

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 17-63

March 14, 2017

The Honorable Tom Brower, Chair
and Members of the Committee on Housing
House of Representatives
415 South Beretania Street, Room
Honolulu, Hawaii 96813

Dear Chair Brower and Members:

Subject: Senate Bill 1210 S.D. 2, Relating to Infrastructure Development

The City and County of Honolulu's (City) Department of Environmental Services supports the intent of SB 1210 SD2, to provide the authority to counties to develop public-private partnerships to construct relief sewers for affordable housing development projects. While we appreciate the opportunity to use this option, we are concerned that this ability to support infrastructure needed to all development of affordable housing is limited to sewers only and not other infrastructure like water, storm drains, etc. Further, we are unsure of the need for the legislature to include language to direct internal operations of the counties by requiring the mayor of each county to designate an officer to oversee any public-private partnerships entered into by the county with any private entity pursuant to this proposal and recommend that this intrusion in to internal county operations be removed.

The basic intent of SB 1210, SD2, may provide expedited funding to address specific situations that will allow affordable housing projects to proceed, but it would be better if this addressed all potential infrastructure needs.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori M.K. Kahikina", is written over a large, stylized flourish or scribble.

Lori M.K. Kahikina, P.E.
Director

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 4:49 AM
To: HSGtestimony
Cc: cspellman@hawaii.rr.com
Subject: *Submitted testimony for SB1210 on Mar 16, 2017 10:00AM*

SB1210

Submitted on: 3/14/2017

Testimony for HSG on Mar 16, 2017 10:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
CSpellman	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.

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

PRESIDENT
EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

PRESIDENT-ELECT
DEAN UCHIDA
SSFM INTERNATIONAL, INC.

VICE PRESIDENT
MARSHALL HICKOX
HOMEWORKS CONSTRUCTION, INC.

SECRETARY
DWIGHT MITSUNAGA
DM PACIFIC, INC.

TREASURER
MICHAEL WATANABE
JW, INC.

SPECIAL APPOINTEE-BUILDER
CURT KIRIU
CK INDEPENDENT LIVING BUILDERS

SPECIAL APPOINTEE-BUILDER
MARK KENNEDY
HASEKO CONSTRUCTION MANAGEMENT
GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE
PETER ELDRIDGE
RAYNOR OVERHEAD DOORS & GATES

IMMEDIATE PAST PRESIDENT
CRAIG WASHOFSKY
SERVCO HOME & APPLIANCE
DISTRIBUTION

CHIEF EXECUTIVE OFFICER
GLADYS MARRONE
BIA-HAWAII

2017 DIRECTORS

KAREN BERRY
TRADE PUBLISHING COMPANY

CHRIS CHEUNG
CC ENGINEERING & CONSTRUCTION, INC.

CLIFTON CRAWFORD
C & J CONTRACTING, INC.

MARK HERTEL
INTER-ISLAND SOLAR SUPPLY,
OAHU-MAUI-HAWAII-KAUI

BRENTON LIU
DESIGN TRENDS CONSTRUCTION, INC.

SARAH LOVE
BAYS LUNG ROSE & HOLMA

BEAU NOBMANN
HPM BUILDING

GARY OKIMOTO
HONOLULU WOOD TREATING

JACKSON PARKER
D.R. HORTON, SCHULER DIVISION

DOUGLAS PEARSON
CASTLE & COOKE HOMES

PAUL D. SILEN
HAWAIIAN DREDGING
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

LATE

**Testimony to the House Committee on Housing
Thursday, March 16, 2017
10:00 a.m.**

State Capitol - Conference Room 423

RE: S.B. 1210 SD2 – Relating to Infrastructure Development

Chair Brower, Vice-Chair Nakamura, and members of the committee:

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 strong support of SB 1210 SD2, which appropriates funds for the establishment of a State Public-Private Partnership Coordinator within Department of Business, Economic Development, and Tourism to manage all public-private partnerships entered into by the State and manage all contracts, proposals, and negotiations associated with the State's public-private partnerships.

We understand that Public-Private-Partnerships (PPP or P3's) are being used more and more by different Federal, State and Municipal agencies on the mainland. The basic premise is to allow for private investment in public basic infrastructure as well as social infrastructure. Investors recoup their investments from revenue streams created by fees generated from the project or other sources of revenue.

"While private sector interest in funding public infrastructure projects has increased in recent years, barriers to private sector participation remain. Many government agencies lack the capacity and capabilities to plan, execute, and manage PPP projects. At the same time, productivity in the construction industry needs improvement. Managing these complexities can be challenging for even the most seasoned leaders." (McKinsey & Company).

We would suggest that the bill include language to have one entity at the County oversee all P3 initiatives. Having one entity to oversee a P3 program at the Counties will not only provide a process for assessing and implementing P3 projects but also avoid the confusion of having multiple agencies develop their own tools for assessing and implementing P3's. At this time, it may be wise to centralize this function until there is a better understanding of the P3 process and some standards established to ensure success.

We are in strong support of SB 1210 SD2, as it will consolidate the State's efforts in development and implementing P3's in Hawaii. Thank you for the opportunity to express our views on this matter.