



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

---

**ON THE FOLLOWING MEASURE:**

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

**BEFORE THE:**

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

**DATE:** Monday, February 4, 2019      **TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Room 414

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

---

Chair Wakai 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.

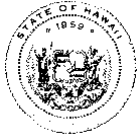
We also note that the wording on page 4, lines 1-9, allows HCDA to modify a transit-oriented development plan; however, the wording on page 3, lines 19-20, mandates that development within the District be in accordance with any transit-oriented development plan. To address this inconsistency, we recommend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



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



KAKA'KO  
KALAELOA

David Y. Ige  
Governor

John Whalen  
Chairperson

Aedward Los Banos  
Executive Director

547 Queen Street  
Honolulu, Hawaii  
96813

Telephone  
(808) 594-0300

Facsimile  
(808) 594-0299

E-Mail  
contact@hcdaweb.org

Web site  
www.hcdaweb.org

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

Before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,  
AND TOURISM**

Monday, February 4, 2019  
3:00 P.M.  
State Capitol, Conference Room 414

in consideration of  
**SB 1530**  
**RELATING TO THE HAWAII COMMUNITY DEVELOPMENT  
AUTHORITY**

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee.

The Hawaii Community Development Authority (HCDA) has not acted on this specific bill. In my capacity as Executive Director, I respectfully offer comments on SB 1530.

SB 1530 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 SB 1530.

**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  
ENERGY ECONOMIC DEVELOPMENT, AND TOURISM  
February 4, 2019

S.B. 1530

RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Chair Wakai, Vice Chair Taniguchi, and members of the committee, thank you for the opportunity to submit testimony in support of SB 1530.

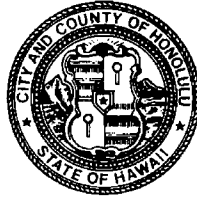
The Stadium Authority Board and I appreciate the Legislature's commitment and support to establish a stadium development district that will pursue optimal use of public land for the benefit of the people of Hawaii. We look forward to working with the Hawaii Community Development Authority, the State of Hawaii Legislature, and the Governor's Administration 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.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041  
DEPT. WEB SITE: [www.honolulu.dpp.org](http://www.honolulu.dpp.org) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

KIRK CALDWELL  
MAYOR



KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

February 4, 2019

The Honorable Glenn Wakai, Chair  
and Members of the Committee on Energy,  
Economic Development, and Tourism  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Wakai and Committee Members:

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

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 1530, 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 black ink that reads "Kathy K. Sokugawa".

Kathy K. Sokugawa  
Acting Director



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

SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
Monday, February 4, 2019 3 PM Hearing in State Capitol Room 414

SENATE BILL 1530, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

**TESTIMONY**

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

Chair Wakai and Committee Members:

The League of Women Voters of Hawaii takes no position but has the following comments on SB 1530, which establishes the stadium development district, requires that development in the district obtain a permit from the Hawaii Community Development Authority; and appropriates funds.

We suggest that this Committee consult the Attorney General and revise SB 1530 as necessary to comply with Article 11 Section 5 of the Hawaii State Constitution. Because SB 1530 exercises legislative power over 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 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**

**GENERAL LAWS REQUIRED; EXCEPTIONS**

**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.