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Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

**RE: HB 2659 HD1 SD1 – Relating to Economic Development - IN SUPPORT
Tuesday, April 3, 2018
Conference Room 211; 10:00 AM**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

Thank you for the opportunity to submit testimony in support of HB 2659 HD1 SD1 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



LATE



Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Working together for Kapolei

**RE: HB 2659 HD1 SD1– Relating to Economic Development - In SUPPORT,
requesting amendments**

Tuesday, April 3, 2018; Conference Room 211; 10:00 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

On behalf of the Kapolei Chamber of Commerce, I am submitting this testimony in strong support of HB 2659 HD1 SD1. We would like to request your consideration of the following amendments:

1. The gross annual salary requirement should be comparable to a living wage in the City and County of Honolulu. This will align with the intent of this measure to create more professional, living wage 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 living wage is the hourly rate that an individual must earn to support their family. This gross annual salary requirement of \$44,000 (\$21.15 /hr.) falls above the living wage (full-time employment) for the City and County of Honolulu for 1 adult:

Household Size	Hourly living wage
1 adult	\$16.03
1 adult, 1 child	\$28.11
1 adult, 2 children	\$30.37
1 adult, 3 children	\$40.40
2 adults (1 working)	\$24.36
2 adults (1 working) 1 child	\$29.74
2 adults (1 working), 2 children	\$32.97
2 adults (1 working), 3 children	\$40.13

Source: (MIT Study: <http://livingwage.mit.edu/counties/15003>)

The Area Median Income for the City and County of Honolulu for 1 adult is \$73,300 (\$35.24/hr.). If this threshold is used, many businesses may not qualify as there are living wage, professional jobs that will not qualify.

2. Reinstating a carry over of the tax credit in a loss year to p4, (2):

(d) If the tax credit under this section exceeds the taxpayer's net income tax liability, the excess of credit may be used as a tax credit against the taxpayer's net income tax liability in a subsequent taxable year; provided that no excess credit may be used after December 31, 2028.

Providing for a carryover of the tax credit, small businesses are given the assistance needed as it may take several years to show a profit. A small business often does not have the larger capital investment dollars that a larger corporation will have. By not having a carryover provision, favor for the larger businesses and corporations is given over the small business. Many of professional services who will enroll in this initiative (medical offices, family law offices, etc.) fall in line with a smaller business model.

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 cursive script, appearing to read "K Polk", is displayed within a light gray rectangular box.

Kiran Polk
Executive Director



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Tuesday, April 3, 2018 at 10:00 A.M.
Conference Room 211, State Capitol**

LATE

RE: HOUSE BILL 2659 HD1 SD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent** of HB 2659 HD1 SD1, 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.