
HOUSE 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

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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

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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

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29 WHEREAS, in the case of delayed private projects, increased
30 rent or purchase prices may be presented to permit-granting



1 authorities in an effort to amortize any higher costs of project
2 completion; and

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

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

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

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21 (1) Identify strategies to secure information regarding
22 the costs incurred due to a delay in the performance
23 of any project, whether public or private, that
24 required public funds or public permits prior to the
25 initial commencement of the project; and

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27 (2) Propose amendments to existing budget request forms or
28 permit applications to facilitate sharing of the
29 estimated costs of delay with decision-making
30 authorities; and

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32 BE IT FURTHER RESOLVED that the Office of Planning is
33 requested to submit to the Legislature a report of its findings
34 and recommendations, including any proposed legislation, no
35 later than twenty days prior to the Regular Session of 2021; and

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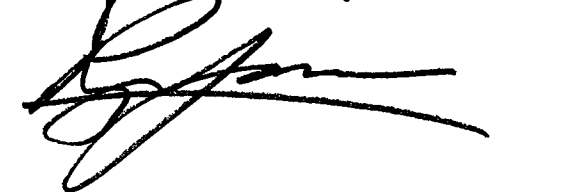
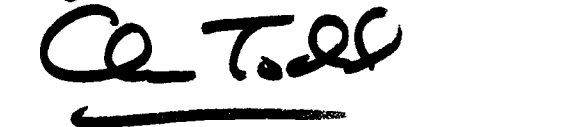
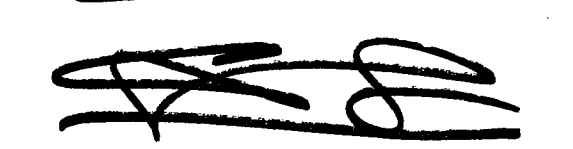
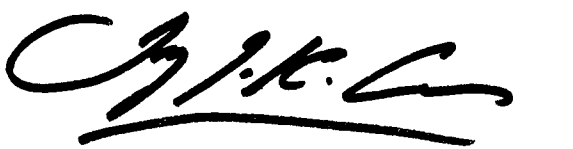
37 BE IT FURTHER RESOLVED that certified copies of this
38 Resolution be transmitted to the Director of the Office of
39 Planning, Comptroller, Director of Budget and Finance, Director
40 of Transportation, Chair of the Land Use Commission, Mayor of



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

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OFFERED BY:

MAR 06 2020

