

DAVID Y. IGE
GOVERNOR OF HAWAII



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

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Tuesday, February 19, 2019
9:30 AM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 1530, SENATE DRAFT 1
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AGENCY**

Senate Bill 1530 Senate Draft 1 proposes to establish the Stadium Development District and place the District under the jurisdiction of the Hawaii Community Development Authority. **The Department of Land and Natural Resources (Department) offers the following comments to SECTION 3 of this measure pertaining to the proposed amendment to Section 6E-8, Hawaii Revised Statutes (HRS).**

Senate Bill 1530, Senate Draft 1 proposes to amend Section 6E-8, HRS, allowing for the Department to give its concurrence to a proposed projects authorized under Chapter 206E, HRS, in the Stadium Development District based on phased reviews. Senate Bill 1530, Senate Draft 1 doesn't alter the requirement that such projects obtain the Department's concurrence. While this does provide for an alternative review procedure for such projects under Section 6E-8, HRS, the Department believes that does not diminish the Department's ability to protect historic properties, native Hawaiian burials, or aviation artifacts located on state lands.

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

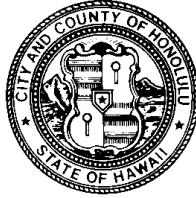
M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

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
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DEPARTMENT OF PLANNING AND PERMITTING
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DEPUTY DIRECTOR

February 19, 2019

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Committee Members:

**Subject: Senate Bill No. 1530, SD 1
Relating to the Hawaii Community
Development Authority**

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 1530, SD 1, which would establish a new community development district under the Hawaii Community Development Authority (HCDA). Our objection is based primarily on unclear, and inconsistent provisions in the Bill. We also have a concern that the mechanics of establishing a new district and rules under HCDA will delay ongoing implementation projects.

It appears that there would be a community development district under HCDA that would be responsible for planning, zoning and implementation, as is provided for all other districts currently under HCDA. However, there is language in the Bill that says, "Development shall be consistent with any county transit-oriented development plan." Another Bill section allows the HCDA executive director to adopt rules that can supersede all "inconsistent ordinances," but, "shall follow existing laws, rules, ordinances and regulations as closely as is consistent with standards meeting minimum requirements of good design, pleasant amenities, health, safety and coordinated development." These provisions do not seem aligned. Also, HCDA rules should not compromise minimum health and safety rules and ordinances. We prefer language that clearly states that HCDA's role is limited to implementing necessary infrastructure, not taking on planning and zoning responsibilities.

The City has already completed a master plan for the area that is expected to be influenced by the rail station. This includes the land under the jurisdiction of the Aloha Stadium Authority, as well as neighboring properties, including Puuwai Momi housing, Stadium Mall and nearby schools. This master plan, the Halawa Area TOD Plan, is currently awaiting City Council action. The plan outlines general development patterns, preservation and creation of public view corridors, proposed zoning, and defines necessary supporting infrastructure, including approximate costs. This plan was developed in close cooperation with the Stadium Authority, as well as other landowners, key State departments, military representatives and the general public.

The Honorable Donovan M. Dela Cruz, Chair
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We have already done the planning and have proposed necessary zoning to effectuate the plan. These are clearly county responsibilities. To transfer these roles to the HCDA is unnecessarily duplicative of our efforts, and wasting taxpayers' money in the process. Moreover, it will delay TOD benefits until re-planning and State zoning are completed.

Attention should now shift to the implementation phase, particularly with respect to developing a funding strategy for major infrastructure improvements. It is especially important for the State to provide this direction as State departments will benefit the most from these improvements; the State is the largest landowner within the vicinity of the Aloha Stadium rail station. In addition to the Stadium Authority, landowners include the Department of Education, Hawaii Public Housing Authority, and Hawaii Department of Transportation.

The Hawaii Interagency Council for Transit-Oriented Development has named the Stadium area as one of three top areas to focus its attention. This Council, chaired by the State Office of Planning (OP) and Hawaii Housing and Finance Development Corporation (HHFDC), is already refining land use plans for State lands, and developing a framework for implementation of State projects. They are using our TOD plan as a basis for further work. For HCDA to start planning and zoning, this can hold up these ongoing State TOD projects.

Lastly, the Honolulu Authority for Rapid Transportation (HART) expects to have the first segment of the rail system open in late 2020. It will run between East Kapolei and the Stadium. This is only a few months away, and we shouldn't delay the benefits that a rail system can provide for State and private sector investments.

In short, we can support Senate Bill No. 1530, SD 1, if it is amended to limit the role of HCDA to constructing necessary infrastructure and coordinating schedules with the State TOD Council regarding the timing of projects on state land.

Thank you for the opportunity to comment.

Very truly yours,



Kathy K. Sokugawa
Acting Director

LATE

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
SENATE COMMITTEE
ON
WAYS & MEANS
February 19, 2019

S.B. 1530, S.D. 1

RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony in support and with comments on S.B. 1530, S.D. 1.

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.

While we do support the measure, we are concerned with language that authorizes establishment of a "revenue-share" arrangement with HCDA or with any other agency at this early stage as this may drastically hinder the financial viability of the development of the project. Discussions on the use of revenue must consider the impact to private developers to avoid unintended consequences that may adversely affect the ability of the project to secure interest and involvement from the private sector.

We are also concerned that while the appropriation of general revenues would be ideal to ensure matching private funds may be identified, the standard lapse date of such funds on June 30, 2020, would be too restrictive for our project schedule to ensure encumbrance.

The project is currently working under an aggressive planning schedule to complete the required master plan and Environmental Impact Statement processes necessary to proceed with an

effective Request for Proposals (RFP) to solicit development concepts that may include private financing. The planning process is anticipated to take 12 to 18 months. The RFP process may take up to an additional 12 months prior to award of a development agreement. It is this development agreement that would encumber the identified appropriations.

We respectfully recommend revising section 10 language to reflect a June 30, 2022, lapse date for both Section 6 and Section 8 appropriations.

The stadium deeply appreciates the Legislature's ongoing support for construction of a new stadium and ancillary development. We look forward to continuing our collaboration with the Legislature and the Administration as we proceed through the Legislative process.



LATE

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SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, February 19, 2019 9:30 AM Hearing in State Capitol Room 211

SENATE BILL 1530, SD 1, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Dela Cruz and Committee Members:

The League of Women Voters of Hawaii takes no position but has the following comments on SB 1530, SD 1 which places state lands managed by the Stadium Authority within a stadium development district; assigns the Executive Director of the Hawaii Community Development Authority (HCDA) to facilitate development within the district, consistent with a February 23, 2017 "Aloha Stadium Conceptual Development Report"; exempts the district from HCDA adoption of a district plan and rules; authorizes revenue bonds; appropriates funds.

The "Aloha Stadium Conceptual Development Report" recommends replacement of the existing stadium and proposes development of up to 2.6 million square feet of retail, office, hospitality, and housing on adjacent state property over the next 25 years. This Report has only had limited circulation. Before committing to the public expenditures and land use plans recommended by this Report, we suggest consulting appropriate public agencies and private developers.

We also suggest that this Committee consult the Attorney General and revise SB 1530, SD 1 as necessary to comply with Article 11 Section 5 of the Hawaii State Constitution. Because this bill exercises legislative power over private use of a specific area of State property and would not apply to other lands owned by or under the control of the State, parts of SB 1530, SD 1 might be construed as an unconstitutional "special law" rather than as a "general law".

Thank you for the opportunity to submit testimony.

ARTICLE XI

CONSERVATION, CONTROL AND DEVELOPMENT OF RESOURCES

Section 5. The legislative power over the lands owned by or under the control of the State and its political subdivisions shall be exercised only by general laws, except in respect to transfers to or for the use of the State, or a political subdivision, or any department or agency thereof.



HAWAI'I LODGING & TOURISM
ASSOCIATION



Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Senate Committee on Ways and Means

Senate Bill 1530 SD1, Relating to the Hawaii Community Development Authority

Chair Dela Cruz and members of the committee, mahalo for the opportunity to submit comments on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Aloha Stadium has been our largest sports facility since its opening in 1975. Now approaching its 44th anniversary, the facility has been the home of University of Hawai'i Rainbow Warriors football, host for the National Football League Pro Bowl and prep football, and the site of major concerts and large gatherings, but has not fully realized its potential as a major sports and entertainment venue.

The Aloha Stadium and its environs soon will be a major stop on O'ahu's rail line. As the former mayor of the City and County of Honolulu, I was and continue to be a staunch advocate of transit-oriented development, or the development of the property at and surrounding the rail stations. Very early in the planning process, we identified the Aloha Stadium area as a prime location for a transit stop and future development, given the expanse of public land and prime location. We support the construction of a multi-purpose stadium and bringing new development to the surrounding area. As envisioned, this stadium could attract more sports and entertainment events to our islands and benefit not only our residents but diversify our tourism attractions. This much desired development is long overdue, and any state appropriations towards this purpose is very meaningful. My one caveat is that we take full advantage of public private partnerships to ensure that a quality product is both expeditiously developed and well-maintained.

Mahalo