affordable housing, and education purposes; and extending the C&C's surtax authority in perpetuity. For reasons stated below, it is right and proper that the committee dispose of SD2 as follows:

1. SECTION 1: retain paragraphs 1 and 2 to provide the finding and purpose substantiating the legislative action. Paragraphs 3-5 should be deleted because they are an unconstitutional intrusion by the state legislature into the exercise of county powers granted pursuant HRS § 51-1 (concerning mass transit) and likewise do not touch or concern a matter of statewide concern as set forth in HRS § 27-1. Further, the intent of the county reporting requirements proposed in paragraphs 4-5 already is satisfied by HRS § 248-4 that requires the

☞ . . . because how we get along has a lot to do with how we get around

counties to submit to the legislature their respective annual budgets showing estimated receipts and expenditures.

Paragraph 6 of Section 1 is notable and commendable for the legislature’s finding that “the bus component for feeder service to rail stations and island-wide mobility outside the rail corridor is often overlooked or ignored in the public debate about the rail system.” However, until the State of Hawai`i through the act of its legislature or people via constitutional amendment makes mass transit a matter of statewide concern and not the exclusive kuleana of the respective counties, this finding exceeds legislative authority and it should be deleted.

2. SECTION 2. Perfectly presented! Whereas there are pre-existing constitutional issues raised by the state’s imposition of a fee on the county revenue collected believed presently to be a matter of pending litigation, **it is not only right an appropriate that the state fee is repealed but that the state distribute the fee amounts previously withheld from the C&C over the years dollar for dollar to the C&C.**

According to the American Association of State Highway and Transportation Officials (AAHSTO) Survey of State Funding, Final Report FY 2014 – 2016, **the State of Hawai`i one of 4 states that do not fund public transportation**, and that leaves the provision of public transportation to localities and their respective revenue generating and federal grant writing capacities (the other states include Alabama, Arizona, Utah). **It is unconscionable, and arguably a due process and equal protection violation, that state law has rendered the residents and businesses of the C&C singularly responsible for providing public transportation in the state capitol**, including singularly supporting the mobility of, according to DBEDT, up to 100,000 visitors a day and 40,000 military personnel annually.

In lieu of an authorized state interest in public transportation, per se, and particularly a state interest in public transportation in the state capitol, it is right and appropriate that the C&C retain 100% of its surtax revenue and that amounts withheld by the state to date are paid to the C&C.

3. SECTION 3. This section needs to be eliminated in its entirety for all the reasons stated above concerning impermissible legislative intrusion into the exclusive jurisdiction of the counties over matters of public transportation.

4. In conclusion, the legislature need take no other action on the matter of the county surtax on the GET this session with the possible exception of amending HRS § 237-8.6 to enable Hawai`i, Maui, and Kaua`i counties within the next five years the option to enact and extend by ordinance a surtax, noting that as presently provided, authority for any county to impose the surtax is repealed after December 31, 2027.

Thank you for the opportunity to provide this testimony.

Respectfully and sincerely,

/s/ Georgette Yaindl
Georgette Yaindl

CHAIR HENRY AQUINO
VICE-CHAIR SEAN QUINLAN
HOUSE TRANSPORTATION COMMITTEE

FROM: Gale Braceros

Date: Wednesday, March 22, 2017

Time: 9:30 AM

Place: State Capitol, Conference Room 423

Subject: Support for SB 1183, Relating to Taxation

Chair Aquino and members of the House Transportation Committee,

The GET surcharge should be extended to ensure that the rail project is completed as quickly as possible. As we have learned, any delay will only add to the cost of the project.

Rail is nearly completed from Aloha Stadium to Kapolei, and the section to the airport and Middle Street is already starting.

To stop, and then start up again when money is available will only cost taxpayers more.

As we have learned from H-3, once the project is finished and people start using it, we will quickly forget about the controversy and appreciate the benefits and convenience of improved transportation infrastructure for Oahu. Please pass the bill.

Thank you for allowing me to provide my comments to you.

Gale Braceros
Pearl City Resident

TRNtestimony

From: Ron Brown <ronpb43@gmail.com>
Sent: Tuesday, March 21, 2017 8:39 AM
To: TRNtestimony
Subject: Testimony on SB1183-SD2

To: House Committee on Transportation
Hearing: March 22, 2017 at 9:30 AM, Room 423
From: Ron Brown

Thank you for the opportunity to comment on SB1183 (version SD2). I am in support of it with some reservations. The rail project is a disaster for the city of Honolulu. At enormous cost (and who knows what the cost will be with the greatest engineering challenges yet to come) it fails to solve the congestion problem (as is made clear in the EIS), scars our beautiful city core, and--in the rapidly evolving world of self-driving cars--will probably be obsolete before it is finished. This bill provides some important and useful limitations and requirements on the use of an excise tax surcharge to pay for part of the project. This is all good. However, I would recommend that the conditions on the use of the surcharge be strengthened to require a more rational use of the money. At a minimum the reporting requirements should be strengthened and the deadlines moved forward. (How could the city need almost a year to explain their plans for the costs of operation and maintenance ... are they starting from zero?) Attractive and well-researched alternatives have been spelled out by experts, ranging from using street-level rail beyond Middle Street (saving 3 to 4 billion dollars and 4 years of construction time, and avoiding visual pollution and some the worse engineering problems of elevated rail), to implementing inexpensive solutions to traffic congestion (e.g., fly-overs, extra lanes, more use of express buses, conversion of elevated rail roadways to bus express lanes). The money saved could be used to beautify our city, address forcefully our problems with affordable housing and homelessness and accelerate the upgrade of our aging sewer and water supply systems. The state has the power to force the city to consider these alternatives seriously (see the attorney general's opinion attached to current statute 46-16.8 !); up until now the city has dismissed these alternatives with ridiculous and specious arguments. Leadership is needed to avoid a disaster that will plague the city (and the state of which the city is a huge part) for generations.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 10:50 AM
To: TRNtestimony
Cc: larryfriedman808@gmail.com
Subject: Submitted testimony for SB1183 on Mar 22, 2017 09:30AM

SB1183

Submitted on: 3/21/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Lawrence Friedman	Individual	Oppose	Yes

Comments: Rail needs to be built as the original financing called for. I do not believe HART or the Mayors office when it comes to any statements they make regarding this project... The financials are off, the design is questionable the ridership numbers are a complete farce Do not give them back the skim. Use the skim to assist the homeless. In no way shape or form should HART or the mayor come back a 3RD time for more money to finish the project. That should make you concerned that there are huge issues with this boondoggle. The public has been mislead and lied to and that needs to stop. I am against this proposal. I am against any more money for HART

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Chair Aquino, Vice Chair Quinlan, and Members of the House Committee on Transportation:

I am providing this testimony to you in support of the SB1183 and SB1176 as a measure to extend the GET surcharge and allow the rail line to be built as intended and as necessary for future generations and to prevent unnecessary conflict with the Federal Government.

I recently graduated from the University of Hawaii at Manoa and live at the Ko Olina boat harbor. Most days I commute via TheBus, and so I see first hand the value that would be brought to students, families, and businesses once the rail is built. If rail were built today, I would ride it every day. Instead, I spend an average of 5 hours on the road each day and have recently had to buy a boat slip at Ala Wai for days that traffic is even worse.

Few students have this option and instead miss school, miss extra-curricular activities, or miss key studying time. The traffic makes going to school nearly impossible for non-traditional students, who may have childcare, work, or other demands that already make achieving higher education more challenging.

Rail is an important part of Hawaii's future, not only in transportation and development of sound neighborhoods, but also to ensure equal access to education for communities throughout the island.

I would like to ask the committee to extend the GET surcharge to ensure we can bring this project to completion and lay the groundwork for an extension to UH Manoa to expand the educational opportunities available to students in our institutions of higher learning.

Furthermore, given President Trump's budget limitations, it is critical that we provide sufficient funding to support the project as planned so as not to require a full funding agreement.

Thank you for the opportunity to testify,

Katherine Vessels
William S. Richardson School of Law, c/o 2016
Small Business Owner

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 11:44 AM
To: TRNtestimony
Cc: jennifer@kaimanahila.com
Subject: *Submitted testimony for SB1183 on Mar 22, 2017 09:30AM*

SB1183

Submitted on: 3/21/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Sabas	Move Oahu Forward	Support	No

Comments:

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To:

Representative Henry Quino, Chairman
Representative Sean Quinlan, Vice Chairman
House Transportation Committee

From: Frances Rivero, Resident

Date: Wednesday, March 22, 2017

Time: 9:30 AM

Place: State Capitol, Conference Room 423

Subject: Support for SB 1183, Relating to Taxation

Chair Aquino and members of the House Transportation Committee:

I am expressing my support for extending the excise tax to complete the rail project. Rail is already started, and construction is in the area. There is no need to stop half way, when traffic is getting worse.

We need traffic relief and rail will be a tremendous help.

Please pass the bill and finish the full rail project as planned

Mahalo,



Frances Rivero

Ewa Beach Resident

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 1:53 PM
To: TRNtestimony
Cc: jsugimura@bendetfidell.com
Subject: Submitted testimony for SB1183 on Mar 22, 2017 09:30AM

SB1183

Submitted on: 3/21/2017

Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Jane Sugimura	Individual	Support	No

Comments: Please approve sufficient funds to allow HART to complete the 20-mile rail line to Ala Moana Center as planned.

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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March 22, 2017

Henry Aquino, Chair
House of Representatives

Re: Senate Bill 1183
Public Testimony

Aloha Chair Aquino and Committee Members:

My name is Maeda Timson, a resident of Kapolei for over 45 years.

Oh boy, I feel like I have been advocating my whole life for rail on the West Side. When I moved to sleepy Makakilo (*years later to become Kapolei*) we started as a young family, with a brand new \$19,000 home, a job, and a glitter in our eyes for our future of creating our memories with a satisfying quality of life.

Other families, with hopes and dreams just like us, started moving in. And then there was traffic congestion; 2 words that would change our dreams and life. Then RAIL was introduced. For many many years, we fought vigorously for rail, went to hundreds of meetings, spoke with many legislators, wrote letters, gave testimony, created rallies, held signs, submitted petitions and dreamt of what we could do tomorrow to bring Rail!

It is now 2017, 45 years later, no sleepy Kapolei, but a bustling community. I am no longer that young woman, rather "matured" with my graying hair, retired because I could no longer take the traffic congestion, my glitter in my eyes for the future turned to cataracts, I have aches I didn't know existed and 4 grandchildren. And still NO RAIL!

Do I give up on Rail? NO. My daughter made a decision (she was blessed it turned out to be a good one) that she would not take a career position in town, because she remembers as a young child she and her brother waking up at 4:30am, eating breakfast, and changing clothes for school, in the family van. She will not do that to her children. I often think about this and feel bad, because I did it to my kids. I must continue to fight for my grandkids and all the other young families who deserve a better way of growing up.

You may not see many community folks today. Please do not mistaken their absence for giving up on rail, They are spending 4 hours in traffic every day, working to survive and loving and raising their keiki the best they can. They need RAIL to shorten the travel time and create a better quality of life.

We can't give up on RAIL and ask that you too do not give up on us. We need your support and vote of a full completion of a 20 mile and 21 station elevated guideway.

Mahalo for the opportunity to share my story.

Maeda Timson
Kapolei

TRNtestimony

From: Brandon Sugiura <brandonsugiura@yahoo.com>
Sent: Tuesday, March 21, 2017 3:35 PM
To: TRNtestimony
Subject: Testimony for the funding of the rail

Dear Sirs and Madams:

My name is Brandon Sugiura, and I live in Waipio Gentry, which is in Central Oahu, passing Waikele and heading toward Millilani.

I was asked per Pat Lee to write out a testimony about our funding for the project that consists of 20 miles and 21 stations along the island and including, but not limited to, UHWO, HCC and Ala Moana Shopping Center.

I have been riding TheBus for many years and since then, I feel that our communities that ride the bus feel that we should have alternatives to get from one place to another and be able to commute with the independence that normal people have. With the rail now in its 4th contract, it is in best interest that the funding from the federal should be able to provide the sufficient amount of money to execute the project. Although it has been under fire so many times, the project is going and both the state and the federal should work together to get both the funding and the labor that is suitable to execute the project.

Although many people may not be able to ride or see the rail in action, I feel that it is necessary to function the rail on a trial basis and perpetuate construction to further routes and destinations. The reason behind all of this is because not many people know how our buses run and how late they run. With the rail and the information given by the both the DOT and by HART, I feel that the project should be efficient enough to ride the rail and be able to continue construction as scheduled. Although the rail poses as a traffic issue, I think it is in best interest that the rail and the project with the stations, once completed, should be able to function to minimize crowded buses and begin integration with bus routes such as Ewa Beach, Waikiki and Millilani or even down town.

Overall, it is an honor having people from the DOT having me write out this testimony and be able to speak out for the people that have limited access to busses, being stranded and being able to pay over \$30 to get from the East Coast to the West Coast or from the North Shore to the South Shore.

If you would like to discuss this matter further, I will be happy to join in.

Brandon Sugiura

HCJ Recording Secretary (2012 to 2014)

brandonsugiura@yahoo.com

sugiurabrandon@gmail.com

FACEBOOK: [Brandon Sugiura](#)



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March 22, 2017

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Subdistrict #6

LASHA SALBOSA
Subdistrict #7

BRITNEY
TAAMU-MIYASHIRO
Subdistrict #8

Vacant
Subdistrict #9

ROBERTA MAYOR
Subdistrict #10

PAIGE ALTONN
Subdistrict #11

Hawaii Kai
Neighborhood Board #1
c/o Neighborhood
Commission Office
925 Dillingham Blvd., #160
Honolulu, Hawaii 96817
Phone: (808) 768-3710
Fax: (808) 768-3711
www.honolulu.gov/nco

*The Board meets the last
Tuesday of every month
except Dec., 7 p.m., Hahaione
Elementary School cafeteria.
The public is welcome to
attend.*

Representative Henry J.C. Aquino, Chair
Representative Sean Quinlan, Vice Chair
Members of the Committee on Transportation
State Capitol, Room 423
415 S. Beretania Street
Honolulu, HI 96813

RE: SB1183, SD2 – Oppose Surcharge Extension and County Funding
of Rail Construction

Dear Chair Aquino and Committee Members,

At its February 28 meeting, the Hawai'i Kai Neighborhood Board (Board) discussed the Honolulu rail surcharge and related senate bill 1183 and house bill 349.

The Board adopted a motion to not support an extension of the rail surcharge and not support additional county funding of rail construction by a vote of 9-2-3 (aye, nay and abstain).

Please take this into consideration as you discuss and vote on SB1183, SD2.

Aloha,

Natalie Iwasa, Chairperson
Hawaii Kai Neighborhood Board

cc: Members of the Hawaii Kai Neighborhood Board (via email)



LATE

Hawaii Republican Party State House District 41

(Ewa, Ewa Beach, Ewa Gentry, Ewa Villages, Hoakalei, Ocean Pointe)

March 21, 2017

House Committee on Transportation
Hawaii State Capitol
415 South Beretania Street, Room 16
Honolulu, HI 96813

Hearing: Wednesday, March 22, 2017 – 9:30 a.m.

RE: STRONG OPPOSITION for Senate Bill 1183 SD 2 – Relating to Taxation. Repeals the requirement that 10% of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs. Sunsets if an ordinance that allows the capital costs of a rapid transportation system to be paid from county funds is not enacted before December 31, 2017. Requires the mayor of the county to submit certain plans with respect to the rapid transportation system. (SD2)

Aloha Chair Aquino, Vice Chair Quinlan and fellow committee members,

Republicans of Ewa Beach House District 41 oppose this bill simply on the fact that this has turned into a financial and construction nightmare with no solution in sight. Mayor Caldwell, the City Council and HART have continuously failed to prove they can manage this project or million of dollars they are already getting for this project. No requirements you place on them will work, they can't even meet the requirements by the Federal Government.

We ask you, "*Can we simultaneously love our children and betray their generation and generations unborn?*" Are you so short sighted that you don't see that this project will put our children and grandchildren in massive debt for many years to come, while continuing to force more and more residents to move to the mainland.

Please for the sake of our keiki's future...oppose SB 1183 SD 2.

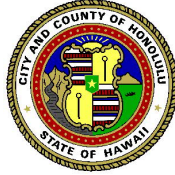
Mahalo,
Brett Kulbis
District Chairman

LATE

**HONOLULU CITY COUNCIL
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 202 • HONOLULU, HAWAII 96813
PHONE: (808) 768-5009 • FAX: (808) 768-5011 • INTERNET: www.honolulu.gov/council

Ron Menor
CHAIR & PRESIDING
OFFICER



Ikaika Anderson
VICE CHAIR

Kymerly Marcos Pine
FLOOR LEADER

**CITY AND COUNTY OF HONOLULU
BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION**

WEDNESDAY, MARCH 22, 2017, 11:15 AM

**TO: THE HONORABLE HENRY J.C. AQUINO, CHAIR
THE HONORABLE SEAN QUINLAN, VICE CHAIR
AND MEMBERS OF HOUSE COMMITTEE ON TRANSPORTATION**

**FROM: COUNCIL CHAIR RON MENOR
COUNCILMEMBER JOEY MANAHAN, CHAIR OF COMMITTEE ON
BUDGET
COUNCILMEMBER IKAIKA ANDERSON, CHAIR OF COMMITTEE ON
TRANSPORTATION AND PLANNING
COUNCILMEMBER KYMBERLY MARCOS PINE, CHAIR OF COMMITTEE
ON ZONING AND HOUSING**

SUBJECT: OPPOSITION TO SB1183 SD2

My name is Ron Menor and I am submitting testimony as the Chair of the Honolulu City Council. Along with Councilmembers Joey Manahan, Ikaika Anderson, and Kymerly Marcos Pine, we are members of a Permitted Interaction Group (P.I.G.) which was established by the Council to address the rail issue.

The Council's official position is in support of the permanent or long-term extension of the current County excise tax surcharge to fund capital costs. It is the most straightforward and efficient way of ensuring adequate funding to complete the construction of the Honolulu rail project to Ala Moana as required under the Full Funding Grant Agreement (FFGA) which

the City signed with the Federal Transit Administration (FTA) as part of the recovery plan that HART is required to submit by April 30.

We strongly oppose S.B. 1183, S.D.2 because it does not include any provision for extending the surcharge and therefore will not generate enough revenue to cover the cost of building rail to Ala Moana. It has been estimated that the provision in this measure that would repeal the requirement that 10% of revenues from the surcharge be withheld by the State would raise approximately \$30 million per year through 2027 which is when the current surcharge is set to expire. That is significantly less than the \$2 billion which HART estimates will be needed to complete construction of the project.

The passage of a measure that does not include a significant extension of the surcharge will jeopardize the viability of the rail project. Moreover, the availability of federal funds would no longer be assured because FTA officials have made it clear that the commitment of federal dollars to the rail project is guaranteed only if it is built as planned under the FFGA.

We would also like to emphasize that the City does not have the financial capability to fund rail construction in the order of magnitude that would be required if the Legislature were to pass S.B. 1183, S.D.2. If the City were forced to cover a significant portion of construction costs with real property tax revenues, it would result in a drastic reduction in City program and services and substantial increases in real property taxes. It could also negatively affect the City's bond rating for years to come.

For all of these reasons, we respectfully request that S.B. 1183, S.D.2 be amended to insert the contents of H.B. 349, H.D.1 which the House Transportation Committee passed previously. To the extent that it includes a provision to extend the excise tax surcharge for rail, we

believe that it provides an acceptable framework for addressing this critical transportation and quality of life issue going forward.

Thank you for the opportunity to submit testimony.

LATE

TO: Members of the House Committee on Transportation

Rep. Henry J.C. Aquino, Chair

Rep. Sean Quinlan, Vice Chair

FROM: John Brizdle

Honolulu, HI 96816

808-286-1212

HEARING: 9:30 p.m. Wednesday, March 22, 2017

SUBJECT: SB 1183, SD2 Proposed –

Strong Support for the SD2 Proposed Version

Aloha Chairs and Committee Members,

Please support the SD2 proposed language of this bill. The 10% share (previously held by the State) of the Honolulu County Rail GET surcharge is sufficient for the county of Honolulu to finish this project. 21 years of rail GET surcharge taxation will take over 4 billion dollars out of the pockets of the people in Honolulu. That is way beyond budget and a burden on the taxpayers in Honolulu. The **LATE** this project and now they need to realistically look at honest alternatives.

1 - The benefits of this project **LATE** are almost negligible. The benefits of this project in the area of Transit Oriented Development appear to have some potential, however TODs do not require elevated heavy rail.

2 - After ten years of taxation, the average family on Oahu has not been told how much they have paid through this tax. The Tax Foundation of Hawaii has estimated that each resident is paying approximately \$200.00 per year (\$2,000.00 so far) for this tax.

3 - The applicant, the County of Oahu and HART, have not been transparent. They have proven to be intentionally misleading and untrustworthy in their explanation of the project.

1 - Rail is a transit project that is supposed to replace certain bus routes that run East and West across our island with high speed - high capacity service. The proposed rail project is neither fast nor high capacity.

When I attended the first meeting to discuss this project in June of 2006, the engineers from Parsons Brinckerhoff told anyone there that rail would average 23 mph. Since then, the city and

HART have raised the average speed to 30 mph. However, this Rail Fact from the HART website is intentionally misleading and dishonest. Do the math - 20 miles in 42 minutes. That number is 28.57 mph. Then imagine how extra seconds are added during rush hour at each stop to allow passengers to exit and enter - the average speed will decrease to around 25-28 mph. Our best Express buses that use H-1 are currently traveling faster than rail. This slow speed will negatively affect prospective buyers in any TOD.

The elevated rail guideway is exclusive to about 20 rail trains. When a train goes by, there is a 3 minute or 5 minute or 10 minute wait - on an entirely empty multi-billion dollar bridge. This cannot be high capacity. The entire system is closed for four hours at night. Any freeway lane can handle more passengers per hour in multiple kinds of transit vehicles than the proposed rail project.

The city has continued to hide the fact that rail will not reduce traffic congestion on H-1. If you currently need to commute in your car, city engineers tell us that your commute time will increase as there will be more cars on the road. This data comes from the FEIS Chapter 3 and Appendix A, page 1251 - Wayne Y. Yoshioka, Director, Honolulu Transportation Services -

“You are correct in pointing out that traffic congestion will be worse in the future with rail than it is today without rail and that is supported by the data included in the Final EIS”.

Yet, today if we look at the HART website, here is what we find about rail and traffic - HART/Be Informed/Rail Facts/Benefits -

“Is rail transit going to make a difference in traffic congestion?”

Yes. Rail will eliminate an estimated 40,000 car trips from our congested streets and highways. If you know what traffic is like when UH and private schools are out for the summer, you have an idea of the difference rail will make.”

This statement is intentionally misleading and dishonest. We all understand this analogy - when UH is out, so are approximately ten other public and private school in East Honolulu - and the traffic on H-1 is lighter because the students, teachers, and staff are not going to those schools on those days. This is an attempt to “fool” the reader. This is not transparency.

The benefits of TODs in our city sound wonderful. We all can imagine the beautiful, walkable, little communities with low cost housing as a component. However, the good news is that TODs do not require elevated heavy rail. TODs envision “Quality Transit”. That means the future occupants will consider transit more than they do now and perhaps have fewer cars per family. Quality Transit can be light rail or a bus. On the mainland there are BTODs - Bus Transit Oriented Development. So, Honolulu can have TODs around a bus station as well.

The benefits of this rail project are almost negligible and are not worth spending any more of our hard earned dollars. The city and HART have not been transparent about the benefits of rail.

2 - After ten years of taxation, there has been almost no discussion of how much this tax has and will cost the average family on Oahu. The only independent review comes from the Tax Foundation of Hawaii. Many people are confused because they do not understand how an excise tax differs from a sales tax.

Here is an article from the Tax Foundation of Hawaii that tells us each person on Oahu will pay approximately \$200.00 per year because of this tax -

<http://www.tfhawaii.org/wordpress/blog/2016/09/mythbusting-hart-part-1/>

Once again, the information on the HART website is intentionally misleading and dishonest - HART/Be Informed/Media Center/Mythbusters -

“MYTH: An average family of five will pay more than \$1,000 a year extra in GET for the rail.

FACT: That is incorrect. The rail tax surcharge is already incorporated in the existing General Excise and Use Tax (GET) and amounts to ½ a penny tax on each dollar spent. If a household spends \$2 on groceries, it has paid one penny (\$0.01) to the rail fund.”

Again, HART is trying to “fool” the reader by pretending the tax is a sales tax.

We cannot afford to pay \$200.00 per person per year for any more than the 21 years we must pay now. How can any elected representative look their constituents in the eye and tell a family of five, “You must pay \$1,000 per year forever”. That is crazy. The city and HART are not being transparent about the true cost of the rail GET surcharge.

3 - Besides the three examples of dishonesty above, here is one more. The new Acting Executive Director and CEO of HART, Mr. Murthy wrote an article that was published in the Star-Advertiser recently about the “Dual Power Trains” that have the ability to ride on the guideway and also as Light Rail at grade. In that article, Mr. Murthy drapes himself in the misleading and dishonest cloak of the HART organization when he described how the construction techniques for rail would be less disruptive to the underground surroundings than the proposed light rail in the downtown area. Mr. Murthy argued that the small construction area needed for the slender rail columns was less than the area needed for Light Rail. Once again, as a representative of HART, he is intentionally misleading the public.

The construction techniques for rail in the downtown area are part of the public record. The giant “post hole” technique - Drilled Shafts - used out in Ewa cannot be used downtown. The technique needed downtown is called Piles and Pile Caps. This technique requires a very large rectangular hole in the ground where multiple piles can be placed and all connected with a large cement cap. This large underground cap is the support for each rail column.

Here is a description of this technique in the DEIS -

[-http://hartdocs.honolulu.gov/docushare/dsweb/Get/Document-16781/20110701-deis-appendix-c-1108.pdf](http://hartdocs.honolulu.gov/docushare/dsweb/Get/Document-16781/20110701-deis-appendix-c-1108.pdf) - See page 4.

We know that HART is aware of the need to use this technique downtown because they have already paid over 35 million dollars for the Final Design (HART contract FD - 530 City Center) for this segment. The Final Design includes geotechnical surveys and structural engineering solutions.

Here is Mr. Murthy's article -

<http://www.staradvertiser.com/2017/02/08/editorial/island-voices/at-grade-rail-wont-work-for-oahu/>

“This means more archaeological resources along the route would likely be impacted by an at-grade rail system than one that is elevated, where excavation is limited to 8-foot diameter columns every 100 feet or more along the route.”

Mr. Murthy is trying to “fool” the public just like the HART website.

In summary, the legislature should not extend the rail GET surcharge. The city and HART are not transparent and cannot be trusted with their public relations campaign to “fool” the public.

The legislature should instead tell the city and HART to do an honest alternatives analysis using only the funds committed so far by the State. There are less expensive alternatives available such as the “Dual Power” (trains can run on the elevated guideway and at grade as Light Rail) alternative.

Thank you very much,

John Brizdle

ADDRESS

3442 Waiialae Ave., Suite 1
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808-735-5756



FAX

808-735-7989

EMAIL

bicycle@hbl.org

March 21, 2017

Testimony Supporting SB1183 SD2

LATE

Aloha Chair Aquino and esteemed members of the Transportation Committee,

Hawaii Bicycling League **supports extending the general excise tax to fund implementation of the full 20-mile 21-station rail system between East Kapolei and Ala Moana and we urge that the SB1183 SD2 be amended to embody this.**

The elevated rail system extending from East Kapolei to Ala Moana will provide high quality, quick, and reliable transit for a large portion of Oahu's population. The rail system will serve as the core of a robust multi-modal transportation system with the bus, bicycling and walking that will provide quality transportation options for thousands, enable people to choose healthy active transportation modes of walking and bicycling, lead to fewer people to driving, and make it possible for individuals and households to get rid of a car and save thousands in transportation costs. A system built that falls short of the planned 20-mile 21-station system will lessen all these benefits and reduce the value of the already major public investment.

Thank you very much for considering these comments. If you have any questions or would like to discuss further, please contact Chad Taniguchi (808-735-5756, chad@hbl.org) or Daniel Alexander (808-275-6717, daniel@hbl.org).

Ride and Drive Aloha,

Chad Taniguchi
Executive Director

Daniel Alexander
Advocacy, Planning, &
Communication Director

LATE



The House Committee on Transportation
Wednesday, February 22, 2017
9:30 a.m.
Conference Room 423

RE: SB 1183 SD2 Relating to Taxation

Rep. Henry Aquino, Chair
Rep. Sean Quinlan, Vice Chair
Members of the Committee on Transportation

AARP Hawaii is a member organization of people age fifty and over with nearly 150,000 members in Hawaii. AARP advocates and provides information on issues that matter to our kupuna and their families, including affordable, accessible, quality healthcare, financial resiliency and livable communities.

AARP Hawaii has supported rail from the inception and we continue to support rail because we believe that it provides a much needed public transit option that residents can spur transit oriented development and a more age-friendly Honolulu. Rail would enable our seniors and younger people to connect to friends and family, jobs, critical services and affordable housing and slow down Honolulu's rapidly growing gridlock.

At this juncture, with half of the 20-mile guideway built, it is impractical to dismantle or to return the \$1.55 billion federal funds. We need to complete the remaining guideway as expeditiously and efficiently as possible with steady sufficient funding.

We offer these comments in support of providing a stable dedicated financing mechanism to complete the 20 mile, 21 station rail project from Kapolei to Ala Moana as planned.

- We support the repeal of the 10% surcharge to the State for administrative fees and having these monies being used for the rail project.
- We also support viable, easy to implement, transparent financing options that are tied to a realistic comprehensive budget for the development and running of rail as planned. We believe that officials should pursue private-public collaborations, bonds, separately or in combination with an extension of the .5% GET surcharge beyond the 2027 expiration for a period certain (e.g. an additional 5 years).
- Since further delays mean increased costs and the existing GET mechanism is in place and running smoothly, we believe that extending the .5 per cent GET beyond the current expiration date set for 2027 for a defined period that is tied to a realistic budget may be the most implementable option for the legislature to consider to enable rail to advance without disruption. Measures to mitigate the regressive impact of the GET should also be provided.

Rail has been challenging and a source of much public frustration with its escalating costs and we support efforts to make the rail project more transparent, cost-efficient and accountable. We also need certainty in financing the remainder of the project and for rail to be completed.

Thank you for your consideration.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 7:00 PM
To: TRNtestimony
Cc: darakawa@lurf.org
Subject: *Submitted testimony for SB1183 on Mar 22, 2017 09:30AM*

SB1183

Submitted on: 3/21/2017
Testimony for TRN on Mar 22, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	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.

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