

**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](http://www.honolulu.gov/council)



**Ron Menor**  
CHAIR &  
PRESIDEING  
OFFICER

**IKAIKA ANDERSON**  
VICE CHAIR

**Kymerly Marcos Pine**  
FLOOR LEADER

**CITY AND COUNTY OF HONOLULU  
BEFORE THE SENATE COMMITTEE ON PUBLIC SAFETY,  
INTERGOVERNMENTAL, AND MILITARY AFFAIRS**

**TUESDAY, JANUARY 31, 2017, 1:15 PM**

**TO: THE HONORABLE CLARENCE K. NISHIHARA, CHAIR  
THE HONORABLE GLENN WAKAI, VICE CHAIR  
AND MEMBERS OF THE SENATE COMMITTEE ON PUBLIC SAFETY**

**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: COMMENTS ON S.B.938, RELATING TO REIMBURSEMENTS TO THE  
STATE FOR THE COSTS OF ASSESSMENT, COLLECTION, AND  
DISPOSITION OF THE COUNTY SURCHARGE ON STATE TAX.**

My name is Ron Menor, and I am here to testify 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. We are offering testimony in support of the INTENT of this measure which is to generate additional revenue to cover future anticipated costs of the Honolulu Rail Transit Project.

S.B. 938 would repeal the requirement that the Director of Finance deduct ten percent of the gross proceeds of a respective County's surcharge on state excise tax to reimburse the State for various costs. Under this bill, the City is estimated to receive approximately \$300,000,000

over the next ten years.

However, this amount would not be adequate to fully fund the construction and financing costs to complete rail according to the original alignment and design under the Full Funding Grant Agreement (FFGA) with the Federal Transit Administration (FTA). According to HART estimates, the total construction costs of completing rail to Ala Moana are \$8,200,000, not including the debt service costs.

The City Council respectfully requests that the Legislature pass legislation to extend the County surcharge in perpetuity. The Council's position in this regard is reflected in Council Resolution 16-248, CD1, FD1 which was unanimously adopted by the Council on December 1, 2016. The permanent extension of the county surcharge would provide a stable and broad-based source of funding to ensure that the rail project effectively addresses the transportation needs of residents while contributing to positive economic growth and development on our island.

Thank you for the opportunity to offer testimony on this measure.

1065 Ahua Street  
Honolulu, HI 96819  
Phone: 808-833-1681 FAX: 839-4167  
Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)  
Website: [www.gcahawaii.org](http://www.gcahawaii.org)



# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

January 31, 2017

TO: HONORABLE CLARENCE NISHIHARA, CHAIR, HONORABLE GLENN WAKAI, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS

SUBJECT: **SUPPORT OF S.B. 938, RELATING TO REIMBURSEMENTS TO THE STATE FOR THE COSTS OF ASSESSMENT, COLLECTION, AND DISPOSITION OF THE COUNTY SURCHARGE ON STATE TAX.**

Repeals the requirement that the Director of Finance deduct ten per cent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for the costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State.

#### HEARING

DATE: Tuesday, January 31, 2017  
TIME: 1:15 PM  
PLACE: Conference Room 229

Dear Chair Espero, Vice Chair Harimoto 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.

Rail is the biggest immediate 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 our entire state now and for years to come. **GCA respectfully requests that this Committee pass this measure.** Thank you for the opportunity to express our views on this matter.



**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**

THE SENATE  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2017

COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS

Senator Clarence K. Nishihara, Chair  
Senator Glenn Wakai, Vice Chair

AMENDED NOTICE OF HEARING

DATE: Tuesday, January 31, 2017  
TIME: 1:15 p.m.  
PLACE: Conference Room 229  
State Capitol  
415 South Beretania Street

**TESTIMONY ON SENATE BILL NO. 938, RELATING TO REIMBURSEMENTS TO THE STATE FOR THE COSTS OF ASSESSMENT, COLLECTION, AND DISPOSITION OF THE COUNTY SURCHARGE ON STATE TAX.**

ALOHA COMMITTEE CHAIR CLARENCE NISHIHARA, COMMITTEE VICE CHAIR GLENN WAKAI, AND MEMBERS ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS:

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. 938. This bill proposes to repeal the requirement that the Director of Finance deduct ten per cent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for the costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State.

While we support legislative measures which tries to explore revenue sources to increase funding for the construction of the Honolulu Rail Project, we believe that extending the Rail .5 percent GET Surcharge beyond the December 31, 2027 sunset date is the best way to ensure that the Rail Project can be completed to Ala Moana Shopping Center.

For these reasons, we support the intent of Senate Bill No. 938.