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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE OFFICE OF PLANNING, IN COORDINATION WITH VARIOUS OTHER RELATED STATE AND COUNTY ENTITIES, TO IDENTIFY STRATEGIES TO SECURE INFORMATION REGARDING THE ESTIMATED COST OF DELAY IN CONSTRUCTION OF CERTAIN PUBLIC AND PRIVATE DEVELOPMENT PROJECTS.

1           WHEREAS, public capital improvement projects are approved  
2 by decision-making authorities based upon careful analysis that  
3 weighs any public benefits against all projected costs to  
4 complete the project; and

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6           WHEREAS, discretionary permits that are required for  
7 private projects prior to the commencement of project  
8 construction are approved, in part, based on the cost-benefit  
9 analysis of any public benefits and the stated project costs;  
10 and

11  
12           WHEREAS, when the completion of an approved project is  
13 delayed, the total cost of the project increases, including  
14 costs related to labor, materials, land, capital, and inflation;  
15 and

16  
17           WHEREAS, when project costs increase due to delays in  
18 completing a project, the scope of the project may be reduced as  
19 a result, via a process known as value engineering; and

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21           WHEREAS, value engineering may result in a decrease in  
22 public benefits resulting from a project; and

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24           WHEREAS, in the case of delayed public projects, a  
25 decision-making authority may be asked to approve additional  
26 funds at a greater cost to taxpayers, who are receiving delayed  
27 benefits; and



1 WHEREAS, in the case of delayed private projects, increased  
2 rent or purchase prices may be presented to permit-granting  
3 authorities in an effort to amortize any higher costs of project  
4 completion; and

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6 WHEREAS, when the cost of a project increases due to delay,  
7 a decision-making authority's initial cost-benefit analysis may  
8 no longer be valid; and

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10 WHEREAS, to make an informed determination, decision-making  
11 authorities must know the estimated cost of delay when a  
12 project's completion extends beyond its initial plan; now,  
13 therefore,

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15 BE IT RESOLVED by the House of Representatives of the  
16 Thirtieth Legislature of the State of Hawaii, Regular Session of  
17 2020, the Senate concurring, that the Office of Planning is  
18 requested to coordinate with the Department of Accounting and  
19 General Services, Department of Budget and Finance, Department  
20 of Transportation, Land Use Commission, and the planning and  
21 public works departments of the respective counties to:

- 22  
23 (1) Identify strategies to secure information regarding  
24 the costs incurred due to a delay in the performance  
25 of any project, whether public or private, that  
26 required public funds or public permits prior to the  
27 initial commencement of the project; and  
28  
29 (2) Propose amendments to existing budget request forms or  
30 permit applications to facilitate sharing of the  
31 estimated costs of delay with decision-making  
32 authorities; and  
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34 BE IT FURTHER RESOLVED that the Office of Planning is  
35 requested to submit to the Legislature a report of its findings  
36 and recommendations, including any proposed legislation, no  
37 later than twenty days prior to the Regular Session of 2021; and  
38

39 BE IT FURTHER RESOLVED that certified copies of this  
40 Concurrent Resolution be transmitted to the Director of the  
41 Office of Planning, Comptroller, Director of Budget and Finance,  
42 Director of Transportation, Chair of the Land Use Commission,

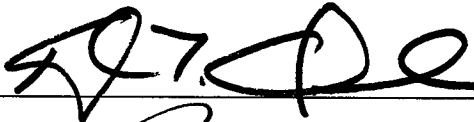


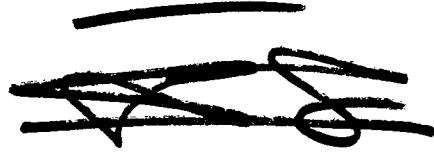



# H.C.R. NO. 146

1 Mayor of the City and County of Honolulu, Mayor of the County of  
2 Hawaii, Mayor of the County of Maui, and Mayor of the County of  
3 Kauai.

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OFFERED BY:

  
  
  
  
  
MAR 06 2020

