

DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA  
DIRECTOR

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF TAXATION**  
830 PUNCHBOWL STREET, ROOM 221  
HONOLULU, HAWAII 96813  
<http://tax.hawaii.gov/>  
Phone: (808) 587-1540 / Fax: (808) 587-1560  
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Glen Wakai, Chair  
and Members of the Senate Committee on Economic Development, Tourism, and  
Technology

The Honorable Jill N. Tokuda, Chair  
and Members of the Senate Committee on Labor

Date: Thursday, March 22, 2018  
Time: 3:00 P.M.  
Place: Conference Room 229, State Capitol

Re: H.B. 2659, H.D. 1, Relating to Economic Development

The Department of Taxation (Department) offers the following comments regarding H.B. 2659, H.D. 1, for your consideration.

Among other things, H.B. 2659, H.D. 1, creates a new income tax credit for qualifying businesses under the Kapolei Jobs Initiative pilot program, provided that not more than 20 business per calendar year may qualify. H.D. 1 has a defective effective date of July 1, 2112, but otherwise applies to taxable years beginning after December 31, 2018, and is repealed on December 31, 2023.

First, the Departments notes that the House Committee on Economic Development & Business adopted the Department's suggestion to make the credit calculated on the amount of unemployment insurance premiums actually paid rather than the amount accrued and to require a net gain of one location in order to qualify for the credit.

Second, the Department suggests requiring a net gain of ten employees in the State and a net gain of ten employees in the designated geographic area in order to be a "qualified business." Paragraph 2 of the current definition of "qualified business" only requires a net gain of ten employees if the business is already established in the designated geographic area. This suggestion is consistent with requiring a net gain of one location that was added in H.D. 1.

Finally, the Department will be able to implement this measure with its current effective date. Thank you for the opportunity to provide comments.



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEES ON  
ECONOMIC DEVELOPMENT, TOURISM AND TECHNOLOGY  
AND  
LABOR**

Thursday, March 22, 2018  
3:00 p.m.  
State Capitol, Conference Room 229

in consideration of  
**HB2659, HD1**  
**RELATING TO ECONOMIC DEVELOPMENT.**

Chairs Wakai and Tokuda; Vice Chairs Taniguchi and English and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on HB2659, HD1. This measure, the Kapolei Jobs Initiative, allows companies that are in 96706, 96707, 96709 zip codes tax incentives for certain types of job creation. The goal is to encourage the development of jobs in Kapolei for Kapolei residents, who will then not need to commute into urban Honolulu.

Using the state tax code to the advantage of one part of the State over other areas, could have unintended consequences on other areas of the state who would also like a similar incentive program.

This initiative would require DBEDT to establish a whole new program including new reporting and tracking systems, as well as requesting more staff. No funds or positions are allocated for this initiative. DBEDT estimates that \$150,000 in each year of the biennium is necessary to implement this measure.

We are unable to ascertain the fiscal impact of this measure.

Thank you for the opportunity to provide these comments.



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Economic Development, Tourism  
and Technology and the Committee on Labor  
Thursday, March 22, 2018 at 3:00 P.M.  
Conference Room 229, State Capitol**

**RE: HOUSE BILL 2659 HD1 RELATING TO ECONOMIC DEVELOPMENT**

Chairs Wakai and Tokuda, Vice Chairs Taniguchi and English, and Committee Members:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent** of HB 2659 HD1, which establishes a Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region and establishes a tax credit incentive.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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.

This initiative will realize the State's long-standing policy of redirecting growth to the second urban core, creating jobs in the Kapolei region and reducing traffic congestion. More jobs in the Kapolei region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

We encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many. Thank you for the opportunity to testify.



Senator Glenn Wakai, Chair  
Senator Brian Taniguchi, Vice Chair  
Senate Committee on Economic Development, Tourism & Technology

Senator Jill Tokuda, Chair  
Senator J. Kalani English, Vice Chair  
Senate Committee on Labor

*Working together for Kapolei*

**RE: HB 2659 HD1 – Relating to Economic Development - In SUPPORT, requesting amendment**

Thursday, March 22, 2018; Conference Room 229; 3:00 PM

Aloha Chairs Wakai and Tokuda, Vice Chairs Taniguchi and English and Members of the Committees,

On behalf of the Kapolei Chamber of Commerce, I am submitting this testimony in strong support of HB 2659 HD1. We would like to request the following amendment to increase the gross annual salary requirement to keep aligned with the intent of this measure to create more professional jobs:

Page 3, (3) – Provides gross annual salaries of \$44,000 or more to at least half of its employees at the establishment in the designated geographic area;

The Kapolei Jobs Initiative Pilot Program's intent is to stimulate professional job growth to help keep pace with Kapolei's population growth. This Program realizes the State's long standing policy of redirecting growth to the second urban core. It will create more professional, living wage jobs in the Kapolei region and reduce traffic congestion.

Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

Thank you for the opportunity to provide comments. We ask for your favorable consideration of this measure.

Sincerely,

A handwritten signature in black ink that reads "K Polk".

Kiran Polk  
Executive Director

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

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SUBJECT: INCOME, UNEMPLOYMENT, Kapolei jobs initiative program

BILL NUMBER: HB 2659, HD-1

INTRODUCED BY: House Committee on Economic Development & Business

EXECUTIVE SUMMARY: Enacts a Kapolei jobs initiative similar to the current Enterprise Zone program, but with different requirements. We question why this program is not being made available to other localities in the State.

SYNOPSIS: Adds a new HRS chapter called Kapolei Jobs Initiative.

Defines a “full-time employee” as any employee, including a leased employee and an employee under a joint employment arrangement, for whom the employer is legally required to provide employee fringe benefits.

Defines a “qualified business” as a business that: (1) establishes or opens a new location within the designated geographic area (defined as the zip codes 96706, 96707, and 96709); (2) if opening a new location within the designated geographic area, has a minimum of ten full-time employees working at the establishment in the designated geographic area; or, if already established in the designated geographic area and expanding or building a new establishment in the same area, has a net gain of ten full-time employees; (3) provides gross annual salaries of \$35,000 or more to at least half of its employees at the establishment in the designated geographic area; (4) earns at least half of its gross annual revenue from its establishment in the designated geographic area; (5) is not participating in the state enterprise zone program pursuant to chapter 209E; and (6) excludes retail, except when greater than fifty per cent of sales are to Hawaii general excise tax licensees.

Adds a new section in HRS chapter 235 that provides for an income tax credit equal to 80% of the taxpayer’s net income tax liability (liability attributable to activity in Kapolei) in the year of qualification, and a credit of 10% less in each of the subsequent four years for any income tax due.

Provides for an additional credit equal to 80% of the taxpayer’s unemployment insurance contributions (attributable to activity in Kapolei) in the year of qualification, and a credit of 10% less for each of the subsequent four years.

Provides that the credit is not refundable but may be carried forward. Any carryforwards must be used before the end of calendar year 2028. States that all credit claims, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the tax credit may be claimed. Failure to do so constitutes a waiver of the right to claim the tax credit.

In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for the qualified costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of the tax credit shall be determined pursuant to section 704(b) (with respect to partner's distributive share) of the Internal Revenue Code.

Provides that the director of taxation shall prepare any forms that may be necessary to claim a credit under this section, may require the taxpayer to furnish information to ascertain the validity of the claim for the tax credit made, and may adopt rules under chapter 91.

EFFECTIVE DATE: July 1, 2112; applies to taxable years beginning after December 31, 2018; sunsets on December 31, 2028.

STAFF COMMENTS: The enterprise zone program in chapter 209E, HRS, was enacted as a cooperative program between the state and the counties to promote jobs in areas of high unemployment. Certain areas are designated as enterprise zones through joint action of the state and counties. In a zone, the state offers an income tax credit for the tax attributable to the eligible business conducted in the zone, which is normally applied on a sliding scale – 80% for the first year, 70% for the second, and so on until the credit is 20% for the seventh and last year in the program. It also offers an unemployment tax credit for the tax attributable to employees doing the eligible business in the zone, on the same sliding scale. Finally, the state offers a general excise tax exemption for the eligible business attributed to the zone. The counties also offer incentives, which vary by county. In return, the business commits to either maintain or increase the number of employees in the zone doing the eligible activity, depending on whether it was already in the zone upon designation or moved to the zone.

As business incentives go, the enterprise zone program is better than most. The incentive applies to a specific activity (here, creating and maintaining employment) targeted to the problem the program seeks to address. The incentive tapers off over time and then stops. It requires accountability, namely required reports to DBEDT, for a business to retain its eligibility. The business itself may need a different kind of assistance, such as financing, but the state is focusing on creating and maintaining jobs in areas that need them.

The program established by this bill is separate from the enterprise zone program, as one of the requirements to qualify for this program is no participation in the enterprise zone program.

We question why Kapolei is so unique and special as to merit an extraordinary incentive. Aren't jobs also necessary or desirable in Puna, or Hana, or Princeville, all of which have been designated enterprise zones because of the relatively high unemployment there?

As a technical matter, subsection (b) of the new income tax section provides credit for unemployment insurance "accrued and paid." This terminology is unclear because "accrued" normally refers to when an expense is recorded under the accrual method of accounting, and "paid" normally refers to when an expense is recorded under the cash method of accounting. Using the term "paid" to refer to expenses as recorded under the taxpayer's adopted method of

accounting, as is done in section 209E-10, HRS, is accepted terminology and should be sufficient here.

In addition, subsection (c) of the new income tax section provides that tax credits provided for “shall only apply to taxable income of a qualified business attributable to the conduct of business within” Kapolei. Tax credits are applied to and reduce tax, not income; if the idea is to apportion the credit based on business activity, additional clarity is needed, such as changing the last sentence of subsection (c) to: “Tax credits provided for in this section may be allowed only for net income or unemployment taxes paid that are allocable to activity within the designated geographic area defined in section \_\_\_\_-1.”

Digested 2/20/2018

Testimony of  
Christopher Delaunay, Government Relations Manager  
Pacific Resource Partnership

THE SENATE  
The Twenty-Ninth Legislature  
Regular Session of 2018

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Senator Glenn Wakai, Chair  
Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON LABOR  
Senator Jill N. Tokuda, Chair  
Senator J. Kalani English, Vice Chair

Thursday, March 22, 2018  
3:00 P.M.  
State Capitol – Room 229

Aloha Chairs Wakai & Tokuda, Vice Chairs Taniguchi & English, and members of the Committees:

We support HB 2659, HD1 which will establish a five-year Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region. This proposed measure also establishes a tax credit incentive.

More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. The Kapolei Jobs Initiative program will improve the quality-of-life for the community by allowing its residents to live and work in Kapolei; and it will provide much needed relief to individuals commuting on Oahu's highways during rush hour traffic.

Thank you for the opportunity to share our views with you and we respectfully ask for your support on HB 2659, HD1.





**(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.*

Michael (Mike) Golojuch, Sr.  
92-954 Makakilo Drive #71  
Kapolei, HI 96707-1340

March 19, 2018

The Honorable Senator Glenn Wakai, Chair  
The Honorable Senator Brian T. Taniguchi, Vice Chair  
and Members  
Committee on Economic Development, Tourism, and Technology

The Honorable Senator Jill N. Tokuda, Chair  
The Honorable Senator J. Kalani English, Vice Chair  
and Members  
Committee on Labor

Hawaii State Capitol  
514 Beretania Street  
Honolulu, Hawaii 96813

RE: HB2659, HD1, RELATING TO ECONOMIC DEVELOPMENT

We strongly support HB2659. As the President, Palehua Townhouse Association, our association believes it is extremely important to establish the Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

We need additional jobs in the Kapolei Region to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

Thank you for letting me express my strong support for HB2659.

Sincerely,

Mike Golojuch, President  
Palehua Townhouse Association

# Hawai'i Construction Alliance

P.O. Box 179441  
Honolulu, HI 96817  
(808) 348-8885

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March 20, 2018

The Honorable Glenn Wakai, Chair  
The Honorable Brian T. Taniguchi, Vice Chair  
and members  
Senate Committee on Economic Development,  
Tourism, and Technology  
415 South Beretania Street  
Honolulu, Hawai'i 96813

The Honorable Jill N. Tokuda, Chair  
The Honorable J. Kalani English, Vice Chair  
and members  
Senate Committee on Labor  
415 South Beretania Street  
Honolulu, Hawai'i 96813

## **RE: Support for HB2659 HD1, Relating to Economic Development**

Dear Chairs Wakai and Tokuda, Vice Chairs Taniguchi and English, and Members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We **support HB2659 HD1, relating to economic development**. The bill would establish a five-year Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

One key to successfully realizing "smart growth" on Oahu is to encourage more businesses to establish themselves in West Oahu, where the vast majority of the residential growth has occurred on this island in recent years. Businesses that establish themselves in or relocate to West Oahu will be able to avail themselves of the area's large customer base. Once the rail is operational, businesses in TOD areas will attract customers from other areas of the island as well.

We note that many of our members live in West Oahu (specifically zip codes 96706, 96707, and 96709) and have family members, friends, and neighbors who own, operate, or are employed by small businesses in the area. We expect that they will enjoy the opportunities that the "Kapolei Jobs Initiative Program" will bring.

Thank you for the opportunity to provide this testimony.

Mahalo,



Tyler Dos Santos-Tam  
Hawai'i Construction Alliance  
execdir@hawaiiconstructionalliance.org

**TESTIMONY IN SUPPORT OF HB2659 HD1  
RELATING TO ECONOMIC DEVELOPMENT**

DATE: Thursday, March 22, 2018

TIME: 3:00 p.m.

PLACE: Conference Room 229  
State Capitol  
415 South Beretania Street

Dear Chair Wakai, Chair Tokuda and Members of EET and LBR Committees,

On behalf of the National Kidney Foundation of Hawaii, I am writing in SUPPORT of HB2659 HD1, which establishes a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to start or open a new location in the Kapolei area.

The rapid population growth in Kapolei necessitates the need for more businesses in the area which will only improve the quality of life for families living on the West side of the island and help reduce traffic congestion.

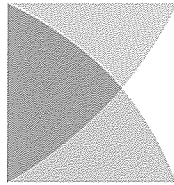
For many years, Kapolei has been positioned as Oahu's second city. This bill helps support this goal by helping establish more jobs where people live. This will also enable the people of Kapolei to further invest and build even a stronger community where they can live, work and play.

I encourage you to support this bill that will bring jobs to the city of Kapolei. Thank you very much for this opportunity to testify.

Sincerely,

*Glen Hayashida*

Glen Hayashida  
President and CEO  
National Kidney Foundation of Hawaii



KAPOLEI

March 20, 2018

The Honorable Glenn Wakai, Chair  
The Honorable Jill N. Tokuda, Chair  
and Members of the Committees on Economic Development,  
Tourism & Technology (EET), and Labor (LBR)  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Dear Chair Wakai, Chair Tokuda and Committee Members:

Testimony in Support  
HB2659 HD1– Relating to Economic Development  
Kapolei Jobs Initiative Pilot Program

The James Campbell Company LLC and its affiliate companies strongly **support** HB2659 HD1. This bill will establish a Kapolei Jobs Initiative pilot program to increase employment opportunities in the Kapolei region by creating incentives for businesses to be formed and locate in Kapolei.

Our organization has been intimately involved in implementing the State and County's public policy of directing growth to Kapolei since the policy was first enacted in the 1970's. We have come a long way since that time and in the 25 years since the first businesses opened their doors in this new city. However, employment growth continues to be a primary need to fulfill the vision of a true urban center to effectively balance the island's economic and community growth.

The Kapolei Jobs Initiative pilot program will help realize the State's long-standing policy to direct economic growth to the secondary urban center, create jobs in the Kapolei region and reduce traffic congestion island-wide. More jobs in the Kapolei Region are needed to keep pace with the area's population growth. This is unfortunately evident in the traffic congestion for tens of thousands of residents' daily commute to downtown Honolulu.

The Kapolei Region is home to O'ahu's landfill, industrial facilities and power generation plants and other necessary, but burdensome facilities that serve all of Oahu. Residents of West Oahu endure hours of traffic congestion because job growth is still maturing and catching up to residential growth after only 25 years. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I respectfully ask you to support this bill that will bring jobs to the Kapolei region as a part of fulfilling Kapolei's public policy mission.

Sincerely,

Stephen H. Kelly  
Vice President

04001300\K10553



**MK Kapolei Commons LLC**  
1288 Ala Moana Boulevard, Suite 208, Honolulu, Hawaii 96814

March 20, 2018

**TESTIMONY IN SUPPORT OF HB2659 HD1  
RELATING TO ECONOMIC DEVELOPMENT**

To: Chair Glenn Wakai, Chair Jill N. Tokuda and members of the Committees on Economic Development, Tourism & Technology (EET) and Labor (LBR),

Date: March 22, 2018  
Time: 3:00 p.m.  
Room Number: Conference Room 229  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Honorable Chairs and Members of the EET and LBR Committees,

On behalf of Kapolei Commons, I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs, including living wage professional jobs, in the Kapolei region. This will help reduce traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

A handwritten signature in black ink, appearing to read "Todd Hedrick".

Sincerely,  
Todd Hedrick (B) CRX, CLS, CSM  
Vice President, Leasing & Property Management

**HB-2659-HD-1**

Submitted on: 3/20/2018 1:54:54 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gwen Navarrete Klapperich	Testifying for Klapperich International Training Associates (KITA) LLC	Support	No

Comments:

TESTIMONY IN SUPPORT OF HB2659 HD1

RELATING TO ECONOMIC DEVELOPMENT

To: Chair Glenn Wakai, Chair Jill N. Tokuda and members of the Committees on Economic Development, Tourism & Technology (EET) and Labor (LBR),

Date: March 22, 2018

Time: 3:00 p..m.

Room Number: Conference Room 229

Hawaii State Capitol

415 South Beretania Street

Honolulu, Hawaii 96813

Honorable Chairs and Members of the EET and LBR Committees,

On behalf of Klapperich International Training Associates (KITA) LLC, I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs, including living wage professional jobs, in the Kapolei region. This will help reduce traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely,

Gwen Navarrete Klapperich

Owner, Klapperich International Training

Associates





Hunt Development Group, LLC  
737 Bishop Street, Suite 2750  
Honolulu, Hawai'i 96813  
Office: 808-585-7900

Senator Glenn Wakai, Chair  
Senator Brian Taniguchi, Vice Chair  
Senate Committee on Economic Development, Tourism and Technology

Senator Jill Tokuda, Chair  
Senator J. Kalani English, Vice Chair  
Senate Committee on Labor

**RE: HB 2659 HD1 – Relating to Economic Development - IN SUPPORT**  
**Thursday, March 22, 2018**  
**Conference Room 229; 3:00 PM**

Aloha Chairs Wakai and Tokuda, Vice Chairs Taniguchi and English and Members of the Committees,

Thank you for the opportunity to submit testimony in support of HB 2659 HD1 which establishes a five year Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

Creating more professional jobs in the Kapolei region is needed in order to keep pace with Kapolei's population growth and will help reduce traffic caused by the amount of people driving into downtown Honolulu for work every day. This will give those living on the west side the opportunity to work closer to home and improve their quality of life.

We ask for your favorable consideration of this measure.

Thomas Lee  
Senior Vice President  
Hunt Companies, Hawaii Division

**HB-2659-HD-1**

Submitted on: 3/20/2018 7:23:30 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Testifying for Associa	Support	No

Comments:

We are contemplating opening a New Kapolei office and such incentives would create the environment to commit to do so



TESTIMONY IN SUPPORT OF HB2659 HD1  
RELATING TO ECONOMIC DEVELOPMENT

To: Chair Sylvia Luke, Vice Chair Ty J.K. Cullen and members of the Committee on Finance (FIN),

Date: February 22, 2018  
Time: 11:00 a..m.  
Room Number: Conference Room 308  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Honorable Chair, Vice Chair and Members of the FIN Committee,

On behalf of Urgent Care Hawaii, I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

Urgent Care Hawaii currently has one urgent care center in Kapolei. We employ 12 full time employees who specialize in healthcare. We opened our center in August of 2016 and are a full capacity in less than 2 years of operation. This initiative will support a second location in Kapolei to meet the needs of the residential and business communities.

During our course of recruiting healthcare professionals, the number one choice of location is Kapolei. Urgent Care Hawaii fully supports this bill that will both expand employment opportunities while at the same time, meeting the healthcare needs of the Kapolei community.

Sincerely,  
DONNA SCHMIDT, CEO  
US MED URGENT CARE, LLC  
Dba URGENT CARE HAWAII

**HB-2659-HD-1**

Submitted on: 3/21/2018 2:57:56 PM

Testimony for ETT on 3/22/2018 3:00:00 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 Glenn Wakai, Chair; the Honorable Brian T. Taniguchi, Vice-Chair and Members of the Committee on Economic Development and Technology:

To the Honorable Jill N. Tokuda, Chair; the Honorable J. Kalani English, Vice-Chair and Members of the Committee on Labor:

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 **HB2659 HD1**, regarding the Kapolei Jobs Initiative Pilot Program; Qualified Business; and an Income Tax Credit.

The OCC Legislative Priorities Committee is in favor of **HB2659 HD1** and support its passage.

**HB2659 HD1** is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes a five-year Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region and establishes a tax credit incentive.

Specifically, the DPH Platform provides that a "diversified and healthy economy in Hawai'i requires a well-educated and healthy citizenry. To encourage existing and new enterprise, we need to develop a combination of tax policies and credits, lending programs, and financial incentives that will attract the business community." (Platform of the DPH, P. 1, Lines 38-40 (2016)).

Given that **HB2659 HD1** establishes a five-year Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region and establishes a tax credit incentive, 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

**HB-2659-HD-1**

Submitted on: 3/21/2018 6:29:45 AM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kathleen Davenport	Individual	Support	No

Comments:

TESTIMONY IN SUPPORT OF HB2659 HD1

RELATING TO ECONOMIC DEVELOPMENT

To: Chair Glenn Wakai, Chair Jill N. Tokuda and members of the Committees on Economic Development, Tourism & Technology (EET) and Labor (LBR),

Date: March 22, 2018

Time: 3:00 p..m.

Room Number: Conference Room 229

Hawaii State Capitol

[415 South Beretania Street](#)

[Honolulu, Hawaii 96813](#)

Honorable Chairs and Members of the EET and LBR Committees,

I am writing in strong supoport of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themsevles or open a new location in the Kapolei region.

As a longtime member and leader in this growing Kapolei community, I realize the urgent need to create more jobs in the Kapolei region. The well-being of our community is dependent on a balance of jobs closer to home that will allow residents to spend less time in traffic and more time with their families.

I encourage you to support this bill that will bring jobs to the Kapolei region and support the well-being of our residents.

Sincerely,

Kathleen Davenport,

Makakilo resident

**HB-2659-HD-1**

Submitted on: 3/20/2018 1:36:12 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Susan Rathbun	Individual	Support	No

Comments:

Mahalo for your consideration.

Susan



**HB-2659-HD-1**

Submitted on: 3/20/2018 2:21:30 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steven Kothenbeutel	Individual	Support	Yes

Comments:

Dear Senators & Board Chairs,

I offer my support and testimony for the Kapolei Jobs Initiative Pilot Program (HB2659). As Senior Vice President of Development for Avalon Development Company, I have witnessed the evolution of Kapolei from 2006 to 2018. Over the course of 12 years, industrial and retail-related developments have yielded service-based jobs in Kapolei. What seems to be missing are office-related jobs and services in medicine, finance, real estate, legal, and other related industries. Unlike downtown Honolulu, there is little incentive for companies needing office space to make a transition to Kapolei. Until there is a more diverse offering of jobs and services, Kapolei is still a "second-city." I support HB2659 as it provides accessible benefits to businesses and industries that are missing in Kapolei.

Thank you for your time and consideration.

**HB-2659-HD-1**

Submitted on: 3/20/2018 4:40:27 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Darrell Kicker	Individual	Support	No

Comments:

Honorable Chairs and Members of the EET and LBR Committees,

I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei area.

This initiative will help the State realize its long standing policy of redirecting growth to the second urban core and of creating jobs -- including living wage professional jobs -- in the Kapolei area. Not only will this will help reduce traffic congestion, more jobs in the Kapolei area are needed to keep pace with Kapolei and West Oahu's population growth. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike. I know from personal experience the difference it makes being able to work closer to home. I commuted from the Kapolei area to Honolulu for over eight years, but now that I also work in Kapolei my quality of life has improved dramatically.

I encourage you to support this bill that will bring jobs to the Kapolei area and that will affect the lives of so many Hawaii residents in a very positive way.

Sincerely,

Darrell Kicker

Director of Admissions

Hawaii Tokai International College



**HB-2659-HD-1**

Submitted on: 3/20/2018 5:26:51 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jim Owen	Testifying for Coral Crater LLC	Support	No

Comments:

On behalf of Coral Crater LLC, I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs, including living wage professional jobs, in the Kapolei region. This will help reduce traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely,

Jim Owen

CEO

TESTIMONY IN SUPPORT OF HB2659 HD1  
RELATING TO ECONOMIC DEVELOPMENT

To: Chair Glenn Wakai, Chair Jill N. Tokuda and members of the Committees on Economic Development, Tourism & Technology (EET) and Labor (LBR),

Date: March 22, 2018

Time: 3:00 p.m.

Room Number: Conference Room 229

Hawaii State Capitol

415 South Beretania Street

Honolulu, Hawaii 96813

Honorable Chairs and Members of the EET and LBR Committees,

I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs, including living wage professional jobs, in the Kapolei region. This will help reduce traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely,  
Cheryl Jepsen  
Ewa Beach Resident Owner

**HB-2659-HD-1**

Submitted on: 3/20/2018 9:50:31 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Don Aweau	Individual	Support	No

Comments:

This bill will establish incentives for a Kapolei Jobs Initiative to increase the number of businesses to establish themselves in the Kapolei region. Thus, providing more employment opportunities for residents that is sorely needed. Daily, residents of the Kapolei region, endure long hours of traffic congestion commuting to downtown Honolulu and Waikiki to their jobs. Therefore, job creation in the Kapolei region is a quality-of-life issue that should be of utmost concern for our state legislators. I respectfully ask committee members to support this bill and provide an incentive to bring jobs and business opportunities to the Kapolei region. Finally, I urge the Committee to pass this legislation to provide an economic engine to the Kapolei region for current and future generations. Mahalo for the opportunity to provide testimony.

**HB-2659-HD-1**

Submitted on: 3/21/2018 10:47:57 AM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Keikilani Uehara	Individual	Support	No

Comments:

I support this bill because it would bring a greater variety of jobs to Kapolei, reduce our commute, and increase well-being of this community. 11 years ago I moved to Kapolei from town - because this is where affordable houses are. But the higher-paying jobs are still in town. It's stressful to spend 1.5 hrs EACH WAY to drive into town and back for work. It takes away time from my family, increases stress. Please help bring some job-equity to the Leeward Coast. Mahalo!

**From:** [LBR Testimony](#)  
**To:** [ETT Testimony](#)  
**Subject:** FW: Testimony for Kapolei Jobs Initiative  
**Date:** Wednesday, March 21, 2018 11:58:58 AM  
**Attachments:** [image001.png](#)  
[image002.png](#)

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**From:** Rathbun, Susan [mailto:srathbun@firstam.com]  
**Sent:** Tuesday, March 20, 2018 1:17 PM  
**To:** ETT Testimony <ETTTestimony@capitol.hawaii.gov>; LBR Testimony <LBRTestimony@capitol.hawaii.gov>  
**Subject:** Testimony for Kapolei Jobs Initiative

TESTIMONY IN SUPPORT OF HB2659 HD1  
RELATING TO ECONOMIC DEVELOPMENT

To: Chair Glenn Wakai, Chair Jill N. Tokuda and members of the Committees on Economic Development, Tourism & Technology (EET) and Labor (LBR),

Date: March 22, 2018  
Time: 3:00 p..m.  
Room Number: Conference Room 229  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Honorable Chairs and Members of the EET and LBR Committees,

On behalf of \_my self, Susan Rathbun, I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs, including living wage professional jobs, in the Kapolei region. This will help reduce traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely,  
Susan Rathbun  
Escrow Officer, First American Title  
Resident of Ewa Beach

**\*\*\*The Bureau of Conveyances will be closed on Monday March 26<sup>th</sup> and Friday March 30th. No recordings those days. Our offices will be open.\*\*\***

**Susan Rathbun**  
Escrow Officer  
First American Title





**First American Title™**

338 Kamokila Blvd., Suite 208, Kapolei, HI 96707  
Direct: 808-664-6053  
Office: 808-664-6050  
Mobile: 808-341-0671  
Fax: 866-285-6043  
Email: [srathbun@firstam.com](mailto:srathbun@firstam.com)  
Web: [www.firstam.com/title/hi/](http://www.firstam.com/title/hi/)

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FAFLD

**HB-2659-HD-1**

Submitted on: 3/21/2018 1:42:41 PM

Testimony for ETT on 3/22/2018 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Arlene Estrella	Individual	Support	No

Comments:

Honorable Chairs and Members of the EET and LBR Committees,

I am writing in SUPPORT of HB2659 HD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs, including living wage professional jobs, in the Kapolei region. This will help reduce traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely,

Arlene Estrella, Lic Massage Therapist