



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT
ON
FEBRUARY 7, 2019, 9:00 A.M.
CONFERENCE ROOM 309, STATE CAPITOL

H.B. 1497
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Chair Johanson, Vice Chair Eli and Members of the Committee, thank you for the opportunity to submit written testimony on H.B. 1497.

The Department of Accounting and General Services (DAGS) supports the intent of this bill, as it will facilitate optimal use of public land for the benefit of the people of Hawaii. DAGS supports the completion of the Aloha Stadium, Master Plan and Environmental Impact Study with funds appropriated by Act 49, SLH 2017. The scope includes studies and related planning work for the demolition of the existing Aloha Stadium and for the development and construction of a new stadium facility for the State of Hawaii. Consideration includes mixed use development of the entire Aloha Stadium site.

Coordination of these efforts in partnership with the Hawaii Community Development Authority will help expedite implementation of redevelopment efforts.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER



An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

TESTIMONY
OF
SCOTT L. CHAN, MANAGER
ALOHA STADIUM
STADIUM AUTHORITY
TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT
February 7, 2019

H.B. 1497

RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Johanson, Vice Chair Eli, and members of the committee, thank you for the opportunity to submit testimony in support of H.B. 1497.

The Stadium Authority Board and I appreciate the Legislature's commitment and support to establish a stadium development district that will pursue optimal use of public land for the benefit of the people of Hawaii. We have reviewed H.B. 1497 and look forward to working closely with the Legislature and the Governor's Administration to comprehensively and holistically build a framework that will meet the goals, objectives, and mission of the Stadium Authority.

Mahalo for the opportunity to provide this testimony in support of the concept and intent of H.B. 1497.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

H.B. NO. 1497, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BEFORE THE:

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

DATE: Thursday, February 7, 2019 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): Clare E. Connors, Attorney General, or
Max Levins, Deputy Attorney General

Chair Johanson and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes the Stadium Development District ("District") and authorizes the Hawaii Community Development Authority (HCDA) to coordinate and approve the development of infrastructure and redevelopment of all land within the District. The bill also appropriates funds for the development of the District and authorizes HCDA to issue revenue bonds for both the development of the District and to construct a new stadium.

The bill mandates that any development within the District requires a permit from HCDA. Under section 206E-5.6(a)(2), Hawaii Revised Statutes (HRS), HCDA is required to hold two separate hearings when considering any proposal to develop lands in an area under HCDA's control. Further, these hearings are mandated as contested case hearings. See, HRS § 206E-5.6(g). If the intent of the bill is for the permits to be subject to the requirements of section 206E-5.6, HRS, then no change is needed; however, if it is the intent of the bill to streamline the process and exempt these permits from the multiple hearing and contested case requirements, then we recommend that the wording on page 2, lines 9-10, be modified in the following way:

Any development within the district shall require a permit from the authority. Any such permit shall be exempt from the requirements of section 206E-5.6.

We also note that the wording on page 4, lines 1-9, allows HCDA to modify a transit-oriented development plan; however, the wording on page 3, lines 19-20, mandates that development within the District be in accordance with any transit-oriented development plan. To address this inconsistency, we recommend that the wording on page 3, lines 19-20, be modified in the following way:

- (1) Development shall be in accordance with any county transit-oriented development plan, unless modified by the authority pursuant to paragraph (2);

Further, we note that some of the wording in section 3 authorizing HCDA to issue bonds is problematic. On page 6, line 9, the phrase “special purpose revenue bonds” is used to describe the bonds issued. Under article VII, section 12, of the Hawaii Constitution, the use of special purpose revenue bonds is limited to specifically enumerated situations that do not appear to be applicable to the goals of this bill. Further, under part III, chapter 39A, HRS (the listed statutory authorization for these bonds), “project persons” entitled to receive these special purpose revenue bonds are defined as “a person, firm, or corporation qualified to do business in this State” HRS § 39A-71. As a government entity, the Stadium Authority does not qualify under this definition. We recommend that the wording “special purpose” be removed on page 6, line 9, to reflect that the bill instead authorizes “revenue bonds.” Similarly, we recommended that on page 6, line 11, “39A” be replaced with “39” as that is the appropriate chapter for revenue bonds.

We also recommend that the references to “chapter 206E, part VI, Hawaii Revised Statutes” be removed from page 6, lines 11-12, and page 7, line 3. Chapter 206E, part VI, HRS, authorizes HCDA to issue special facility bonds. Under section 206E-185(1), HRS, HCDA may only issue special facility revenue bonds for projects that are subject to a special facility lease with HCDA. It does not appear that HCDA has

this lease for any projects in the defined District. In the event that HCDA secures a special facility lease, it may at that point request the authority to issue special facility bonds under chapter 206E, part VI, HRS.

We respectfully ask the Committee to consider the recommended amendments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Labor and Public Employment
February 7, 2019 at 9:00 a.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 1497 – RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Johanson, Vice Chair Eli, and members of the Committee:

Thank you for the opportunity to submit testimony. The University of Hawai'i **supports** HB 1497, Relating to the Hawai'i Community Development Authority. This bill would establish the stadium development district, which would include all land under jurisdiction of the Hawai'i Stadium Authority, under the jurisdiction of the Hawai'i Community Development Authority (HCDA). This bill would also require that any State development in the district obtain a permit from the authority. Finally, this bill also appropriates general funds to HCDA to establish and develop the stadium development district as well as authorizing special purpose revenue bonds and general obligation bonds to establish the district and build a new stadium.

As the primary user and customer of the Stadium, the University supports this bill as a means to resolve the Stadium's condition.

Thank you for the opportunity to testify.

HB-1497

Submitted on: 2/5/2019 9:19:11 PM

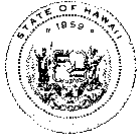
Testimony for LAB on 2/7/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christopher T. Chun	Hawaii High School Athletic Association	Support	No

Comments:

Dear Committee Members,

The Hawaii High School Athletic Association (HHSAA) supports this Bill. Currently, HHSAA uses Aloha Stadium to conduct its 3 high school football state championships. Additionally, its member schools use this facility for various purposes throughout the school year, including football games, band competitions, and graduations, etc.. These events cater to crowds of several hundred to upwards of 25,000 people in attendance. This Bill ensures that a stadium at a central location will continue to serve HHSAA and its member schools for many decades to come. Not only will Hawaii high schools continue to have the ability to use a stadium as they do now, but a redevelopment will create additional opportunities that may not currently be available. Thank you for considering this testimony.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'KO
KALAELOA

David Y. Ige
Governor

John Whalen
Chairperson

Aedward Los Banos
Executive Director

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LATE

STATEMENT OF
AEDWARD LOS BANOS, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Before the
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Thursday, February 7, 2019
9:00 A.M.
State Capitol, Conference Room 309

in consideration of

HB 1497
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT
AUTHORITY

Chair Johanson, Vice Chair Eli, and Members of the Committee.

The Hawaii Community Development Authority (HCDA) respectfully
offers comments on HB 1497.

HB 1497 establishes a Stadium Development District to make optimal use
of public land for economic, residential, educational and social benefits.

Typically, when the Legislature designates a development district, it
provides specific guidance within Chapter 206E on what it would like to see
within the district. This assists HCDA in determining the scope of work that is
expected of our agency. We would ask that more specifics be added such as the
types and mix of uses to be desired, guidance on things to be preserved, and other
guidelines the that HCDA should follow. It would also typically specify a
governance structure for the district.

In regard to creating new development districts, the HCDA board has taken
a position that it is unable to support any measure that expands HCDA's
development districts unless it is coupled with an engagement agreement from the

affected county, in this case, the City and County of Honolulu, and is accompanied by increased staffing and funding to support the implementation of a new district.

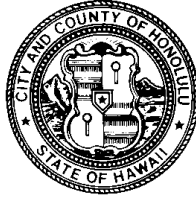
Thank you for the opportunity to offer comments on HB 1497.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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LATE

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 7, 2019

The Honorable Aaron Ling Johanson, Chair
and Members of the Committee on Labor
and Public Employment
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Johanson and Committee Members:

**Subject: House Bill No. 1497
Relating to the Hawaii Community
Development Authority**

The Department of Planning and Permitting (DPP) **supports** House Bill No. 1497, which would establish the Stadium Development District, which includes all State property under the jurisdiction of the Stadium Authority, and that property under the jurisdiction of the Hawaii Community Development Authority (HCDA) for development purposes.

We appreciate that the Bill recognizes the City's decade of community-based planning to develop neighborhood transit-oriented development (TOD) plans and associated TOD policies and infrastructure strategies. We have worked with the Stadium Authority, other State agencies and the State Interagency TOD Council, to incorporate State goals and priorities into the Halawa Area TOD Plan, and this Bill appropriately references building upon that work and coordinating with surrounding development and infrastructure investments.

To ensure this ongoing coordination, we suggest that the DPP director be named as a voting member of the HCDA board for the Stadium Development District.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in blue ink that reads "Kathy K. Sokugawa".

Kathy K. Sokugawa
Acting Director

**HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND**



*Uniting our strengths and working together
for a better tomorrow.*

Affiliated AFL-CIO
OPEIU - 8 - AFL-CIO (8)

LATE

House Committee on Labor & Public Employment

Honorable Aaron Ling Johanson, Chair

Honorable Stacelynn K.M. Eli, Vice Chair

Honorable Members of the House Committee on Labor & Public Employment

February 5, 2019

RE: **SUPPORT OF H.B. 1497 RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

Dear Chair Johanson, Vice Chair Eli, and Members of the Committee,

My name is Pane Meatoga III and I am the Community Liaison representing the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF). We are a labor management fund representing 4000 unionized members in the heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

Hawaii Operating Engineers Industry Stabilization Fund **supports the intent** H.B. 1497. The stadium facility has been in dire need of significant repair and maintenance for many years. Redeveloping, renovating, or improving these public lands in a manner that will provide suitable recreational, residential, educational, and commercial areas where the public can live, congregate, recreate, attend schools, and shop as part of a thoughtfully integrated experience, it is in the best interests of the State and its people.

We also believe that it is in the best interest of the state that ninety percent of current and future stadium revenues should be reinvested back into the stadium authority for operations, maintenance, and future CIP projects. The remaining ten percent should be allocated to Hawaii Community Development Authority for operational oversight.

Hawaii Operating Engineers Industry Stabilization Fund **supports the intent** of H.B. 1497.

Sincerely,

Pane Meatoga III

Community Liaison

Hawaii Operating Engineers Industry Stabilization Fund



EXECUTIVE CHAMBERS
HONOLULU

LATE

DAVID Y. IGE
GOVERNOR

Testimony of **Ford Fuchigami**
Administrative Director, Office of the Governor

Before the
House Committee on Labor & Public Employment
February 7, 2019
9:00 a.m., Conference Room 309

In consideration of
House Bill No. 1497
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Johanson, Vice Chair Eli, and committee members.

Thank you for the opportunity to testify in Support of the Intent of **House Bill 1497**.

We defer to the Attorney General's testimony and ask that the amendments offered in their testimony be incorporated into this bill.

We appreciate your attention and will be available to answer your questions, should you have any at this time.



LATE

February 7, 2017

Representative Aaron Ling Johanson, Chair
Representative Stacelynn K.M. Eli, Vice Chair
House Committee on Labor & Public Employment

Support of HB 1497 RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY. (Establishes the Stadium Development district, which includes all state property under the jurisdiction of the Stadium authority, and that property under the jurisdiction of the Hawaii Community Development Authority for development purposes. Requires that any state development in the district obtain a permit from the authority. Appropriates funds.)

LAB: Thursday, February 7, 2019, 9:00 a.m., in Conf. Rm. 309

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers resort operators and major utility companies. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF supports HB 1497, which would establish the Stadium Development District (Stadium District), which includes all state property under the jurisdiction of the stadium authority, and that property under the jurisdiction of the Hawaii Community Development Authority for development purposes. The bill also requires that any state development in the Stadium District obtain a permit from the HCDA; and authorizes the HCDA to issue \$150,000 in general revenue bonds for the Stadium Authority to establish the Stadium District, appropriates \$100,000,000 in general funds for the Stadium Authority to establish and develop the Stadium District for public use, and \$100,000,000 in general obligation bonds to the HCDA to build a new stadium.

LURF believes that the establishment of the Stadium District under the jurisdiction of HCDA will provide opportunities to make optimal use of the public lands for the economic, residential, educational and social benefit of the people of Hawaii.

LURF respectfully urges your Committees to **favorably consider HB 1497.**

Thank you for the opportunity to present testimony regarding this measure.