



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

ON THE FOLLOWING MEASURE:

S.B. NO. 1530, S.D. 3, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BEFORE THE:

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

DATE: Thursday, March 14, 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:

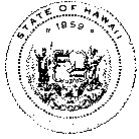
The Department of the Attorney General appreciates the intent of the bill and provides the following comments.

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 provides development guidance to HCDA, directs the Department of Land and Natural Resources (DLNR) to transfer title of lands in the District to the Stadium Authority, and appropriates funds for the development of the District and authorizes the director of finance to issue revenue bonds for the development of the District.

With respect to the bill's development guidance policies, the wording on page 8, lines 5-6, of the bill, mandates that, in developing the District, endangered species be preserved "to the extent feasible." The protection of endangered species is comprehensively regulated by both state and federal law, and both prohibit the taking of endangered species absent a statutory exception. For instance, section 195D-4(g), Hawaii Revised Statutes, allows DLNR to authorize the "take" of endangered species as part of a habitat conservation plan, as long as "the applicant, to the maximum extent practicable," minimizes the impact. A similar standard is applied under the federal Endangered Species Act. As these standards appear to be inconsistent with the bill, we recommend that the wording on page 8, lines 5-6, be modified in the following way:

- (6) Endangered species of flora and fauna shall be preserved ~~[to the extent feasible;]~~ as required by state and federal law;

We respectfully ask the Committee to consider the recommended amendment.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'KO
KALAELOA

David Y. Ige
Governor

John Whalen
Chairperson

Aedward Los Banos
Executive Director

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

Before the
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Thursday, March 14, 2019
9:00 A.M.
State Capitol, Conference Room 309

in consideration of

SB 1530, SD3
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT
AUTHORITY

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

The Hawaii Community Development Authority (HCDA) **supports** the intent of SB 1530, SD3 provided that it is accompanied by sufficient staffing and funding to support the implementation and administration of a new district, and is coupled with an engagement agreement from the affected county, in this case, the City and County of Honolulu.

Thank you for the opportunity to testify on SB 1530, SD3.

547 Queen Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

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 House Committee on
LABOR**

**Thursday, March 14, 2019
9:00 AM
State Capitol, Conference Room 309**

**In consideration of
SENATE BILL 1530, SENATE DRAFT 3
RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AGENCY**

Senate Bill 1530, Senate Draft 3 proposes to establish the Stadium Development District. **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 3 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 3 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
STATE PARKS

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
Comptroller
AUDREY HIDANO
Deputy Comptroller

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
MARCH 14, 2019, 9:00 A.M.
CONFERENCE ROOM 309, STATE CAPITOL

S.B. 1530, S.D. 3
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 on S.B. 1530, S.D. 3.

The Department of Accounting and General Services (DAGS) supports the intent of the measure to establish the stadium development district and appropriate funds, and we defer to the Stadium Authority on specific comments.

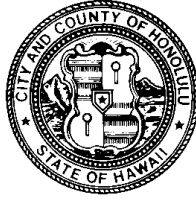
DAGS continues to coordinate closely with the Stadium Authority and the Hawaii Community Development Authority to ensure our own planning efforts coincide with the future goals to bring benefit in the best interests of the State and its people.

Thank you for the opportunity to submit testimony on this matter.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honoluludpp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

March 14, 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: Senate Bill No. 1530, SD 3
Relating to the Hawaii Community
Development Authority**

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 1530, SD 3, 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,

The Honorable Aaron Ling Johanson, Chair
and Members of the Committee on Labor
and Public Employment
Hawaii House of Representatives
Senate Bill No. 1530 SD 3
March 14, 2019
Page 2

as well as other landowners, key State departments, military representatives and the general public.

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 3, 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

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER



An Agency of the State of Hawaii

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

March 14, 2019

S.B. 1530, SD3

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chairs Johanson, Vice Chair Eli, and members of the respective committees, thank you for the opportunity to submit testimony in support of SB 1530, SD3.

The Stadium Authority Board and I appreciate the Legislature's commitment and support of a stadium complex development plan that will include and support a multi-purpose stadium facility and ancillary development. We are in full SUPPORT of SB 1530, SD3.

SB 1530, SD3 is intended to complement pending legislation in HB 1497, HD3 and SB 997, SD2. The proposed language in SB 1530, SD3 clarifies and expands the Authority's powers and duties to provide flexibility, both in the short term, with the proposed transfer of fee simple interest from the Department of Land and Natural Resources to the Stadium Authority and in the long term, beyond the development period when Hawaii Community Development Authority's (HCDA) involvement ramps down as the stadium enters operational mode.

It is the Authority's expectation that the expansion of powers and duties will enable it to work more effectively in conjunction with HCDA to capitalize on the development expertise and experience within HCDA. To achieve the State of Hawaii and the respective agencies' shared goals, the Stadium Authority is committed to work collaboratively with HCDA to capitalize on each

LATE

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

agencies' strengths, assets, and knowledge base to achieve greater efficiencies. These efforts are supported in SB 997, SD2 and HB 1497, HD3.

The Authority looks to this bill to provide the structure necessary to be as efficient in processes as possible, thereby minimizing delays and maintaining control over cost. It is the Authority's focus and expectation to pursue optimal use of public land for the benefit of the people of Hawaii.

We look forward to working with the Hawaii Community Development Authority, the State of Hawaii Legislature, the Governor's Administration, and the Department of Accounting & General Services – Public Works Division to comprehensively and holistically build a framework that will meet the goals, objectives, and mission statement of the Stadium Authority.

Mahalo for the opportunity to provide this testimony in support of the concept and intent of SB 1530, SD3.



LATE

49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

SB 1530, SD 3, Relating to the Hawaii Community Development Authority

TESTIMONY

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

Chair Johanson and Committee Members:

Because of the bill's title, we suggest you consult the Attorney General as to whether some of the bill's provisions concerning the Stadium Authority are not permissible under Article III, Section 14 of the State Constitution. And because this bill exercises legislative power over a specific area of State property, waives or modifies normal procedures and requirements for regulation of land use within this area, and would not apply to other lands owned by or under the control of the State, we suggest you consult the Attorney General concerning whether parts of SB 1530, SD 3 might be an unconstitutional "special law" rather than a "general law" as required under Article XI, Section 5 of the State Constitution.

Thank you for the opportunity to submit testimony.

ARTICLE III

LEGISLATIVE POWER

Section 14. . . . Each law shall embrace but one subject, which shall be expressed in its title. . . .

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.