

DAVID Y. IGE
GOVERNOR OF
HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WATER AND LAND**

**Wednesday, March 21, 2018
2:45 P.M.
State Capitol, Conference Room 224**

**In consideration of
HOUSE BILL 2592, HOUSE DRAFT 1
RELATING TO WATER**

House Bill 2592, House Draft 1 proposes to establish a working group within the Department of the Attorney General to assess the viability and constitutionality of using tax increment financing on the county level as a means of incentivizing water-related infrastructure projects. **The Department of Land and Natural Resources (Department) acknowledges the intent of this bill and offers the following comment.**

If this measure is enacted, the Department would participate in the working group to collaborate and provide resources or information within its program areas.

Thank you for the opportunity to comment on this measure.

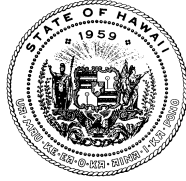
SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

DAVID Y. IGE
GOVERNOR OF HAWAII



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DEPARTMENT OF HEALTH
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VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

WRITTEN
TESTIMONY ONLY

**Testimony COMMENTING on HB 2592, HD 1
RELATING TO WATER**

SENATOR KARL RHOADS, CHAIR
SENATE COMMITTEE ON WATER AND LAND

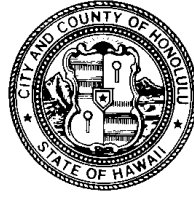
Hearing Date: March 21, 2018
Time: 2:45 pm

Room Number: 224

- 1 **Fiscal Implications:** None.
- 2 **Department Testimony:** The department of health acknowledges the intent of this bill and will
- 3 participate in the working group.
- 4 **Offered Amendments:** No amendments offered.
- 5 Thank you for the opportunity to testify.

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
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KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

MANUEL T. VALBUENA
DEPUTY DIRECTOR

BEFORE THE COMMITTEE ON
WATER AND LAND
WEDNESDAY, March 21, 2018

TO: THE HONORABLE KARL RHOADS, CHAIR
THE HONORABLE MIKE GABBARD, VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON WATER AND LAND

FROM: NELSON H. KOYANAGI, JR., DIRECTOR
DEPARTMENT OF BUDGET AND FISCAL SERVICES

SUBJECT: COMMENTS ON HB2592 HD1

The City and County of Honolulu (City) Department of Budget and Fiscal Services (BFS) appreciates the intent of HB2592 HD1, which establishes a working group within the Department of the Attorney General to assess the viability and constitutionality of using tax increment financing on the county level as a means of incentivizing water-related infrastructure projects.

BFS has concerns with the constitutionality of tax increment financing and appreciates that this working group will meet to discuss these issue. BFS is also concerned that the members of the working group primarily represent the State, rather than the counties, whom tax increment financing impacts the most.

Thank you for your consideration of this testimony.

HB-2592-HD-1

Submitted on: 3/20/2018 2:13:43 PM

Testimony for WTL on 3/21/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Karl Rhoads, Chair; the Honorable Mike Gabbard, Vice-Chair, and Members of the Senate Committee on Water and Land:

Good afternoon, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2592 HD1** relating to water; Tax Increment Financing; LUC; AG; Working Group; and Counties.

The OCC Legislative Priorities Committee is in favor of **HB2592 HD1** and supports its passage.

HB2592 HD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes a working group within the Department of the Attorney General to assess the viability and constitutionality of using tax increment financing on the county level as a means of incentivizing water-related infrastructure projects.

The DPH Platform states that [i]mprovements to infrastructure are critical to providing a healthy base to the Hawaiian economy. Upgrading publicly-owned water works, preserving agricultural water sources, improving public transportation, redesigning mass transit, and supporting universal basic education for all children are key elements in maintaining a strong, sustainable economy in Hawai'i." (Platform of the DPH, P. 1, Lines 50-53 (2016)).

Given that **HB2592 HD1** establishes a working group within the Department of the Attorney General to assess the viability and constitutionality of using tax increment financing on the county level as a means of incentivizing water-related infrastructure projects, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889



Email: communications@ulupono.com

SENATE COMMITTEE ON WATER & LAND
Wednesday, March 21, 2018 — 2:45 p.m. — Room 224

Ulupono Initiative Strongly Supports HB 2592 HD 1, Relating to Water

Dear Chair Rhoads, Vice Chair Gabbard, and Members of the Committee:

My name is Kyle Datta and I am General Partner of Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better management of waste and fresh water. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports HB 2592 HD 1, which establishes a working group with the Department of the Attorney General to assess the viability and constitutionality of using tax increment financing on the county level as a means of funding water-related infrastructure projects, because it aligns with our goal of preserving Hawai'i's water resources.

The counties have many infrastructure needs, in particular for water-related projects. Yet, they often find themselves without adequate funding to develop the project, which leads to an ever-growing backlog of unmet infrastructure needs. Tax increment financing can provide an as-yet untapped source of funding to build such projects. Furthermore, tax increment financing allows counties to leverage its future funding streams into getting an immediate pool of funds. Over time, as property values and tax revenues increase due to the new infrastructure, the water project financing is paid off.

As Hawai'i's water issues become more complex and challenging, we appreciate this committee's efforts to look at policies that protect our water resources.

Thank you for this opportunity to testify.

Respectfully,

Kyle Datta
General Partner

Investing in a Sustainable Hawai'i

HB-2592-HD-1

Submitted on: 3/19/2018 3:53:42 PM

Testimony for WTL on 3/21/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Erica Scott	Individual	Support	No

Comments: