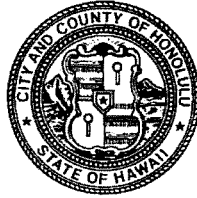


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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ACTING DIRECTOR

TIMOTHY F. T. HIU
ACTING DEPUTY DIRECTOR

February 6, 2017

The Honorable Lorraine R. Inouye, Chair
and Members of the Committee
on Transportation and Energy
The Honorable Karl Rhoads, Chair
and Members of the Committee
on Water and Land
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Inouye and Rhoads, and Committee Members:

Subject: Senate Bill No. 586
Relating to Transit Oriented Development Community
Development Districts

The Department of Planning and Permitting (DPP) **strongly opposes** Senate Bill No. 586, which would establish state community development districts around several rail stations, and authorize the Hawaii Community Development Authority (HCDA) to take over county roles in planning and approving transit-oriented development, and implementing infrastructure improvements. This Bill is unnecessary, premature, duplicative, usurps home rule, and will be costly to the taxpayers of Hawaii.

The DPP supports the State's role in developing State-owned lands near rail transit stations. For more than 10 years, we have invited State agency participation in our transit-oriented development (TOD) planning. State agencies have responded and influenced our TOD plans and strategies. We would be happy to share with you all of our collaborative efforts with State agencies and others in developing the TOD program, especially our efforts to expedite infrastructure improvements.

We are well aware that the State owns lands that can take advantage of their proximity to rail stations. Our draft TOD Plan for the Halawa area was developed in partnership with the Department of Accounting and General Services and the Stadium Authority. We actively participated in meetings convened by Senators Chun Oakland and Dela Cruz in 2015 that began the discussion on redevelopment of State lands near rail stations. Based on suggestions from the Senate working group, we are working with State agencies and major private landowners to develop the Iwilei-Kapalama Infrastructure

The Honorable Lorraine R. Inouye, Chair
and Members of the Committee
on Transportation and Energy
The Honorable Karl Rhoads, Chair
and Members of the Committee
on Water and Land
Senate Bill No. 586
February 3, 2017
Page 2

Master Plan and finance district to accelerate infrastructure improvements to support affordable housing at Mayor Wright Homes and several other State properties.

By creating state development districts and extending HCDA authority over private lands, this Bill ignores these collaborative planning efforts by taking over the City's role in planning, zoning and permitting TOD projects, and planning and implementing infrastructure improvements. Rather than accelerate action on TOD and affordable housing, establishing this new authority -- and the extensive new rules, procedures and staffing it would require -- could set back progress by several years.

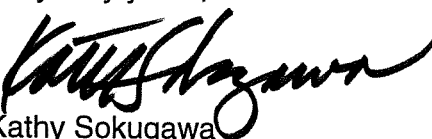
It is unfortunate that the proposed legislation ignores the significant progress made by State agencies, the City, and the private sector. Act 130 (2016) established the Hawaii Interagency Council for Transit Oriented Development, which is moving quickly to develop a State TOD Strategic Plan (focused on development of State lands). Working collaboratively with the City, it expects the Plan to be completed later this year. The Plan will prioritize CIP projects for recommendation to the Legislature. The Interagency Council identified priority TOD areas, and provided master planning funds.

To sum, we support the State in coordinating planning and prioritizing its investments in TOD infrastructure and projects on State lands. The City will continue to collaborate with the State on this effort. We are especially supportive of bills that help fund infrastructure upgrades and stimulate more affordable housing. However, the State should not usurp City land use planning and project approval functions. We appreciate the Bill's focus on funding mechanisms to deliver major infrastructure improvements, but suggest that better mechanisms for State contributions can be developed in collaboration with the City, without usurping local land use authority.

We believe it is critical for the State to coordinate planning and prioritize its investments in TOD infrastructure and projects on State lands. The City is eager to continue collaborating with the State on this effort. However, it should not usurp City land use planning and project approval functions.

Please defer Senate Bill No. 586. Thank you for the opportunity to testify.

Very truly yours,



Kathy Sokugawa
Acting Director

TRANSIT-ORIENTED DEVELOPMENT INFRASTRUCTURE PROJECTS

City and County of Honolulu

February 3, 2017

Transit-oriented development (TOD) near the future rail transit stations is a major element of our island's growth strategy for the next several generations. Ensuring adequate infrastructure capacity—be it wet or dry utilities, pedestrian facilities, or schools and parks—is a concern the City and County of Honolulu is tackling head on as we shift from our historic growth pattern of large master developed communities to smaller infill projects in existing communities.

In the Iwilei and Kapalama station areas, for example, the Mayor's TOD Subcabinet is working closely with state agencies and private landowners develop an infrastructure master plan and funding strategy to identify and implement the projects needed to accelerate development—and help address critical affordable housing needs.

TOD may result in the construction of 50,000 new housing units in the rail corridor over the next 50+ years. Although it is not practical to estimate the total infrastructure costs for all TODs without knowing exactly which parcels will develop, how much, and in what year, we do know that the major infrastructure upgrades listed below are necessary to create adequate capacity for the next several decades of growth in the rail station areas.

Wastewater

Many developers consider our wastewater system to be the biggest impediment to growth; however, the system is handling 15 million gallons per day less than it was 15 years ago, in part, due to requiring more efficient water fixtures. Many areas have some capacity for near-term development but may need improvements to accommodate major development or build-out of the neighborhood TOD plans. It is also important to understand that we cannot oversize our sewer system in anticipation of future development. Inadequate flow frequently results in early corrosion of pipes and equipment. Sewer capacity must be provided incrementally over time, ideally just ahead of demand.

Islandwide, the City is investing over approximately \$5.2 billion, in 2010 dollars, in the wastewater system to comply with the 2010 Consent Decree—primarily fixes to improve environmental quality.

In addition, these are projects providing additional capacity. They include:

Over \$320 million in funded sewer projects (pump stations, force mains, and large pipes) will improve capacity and support development in Ala Moana, Kakaako, Iwilei-Kapalama, Kalihi, the Airport area, Pearl City, and Waipahu over the next five years.

Another **\$510 million** in additional sewer projects have been identified, with construction cost funding programmed, which will allow additional development in Ala Moana, McCully-Moiliili, Iwilei-Kapalama, Halawa/Aloha Stadium, Pearl City, and Waipahu.

These wastewater capacity projects include:

- The second sewage digester at the Sand Island Wastewater Treatment Plant was recently constructed and, following the renovation of the original digester, will open up tremendous wastewater treatment capacity for most of urban Honolulu, including TOD from Ala Moana to the Airport area.
- The first phase of the Ala Moana Wastewater Pump Station Upgrade is funded at \$20 million and will increase capacity in the Ala Moana station area by 2020.
- Land acquisition and design costs (\$70 million) for the Ala Moana Wastewater Pump Station No. 3 and Tunnel project are partially funded, but the \$290 million construction cost is not. This project will open up significant sewer capacity not just in the Ala Moana-Kakaako area, but also in nearby McCully-Moiliili.
- The first phase of the Awa Street Wastewater Pump Station, Force Main and Sewer System Improvements project is funded at \$120 million. This improvement will be completed by 2020 and will open up capacity to accommodate the first anticipated wave of TOD in the Iwilei and Kapalama station areas.
- The second phase of the Awa Street Wastewater Pump Station, Force Main and Sewer System Improvements project is not yet funded and is estimated to cost \$100 million. This improvement is necessary to accommodate the later phases of development in Iwilei-Kapalama. Also, roughly \$60 million for local collection pipe upgrades in this area is not yet funded.
- The third phase of the Hart Street Wastewater Pump Station Force Main Improvements project is programmed at roughly \$20 million and will provide some additional capacity in Kalihi.
- The Kamehameha Highway Wastewater Pump Station Force Main System Improvements project is funded at \$21 million and will increase capacity in the Airport area.
- To accommodate the development vision laid out for the Aloha Stadium and Puuwai Momi public housing sites in the Halawa Area TOD Plan, more than \$100 million in unfunded sewer system improvements will be required. The Waimalu Wastewater Pump Station Modification/Upgrade project is scheduled for \$10 million in funding in fiscal year 2019 and will provide additional capacity in the Pearlridge and Waimalu areas.
- A new force main from Waipahu to the Honouliuli Wastewater Treatment Plant is anticipated to be funded at \$60 million in fiscal year 2020 and should provide additional capacity in Pearl City and Waipahu by 2022.

Local collector sewer lines, serving specific development projects, are not included in these regional project costs and may represent an additional cost of at least ten percent of the amounts above.

Water

Population growth and new developments create the need for increased water supplies and additional transmission pipeline and distribution lines to get water where it is needed. New development in Ewa and around the rail transit stations will account for about 75 percent of

Oahu's anticipated population increase through 2040. Serving these new demands will require significant additional water infrastructure, as well as aggressive water conservation measures. Planned projects to increase system capacity for TOD within the next six years will **total roughly \$41 million** and include:

- Pensacola Street Water System Improvements
- Microbial Laboratory Air Conditioning Upgrade
- Kalihi Pump Station Low and High Service Renovation
- Aiea Kai Place and Way 8-inch Mains
- Mapunapuna Water System Improvements, Part I
- Kalihi Water System Improvements, Part VI
- Kahuailani Street Water System Improvements
- East Kapolei 215 3.0 MG Recycled Water Reservoir

Other capacity projects planned through 2042 **total \$170 million** and include:

- Ala Moana Water System Improvements, Part I & II
- Honolulu District 42-inch Mains - Liliha to Moiliili, Phase I & II
- Kanunu Street and Keeaumoku Street 8-inch Main
- Ala Moana Boulevard and Piikoi Street Area Water System Improvements
- Ala Moana Boulevard 24-inch Main
- Aala Street and North Vineyard Boulevard
- Nimitz Highway 16-inch Main
- Kokea Street and Auld Lane Water System Improvements
- Dillingham Boulevard at Kohou Street 12-inch Main
- Nimitz Highway and Waiakamilo Road Area Water System Improvements
- Sand Island Access Road 16-inch Main
- Kamehameha Highway at Lipoa Place Area Water System Improvements
- Kamehameha Highway at Aiea Kai Place
- Kaahele Street at H1 16-inch Main
- Farrington Highway and Waipahu Depot Street Area Water System Improvements
- Waipahu 36-inch Main Relocation
- Kapolei Line Booster Expansion

These projects have been identified for long-range planning purposes. The cost estimates and scheduling are subject to change based on project definition, priorities, funding availability, staffing resources, and coordination among other infrastructure projects.

Stormwater

Drainage and flooding is an ongoing challenge in some station areas that must be addressed in order to unlock development potential. The City's current efforts to improve drainage are focused primarily in the Iwilei and Waipahu Transit Center station areas, as well as private developments islandwide. Innovative strategies and policy changes will also benefit other neighborhoods that have deficient drainage systems.

- The drainage system in Iwilei is an antiquated, partially privatized system that causes frequent and severe flooding problems. The City has funded a planning study in the current fiscal year to determine the appropriate solution, whose implementation will likely depend on a partnership between private and public interests. The Iwilei-Kapalama Infrastructure Master Plan will also explore sea level rise and climate change adaptation strategies for this area.
- The City will be requesting funds to update an existing plan to eliminate the federal floodway designation in Old Waipahu Town. A 2004 study estimated one solution at a **cost of \$22 million**.
- The City has recently adopted new rules for developments requiring on-site stormwater management and green infrastructure to reduce the load on our stormwater system and improve water quality.

Recreational & Cultural Facilities

As we redevelop existing neighborhoods, we also need to improve existing parks and create more community gathering spaces. Many of these spaces will be provided or improved by developers through the City's existing Park Dedication requirement, which may result in new privately owned public spaces, contributions to new public parks, and new private facilities; new development in Iwilei-Kapalama alone could result in 16 acres of new recreational space. The City is also funding public improvements to serve existing neighborhoods and spur development.

- The City has committed to making major upgrades to Ala Moana Regional Park to serve existing users, new residents, and those arriving by rail from other parts of the island.
- Renovation of Neal S. Blaisdell Center and Thomas Square is a critical element for preserving the quality of life on our island, as well as supporting development in the surrounding Kakaako and Ala Moana neighborhoods. The first phase of Thomas Square improvements is under construction, and site planning for the Blaisdell Center campus will be done throughout 2017.
- Kalihi currently has the lowest amount of park space per capita in the entire island. TOD is creating the opportunity to finally fund and construct an urban greenway park along Kapalama Canal, as desired by the community for many decades. Construction of the project is funded in future years at **\$25 million, plus \$10 million** for dredging and bank stabilization. The project is intended to catalyze affordable and workforce housing development on adjacent private and state-owned lands.

Station Access & Complete Streets

The City has identified pedestrian, bicycle, and bus access improvements necessary to help riders reach the rail stations, which are particularly important since only 4 of the 21 stations will have parking facilities. More than 60 individual improvements were identified at a **total cost of \$80-90 million**. The improvements range in scale from wider crosswalks to new

pedestrian bridges, and bus transit centers. Some are focused particularly on enhancing TOD opportunities. A few sample projects that are already underway are listed below.

- Provide wayfinding signage both to the rail stations, and to neighborhood destinations from the stations.
- Build and implement the Waikiki Area Transit Catalytic Improvements Project to enhance the bus connections between the Ala Moana Center Station and Waikiki.
- Convert Kekaulike Street into a shared street from King Street to the Chinatown Station.
- Improve pedestrian crossings and bicycle facilities near the Iwilei and Kapalama Stations.
- Provide bus, bicycle, and pedestrian facilities to improve multimodal access to the Pearl Highlands Station.
- Provide off-street pedestrian/bicycle connection from the Aloha Stadium Station to the U. S. S. Arizona Memorial and Pearl Harbor Historic Trail.
- Build a new Pearlridge Station Bus Transit Center as part of a larger mixed-use, mixed-income TOD project.
- Improve Hikimoe Street to improve bus-rail connections at Waipahu Transit Center Station.
- Provide bus and pedestrian facilities to improve multimodal access to the stations in East Kapolei.

Additionally, following the passing of the Complete Streets Ordinance and adoption of the Honolulu Complete Streets Design Manual, the City is working towards incorporating complete streets principles in all aspects of planning, design, and construction. We have established a Complete Streets Program that has a goal of ensuring multimodal access to rail stations and in TOD areas, in addition to a minimum bike grid in urban Honolulu. These improvements are being constructed through standalone projects, in-house efforts, and leveraging efforts under existing rehabilitation of streets projects. The total cost to complete these initiatives will be **\$30-50 million**.

Broadband Internet

The Department of Information Technology is working with the Honolulu Authority for Rapid Transportation and the telecommunications industry to incorporate high-capacity broadband fiber optic into the rail guideway and throughout the neighborhoods served by rail. Access to this infrastructure will generate huge economic development benefits and help cultivate innovative industries in the TOD areas. Free City-provided broadband Wi-Fi is also being deployed in Chinatown and Downtown, as was recently made available in Waikiki. Wi-Fi will be available on the train and in the stations.

Electric

TOD Division staff is meeting quarterly with the Hawaiian Electric Company (HECO) to help them understand the implications that TOD may have on their system, and to determine future needs for infrastructure investment. HECO is currently working to identify the upgrades necessary to support the estimated development in the Iwilei-Kapalama station areas.

Iwilei-Kapalama TOD Infrastructure Master Plan

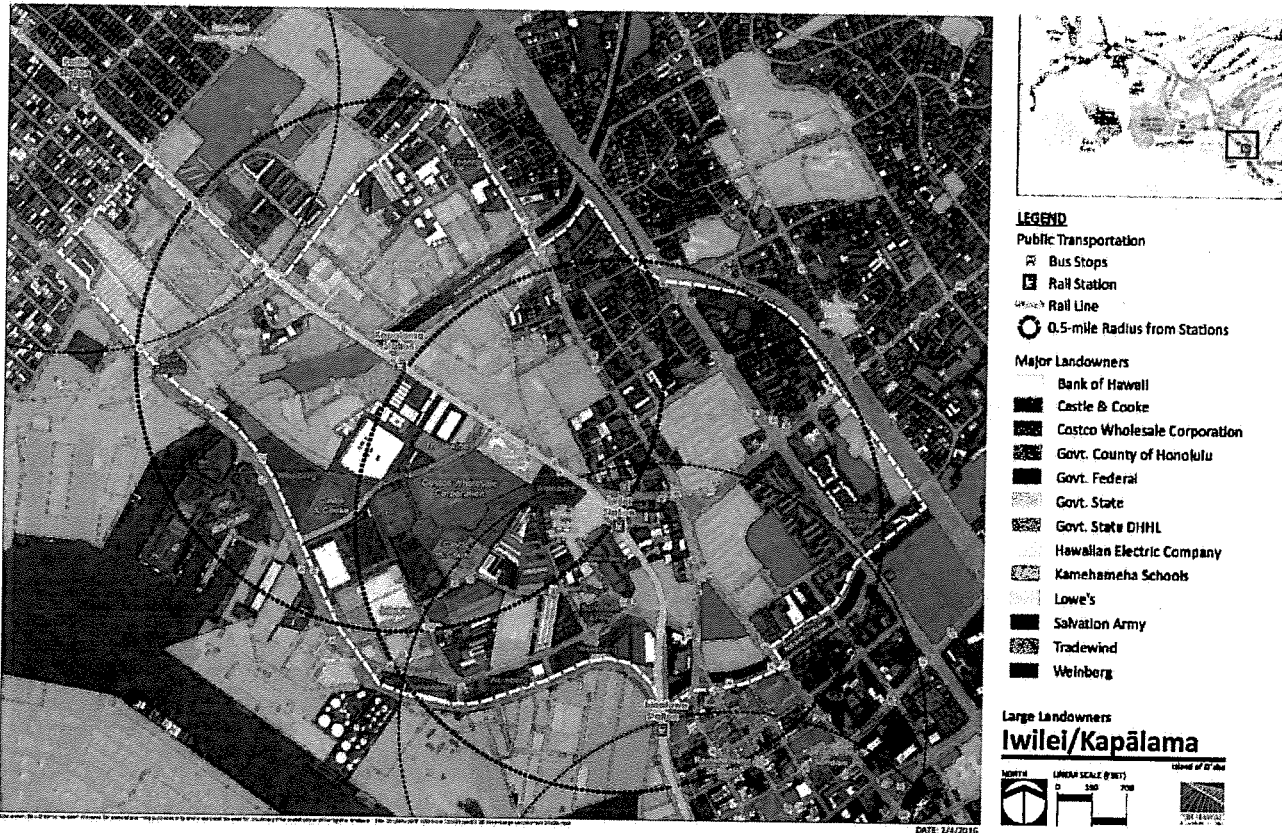
City and County of Honolulu, Department of Planning and Permitting

January 2017

Overview

The City and County of Honolulu is developing the Iwilei-Kapalama Infrastructure Master Plan (IKIMP) and expediting improvements to support transit-oriented development (TOD) for the Iwilei and Kapalama rail station areas. As envisioned in the Downtown and Kalihi Neighborhood TOD Plans, the area will grow into an urban mixed-use neighborhood with housing, jobs, shopping, and services within easy walking distance of the rail stations. The planning team has engaged public and private property owners and infrastructure agencies to identify critical investments needed to accommodate anticipated growth, with a high priority on supporting affordable housing development. The plan will result in high-level cost estimates for infrastructure improvements, a phasing strategy, and other recommendations to support TOD. An associated study is exploring innovative financial tools to help fund the necessary improvements.

These efforts are complemented by several other City-led projects to support TOD: the Iwilei-Kapalama Multimodal Transportation Study, the creation of a linear park along Kapalama Canal, the Iwilei Drainage Study, implementation of the City's Affordable Housing Strategy, and technical assistance from the US Environmental Protection Agency related to contaminated land and sea level rise. State agency partners are actively participating in these projects and planning for affordable housing and mixed-use developments.



Existing Conditions

The area is predominantly light industrial uses on large lots. Major landowners include several State of Hawaii agencies, Kamehameha Schools, Castle & Cooke, and the Weinberg Foundation. The area has poor roadway connectivity which negatively impacts pedestrian, transit, bicycle and vehicular access. There are also significant deficiencies in the drainage, electrical, sewer, and water systems that limit development potential. Given the amount of needed upgrades, and the scale of expected development, it is impractical for landowners to make these improvements on a project-by-project basis.

Development Estimates

Due to the low-density character of existing development, proximity to Downtown, and consolidated landownership, Iwilei-Kapalama is expected to see the highest levels of TOD in the entire rail corridor. Based on land and entitlement

capacity, market demand, and landowner input, this study has anticipated that over 13,000 new housing units may be constructed, as detailed in the chart below. The first phase estimates include a significant amount of new housing on state-owned lands (e.g., the redevelopment of Mayor Wright Homes). There is also near-term development interest by private landowners, especially in the Kapalama Canal area.

	Approximate Existing	PHASE 1 Anticipated 1-10 years	PHASE 2 Anticipated 11-25 years	PHASE 3 Anticipated 26-40+ years
Multifamily Residential Units	3,830	3,590	5,420	4,440

* Development estimates subject to change

The TOD projections generally assume that existing single-family homes will remain and there will not be a significant increase in net commercial development as the character of the area changes from industrial to mixed use.

Infrastructure Needs

In addition to identifying long-range infrastructure needs, the City is working to ensure that Phase 1 development will be accommodated by existing infrastructure, capital projects already underway, or localized improvements constructed as part of specific development projects. For instance, improvements to the City's Awa Street Wastewater Pump Station, Force Main, and Sewer System are already funded and will open up sewer capacity by 2020. Large developments will need to build new streets on-site for pedestrian and vehicular circulation.

The scope and cost of infrastructure projects needed to support the later phases of development are currently being identified and refined, and some are already in the planning and design phases. Projects will likely include:

- New public roadways, including subsurface utilities
- Complete Streets improvements to existing roadways and intersections
- Additional upgrades to the Awa Street Wastewater Pump Station, Force Main, and Sewer System
- Upsized sewer collection pipes
- Water system upgrades to increase fire flow protection
- Major stormwater drainage system improvements, green infrastructure, and climate change adaptation
- Kapalama Canal greenway and linear park
- High-speed broadband fiber optic cable

New housing development will trigger park dedication requirements, which will add recreational space in an area severely lacking in park facilities. The increase in housing will also necessitate additional school capacity.

Implementation

The infrastructure projects recommended by this study will be implemented by the City, the State, private utilities, and private developers. The City is developing a comprehensive funding strategy for these improvements, working closely with state agencies and other landowners. This strategy will address infrastructure by type and phase, with a focus on improvements needed to support affordable and workforce housing production. The strategy will consider a wide range of funding sources, including grants, public contributions, public-private partnerships, and district-based funding tools. As a first step, the City is evaluating the potential revenue that might be generated through a Community Facilities District and/or a Tax Increment Financing District. Ultimately, the funding strategy for the Iwilei-Kapalama area could serve as a model for district-based financing in other TOD areas.

Contact

A draft of the Iwilei-Kapalama Infrastructure Master Plan will be available in the spring of 2017 at www.honolulu.gov/tod. For more information or to receive project updates, please contact Harrison Rue, Community Building and TOD Administrator, at hrue@honolulu.gov or (808) 768-8050.





HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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STATEMENT OF

JESSE K. SOUKI, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON TRANSPORTATION AND ENERGY, AND
SENATE COMMITTEE ON WATER AND LAND

ON

Monday, February 6, 2017
2:00 P.M.

State Capitol, Conference Room 225

in consideration of

**SB586 – RELATING TO TRANSIT ORIENTED DEVELOPMENT
COMMUNITY DEVELOPMENT DISTRICTS**

Chairs Inouye and Rhodes, Vice Chairs Dela Cruz and Gabbard, and
members of the committee.

This testimony reflects my view alone. The Hawaii Community
Development Authority (HCDA) has not acted on this measure.

In my capacity as the HCDA Executive Director, I respectfully offer
comments on SB586.

This bill allows HCDA to enter into public-private partnerships in a Transit
Oriented Development (TOD) district, but does not provide clarity on whether
HCDA has planning and zoning authority within the district.

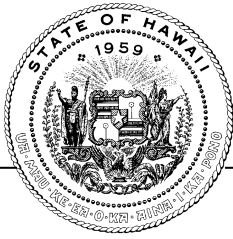
While this bill closely tracks the HRS Chapter 206E in some of our
Community Development Districts, it departs from past practice in one crucial
area: it does not provide a clear boundary for the proposed TOD districts. This
could lead to confusion as the proposed one-half mile radius could bisect
properties creating split zoning on a single parcel of land.

In order to streamline the process and to honor work already done with the
community, I recommend the bill require HCDA to develop its plans in alignment
with the City and County's Neighborhood TOD plans.

Developing and implementing these plans and rules will require additional resources. The HCDA board voted to request that any increase in responsibilities be accompanied with resources to carry out the new duties.

We estimate it will require an additional 4.5 FTE and \$520,000 annually with an additional \$430,000 annual operational costs to carry out this mission.

Thank you for the opportunity to provide comments on this bill.



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DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
**SENATE COMMITTEES ON TRANSPORTATION AND ENERGY, AND
WATER AND LAND**
Monday, February 6, 2017
2:00 PM
State Capitol, Conference Room 225

in consideration of
SB 586
**RELATING TO TRANSIT ORIENTED DEVELOPMENT COMMUNITY
DEVELOPMENT DISTRICTS**

Chairs Inouye and Rhoads, Vice Chairs Dela Cruz and Gabbard, and Members of the Senate Committees on Transportation and Energy, and Water and Land.

The Office of Planning (OP) supports the intent and offers comments on Senate Bill 586, which establishes transit-oriented development (TOD) community development districts. The bill authorizes the Hawaii Community Development Authority (HCDA) to plan and develop infrastructure capacity at each of the transit stations established as TOD community districts. It requires the HCDA to plan and develop infrastructure for State land within a one-half mile radius at one of the following rail stations: 1) Aloha Stadium Transit Station, 2) Kalihi Transit Station, 3) Iwilei Transit Station or 4) Leeward Community College Station.

OP supports the concept of assigning responsibility for developing infrastructure capacity supporting State lands in the vicinity of rail transit stations to an existing government entity such as the HCDA. Infrastructure is widely acknowledged as a major impediment to realizing the potential of TOD in providing needed public services, housing, and creating vibrant and sustainable mixed-use communities.

While this proposal could potentially expedite TOD on State lands, OP has a number of concerns related to the bill as it is currently written:

- Some of the proposed duties of the Authority, including coordination, planning, and identifying TOD infrastructure needs and financing, currently overlap with the duties of the Hawaii Interagency Council for TOD (TOD Council) recently established pursuant to Hawaii Revised Statutes (HRS) § 226-64 (Act 130, SLH 2016). Any

comprehensive planning efforts delegated to the HCDA would be duplicative of the tasks already assigned to the TOD Council.

- The effective delivery of infrastructure system capacity to accommodate planned and future State agency projects with those of other public and private developers requires a broader and coordinated regional geographic approach to State agency land use planning and development along the rail corridor than the assignment of powers granted to a single authority limited to a one-half mile radius of a transit station.
- The redevelopment potential of many State-owned properties along the rail corridor has yet to be assessed by the TOD Council. The language on page 2, lines 14-16 identifies potential infrastructure investment priorities for State-owned lands at four main station areas: 1) Aloha Stadium Transit Station, 2) Kalihi Transit Station, 3) Iwilei Transit Station or 4) Leeward Community College Station. Specific station-areas designated for infrastructure investment still need further review before they are determined to be priorities for development.
- With regard to districts and boundaries established, OP believes a more comprehensive and collaborative planning approach is needed to determine the priority areas and boundaries. Districts that are established should take into consideration the existing City and County of Honolulu Neighborhood TOD Plans, including the boundaries for designated State TOD districts, and current and proposed zoning designations.

OP would prefer that the recently established TOD Council be given the opportunity to plan and coordinate development at these transit stations, including collaboration with affected State agencies and the county regarding TOD infrastructure needs and financing. OP also notes that the TOD Council may have an opportunity to work closely with the HCDA as a potential existing authority for TOD implementation.

Thank you for the opportunity to testify on this matter.



**Testimony to the Senate Committee on Transportation and Energy,
and Senate Committee on Water and Land
Monday, February 6, 2017 at 2:00 P.M.
Conference Room 225, State Capitol**

**RE: SENATE BILL 586 RELATING TO TRANSIT ORIENTED DEVELOPMENT
COMMUNITY DEVELOPMENT DISTRICTS**

Chairs Inouye and Rhoads, Vice Chairs Dela Cruz and Gabbard, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 586, which establishes transit oriented development community development districts; authorizes the Hawaii community development authority to plan and develop infrastructure capacity at each of the transit stations established as transit oriented development community districts; requires the authority to plan and develop infrastructure for state owned land surrounding one of the following rail stations: Aloha Stadium, Kalihi, Iwilei, or Leeward Community College; allows the authority to enter into public private partnerships.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,400 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 purpose of this bill is to allow the State to realize the optimized value of the State owned lands along the transit corridor. The bill correctly identifies that many low density areas along the Honolulu rail transit project corridor will be underutilized when the project is completed. These areas provide opportunity for redevelopment that will increase the availability of workforce housing, mixed-use facilities and shared recreational spaces. In order to achieve this purpose, the authority shall plan a mixed-use district whereby industrial, commercial, residential, and public uses may coexist compatibly within the same area.

We applaud the efforts of the legislature to provide some pro-active leadership to ensure the state owned lands are developed properly in order to realize the maximum benefits to the state. Market and affordable rentals in a pedestrian friendly, mixed use environment can be realized when properly planned and implemented.

We strongly support SB 586 and look forward to working with the new authority. Thank you for the opportunity to testify.

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**Testimony to the Senate Committee on Transportation & Energy, and
Senate Committee on Water & Land****February 6, 2017****2:00 pm****Conference Room 225****RE: SB 586 – Relating to Transit Oriented Development Community
Development Districts**

Chairs Inouye & Rhoads, Vice-Chairs Dela Cruz & Gabbard, 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 strong support of S.B. 586 which establishes transit oriented development community development districts. Authorizes the Hawaii community development authority to plan and develop infrastructure capacity at each of the transit stations established as transit oriented development community districts. Requires the authority to plan and develop infrastructure for state owned land surrounding one of the following rail stations: Aloha stadium, Kalihi, Iwilei, or leeward community college. Allows the authority to enter into public private partnerships.

The purpose of this bill is to allow the State to realize the optimized value of the State owned lands along the transit corridor. The bill correctly identifies that many low density areas along the Honolulu rail transit project corridor will be underutilized when the project is completed. These areas provide opportunity for redevelopment that will increase the availability of workforce housing, mixed-use facilities and shared recreational spaces. In order to achieve this purpose, the authority shall plan a mixed-use district whereby industrial, commercial, residential, and public uses may coexist compatibly within the same area.

We applaud the efforts of the legislature to provide some pro-active leadership to ensure the state owned lands are developed properly in order to realize the maximum benefits to the state. Market and affordable rentals in a pedestrian friendly, mixed use environment can be realized when properly planned and implemented.

We strongly support S.B. 586 and look forward to working with the new authority.

We appreciate the opportunity to provide our input on this important legislation.