



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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DAVID Y. IGE
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STATEMENT OF
GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

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

Wednesday, February 5, 2020
2:45 A.M.
State Capitol, Conference Room 414

in consideration of

SB 3167
RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chairs Kahele and Wakai, Vice Chairs Keith-Agaran and Taniguchi, and Members of the Committees.

The Hawaii Community Development Authority (HCDA) has not yet taken a position on this measure. However, as the interim executive director of HCDA, I **support the intent of SB 3167**, which repeals and reestablishes the stadium development district under the jurisdiction of the stadium authority.

Prior to Act 268, the Stadium Authority and the State Department of Accounting and General Services (DAGS) had made a great deal of progress towards planning for a new stadium and the redevelopment of the surrounding area.

Health and safety repairs are considerable, but are needed to keep the Aloha Stadium in operation while a new stadium is being procured, designed and constructed. This public safety

expense is a key motivator to expedite the process effectively and efficiently, while optimizing the use of public resources.

HCDA has been fortunate to collaborate with the Stadium Authority and DAGS on this matter since Act 268 passed in July 2019, and will continue to support their efforts to construct a high quality new stadium in a timely manner, accompanied by the ancillary development of the stadium district, for the people of Hawaii and in the best interest of the State.

We apologize that we may not be able to attend because HCDA had a previously scheduled Decision Making Public Hearing scheduled this afternoon.

Thank you for the opportunity to testify on **SB 3167**.

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 Senate Committees on
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
and
WATER AND LAND**

**Wednesday, February 5, 2020
2:45PM
State Capitol, Conference Room 414**

**In consideration of
SENATE BILL 3167
RELATING TO THE STADIUM DEVELOPMENT DISTRICT**

Senate Bill 3167 proposes to repeal and re-establish the Stadium Development District under the jurisdiction of the Stadium Authority. The measure also proposes to establish the Stadium Development Special Fund, expand the powers and duties of the Stadium Authority and appropriates funds. **The Department of Land and Natural Resources (Department) offers the following comments on this measure.**

SECTION 5 of this measure proposes to exempt lands to which the Stadium Authority holds title from the definition of public lands as defined in Section 171-2, Hawaii Revised Statutes. Should lands held by the Stadium Authority no longer be needed for stadium purposes, said lands should be returned to the public land trust administered by the Department.

Thank you for the opportunity to comment on this measure.

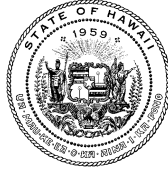
SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE SENATE COMMITTEES ON
WATER AND LAND
AND
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

WEDNESDAY, FEBRUARY 5, 2020, 2:45 P.M.
CONFERENCE ROOM 414, STATE CAPITOL

S.B. 3167

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chairs Kahele and Wakai, Vice Chairs Keith-Agaran and Taniguchi, and members of the committees, thank you for the opportunity to submit testimony for S.B. 3167.

The Department of Accounting and General Services (DAGS) strongly supports this bill to reestablish the Stadium Development District (District) under the jurisdiction of the Stadium Authority, to establish the stadium development special fund, to expand the powers and duties of the stadium authority, and to appropriate funds in support of this endeavor.

DAGS believes this will bring clearer focus and governance under the proven leadership of the Stadium Authority's Chair, Ross Yamasaki and Stadium Manager Scott Chan, who have demonstrated their capability and commitment to utilize all their resources available to provide top quality events and property management for the benefit of all of Hawaii's residents and visitors. The Stadium Authority's on-going partnerships with the community, stakeholders, and

various industries make this a worthwhile and exciting venture for DAGS to partner in and promote.

To further assist with laying out the best path possible, we offer the following comments:

- Page 11, line 8 should be revised to read, "...removal, relocation, replacement or ~~[restriction]~~ reconstruction is to take.."
- Page 30, after line 18, insert and amend the missing paragraph from Act 268, Session Laws of Hawaii 2019, section 5 to read:

"The proceeds of the revenue bonds shall be deposited into the [~~Hawaii community development revolving fund~~] stadium development special fund created in section [~~206E-16~~] 109-F, Hawaii Revised Statutes."

- Page 31, lines 15 and 16, should be revised to read, "The sum appropriated shall be expended by the [~~department of accounting and general services~~] stadium authority; provided..."

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



SB3167

RELATING TO THE STADIUM DEVELOPMENT DISTRICT
Senate Committee on Energy, Economic Development, and Tourism
Senate Committee on Water and Land

February 5, 2020

2:45 p.m.

Room 414

The Administration of Office of Hawaiian Affairs (OHA) will recommend that the Board of Trustees **OPPOSE** SB3167, which would significantly expand the powers and duties of the Stadium Authority (Authority) by allowing the Authority to acquire and sell additional state lands, including, potentially, “ceded” lands, and exempt the Authority from critical laws that protect Native Hawaiian rights and interests in public, public land trust, and “ceded” lands under its control. OHA appreciates the weigh in on this measure, and respectfully requests that, should the Committees choose to move this measure forward, that the following amendments be made to: (1) clarify that any state-owned lands that the Authority may acquire remain consistently protected against inappropriate alienation; and (2) ensure appropriate protections against inappropriate lease terms for lands placed under the Authority’s control, including long-term, multigenerational leases that may compromise the interests of Native Hawaiians, the public, and future generations in our limited public land base..

As a preliminary matter, OHA notes that, pursuant to Article 11, section 1 of the Hawai’i State Constitution, the State holds approximately 1.3 million acres of public lands, including the natural and cultural resources they contain, under a public trust, for the benefit of present and future generations. OHA emphasizes that the vast majority of these lands are also “ceded” lands, most of which are also subject to the public land trust created by Article 12 of the Hawai’i State Constitution and the Admission Act section 5(f); OHA notes that the trust status of these lands imposes on the State specific fiduciary obligations of due diligence and undivided loyalty, in making the trust corpus productive and maximizing its benefits for the trusts’ Native Hawaiian and public beneficiaries. Given Native Hawaiians’ unrelinquished claims to “ceded” lands, OHA also strongly opposes any policy that may authorize or lead to the sale or alienation of “ceded” lands, pending the resolution of such claims.

First, OHA has significant concerns regarding language in this measure that would explicitly exempt lands that may be acquired by the Authority from the Hawai’i Revised Statutes (HRS) § 171-2 definition of “public lands,” and further allow the Authority to sell or issue 99-year leases for “all or any portion of the real or personal property constituting a redevelopment project to any person upon such terms and conditions as many be approved by the [A]uthority,” as long as the sale or lease conforms with the Stadium

Development District Plan. Importantly, although only a small portion of current Authority lands are classified as public land trust or “ceded” lands, SB3167 would allow the Authority to acquire and dispose of more state lands, including lands that may be within the public land trust or “ceded.”¹

By exempting the Authority’s current and future land holdings from the Chapter 171 definition of “public lands,” and allowing the Authority to issue leases for lands it owns or controls for up to 99 years, this bill would circumvent critical laws that protect Native Hawaiian rights related to “ceded” lands, other public lands, and the public land trust. These laws include the Chapter 171 statutory provision that prohibits the sale or alienation of any public lands, including “ceded” lands, without prior notice to OHA and supermajority legislative approval. OHA views this statutory protection as particularly critical to maintaining the “ceded” lands corpus, and its enactment was a condition precedent to the settlement agreement in the OHA v. Housing and Community Development Corporation of Hawai’i lawsuit, brought in response to the State’s actions to sell and otherwise alienate ceded lands. Moreover, under this measure, lands that are acquired or leased by the Authority, including potentially “ceded” and public land trust lands, could also be leased or otherwise disposed of without key mechanisms and protections otherwise provided for under Chapter 171, such as the chapter’s appraisal and public auction requirements, as well as its lease length caps and prohibitions against the renewal of lease terms; notably, lands within redevelopment projects would be explicitly exempted from any public auction requirement, and subject only to this measure’s 99 year lease length limitation. OHA emphasizes the public transparency and accountability functions that Chapter 171 provides in the leasing of public, public land trust lands, and “ceded” lands, as well as its limitations on the issuance of long-term, multigenerational leases that can and has in the past led to the alienation of public and potentially “ceded” lands. Without mechanisms to provide a commensurate level of transparency, accountability, and protection, this measure’s exemption of the Authority’s current and future land holdings from the Chapter 171 definition of “public lands” and provisions allowing Authority-controlled lands to be excepted from Chapter 171’s public auction and lease length requirements may threaten a range of Native Hawaiian interests in our limited public land base.

Therefore, should the Committees choose to move this measure forward, OHA first requests, at a minimum, an amendment to ensure continued compliance with HRS § 171-64.7 for Authority-held lands proposed to be otherwise exempted from HRS Chapter 171 and its definition of “public lands”; as noted above, the legislative approval required for the sale or gift of public lands under HRS § 171-64.7 ensures a close level of oversight, accountability, and transparency in the potential alienation of our limited public land base

¹ The language of SB3167 would allow the Authority to acquire or lease state lands under the control and management of other public agencies for purposes including redevelopment, renovation, or improving these public lands for recreational, residential, educational, and commercial areas.

and potentially “ceded” lands, by requiring prior notice to OHA and supermajority legislative approval before any public lands can be sold.

To accomplish this, OHA respectfully requests the inclusion of language in this measure to amend HRS § 171-64.7 to insert a new paragraph (a)(11), to read as follows:

“(11) Land to which the stadium authority holds title.”

OHA further requests amendments to reduce the maximum lease lengths provided for in the redevelopment projects envisioned in this measure, and to provide for transparency and accountability mechanisms in the Authority’s general disposition of lands under its ownership or control.

Accordingly, OHA urges the Committees to reduce the maximum lease length provided for under this measure, and to otherwise ensure transparency and accountability mechanisms commensurate with those found in Chapter 171, by amending the language found on page 13, line 19, to page 14, line 4, to read as follows:

“authority may sell or lease all or any portion of the real or personal property constituting a redevelopment project to any person upon such terms and conditions as may be approved by the authority; provided that the authority finds that the sale or lease is in conformity with the stadium district plan; provided further that the lease of real property shall be subject to the same terms, conditions, restrictions, and uses applicable to the disposition of public lands in chapter 171, unless otherwise specifically provided for pursuant to rules adopted by the authority pursuant to chapter 91, except that housing units may be leased notwithstanding any appraisal requirements and without recourse to public auction, for up to seventy-five years when required by federal housing financing programs.”²

And amending page 22, line 16, to read as follows:

² While OHA understands that certain federal housing financing programs may require leasehold interests of 75 years, the 99-year leasehold interests proposed by this measure exceed this lengthy 75-year lease term timeline. OHA does, however, appreciate concerns raised regarding the potential for kupuna without family or resources and those with special physical and health needs to outlive a 75-year lease; OHA is open to further discussions regarding whether statutory lease extension language can accommodate such exigent circumstances.

“dispose of or encumber the same, provided that the stadium authority shall dispose of real property acquired or reacquired pursuant to this paragraph on the same terms, conditions, restrictions, and uses applicable to the disposition of public lands in Chapter 171, unless otherwise specifically provided for under administrative rules adopted by the authority pursuant to chapter 91;”

Second, OHA again notes that revenues generated from lands in the public land trust are subject to a set-aside reflecting Native Hawaiians’ pro rata share of the trust; revenues generated from certain state lands may similarly be subject to a set-aside for the Department of Hawaiian Home Lands. To ensure that such revenues are appropriately accounted for, OHA requests amending the language on page 11, line 13, to read as follows:

“(1) Subject to the Hawaiian Homes Commission Act of 1920, as amended, and section 5(f) of the Admission Act of 1959, all revenues from the operations of the stadium development district”

Accordingly, OHA urges the Committees to **HOLD** SB3167, or otherwise include the above-recommended amendments to better protect the rights of OHA and its beneficiaries in the Authority’s receipt, administration, and disposition of lands placed under its control. Mahalo nui for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER



ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

An Agency of the State of Hawaii

TESTIMONY
OF
SCOTT L. CHAN, MANAGER
ALOHA STADIUM
STADIUM AUTHORITY
TO THE
SENATE COMMITTEE
ON
WATER AND LAND
AND
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

FEBRUARY 5, 2020, 2:45 P.M.
CONFERENCE ROOM 414, STATE CAPITOL
February 5, 2020

S.B. 3167

RELATING TO THE STADIUM AUTHORITY

Chairs Kahele and Wakai, Vice Chairs Keith-Agaran and Taniguchi, and members of the respective committees, thank you for the opportunity to submit testimony in strong support of SB 3167.

First and foremost, on behalf of the Stadium Authority Board (Authority), we appreciate the Legislature's commitment and support in establishing a stadium development district inclusive of a multi-purpose sport and entertainment facility and extensive ancillary development that is both vibrant and an envisioned destination point.

By introduction of SB 3167, it further validates the Legislature's understanding of the magnitude, breadth, and depth of developing a stadium development district and provides the essential resources, funding, and powers necessary to effectuate the project.

The Authority understands that the bill places significant responsibility on itself to address all the requirements and responsibilities in accomplishing the goal of developing a stadium

development district, as well as addressing the challenges and milestones inherent in the process of meeting the overall development goal. The Authority heeds the Legislature’s recommendation on working closely with those governmental agencies who possess the expertise that will ensure project objectives and goals are met in an efficient and effective manner.

SB 3167 seeks to expand the Authority’s powers and duties where necessary and provide the resources and authority required to ensure the “Stadium Development District” is established in accordance and compliance with the requirements of SB 3167. More notably are the following sections:

- §109-C District; established; boundaries.
- §109-D Development guidance policies.
- §109-E District-wide improvement program.
- §109-F Stadium development special fund.
- §109-G District development rules.
- §109-H Use of public lands; acquisition of state lands.
- §109-2 Stadium Authority; powers and duties.
- Part II – Amends sections of Act 268, SLH 2019 to address the expending agency of funds appropriated to develop the Stadium Development District.

Based on the foregoing, it is the Authority’s understanding that the goal and objective of developing a Stadium Development District, includes but is not limited to:

To accomplish and oversee coordination and compliance with SB 3167, the measure seeks to expand §109-2 to authorize the establishment of a Stadium Development District Manager, Deputy Manager, Secretary and other resources as deemed necessary by the Authority.

To guide the overall process, the Authority is tasked with adopting Hawaii Administrative Rules as an essential step in providing the structure, parameters, and direction required to ensure among other issues, proper methodology of pursuing and underwriting public facilities is accomplished, as well as establishing district development rules intended to address minimum requirements for good design, pleasant amenities, health, safety, and an overall coordinated development.

To establish the Stadium Development district, the Authority is empowered to acquire, reacquire, to own, hold, clear, improve, rehabilitate, and conversely, sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the same.

To ensure development goals and objectives are met in an efficient manner and to follow the legislative intent of this measure, the legislature excepts public lands that the Stadium Authority holds title, from the statutory definition of public lands.

To align funding for this project, this measure amends appropriations in Act 268, SLH 2019 to designate the Stadium Authority as the expending agency and as applicable, authorizes the Stadium Authority to delegate implementation of projects, with Governor's approval, to other state agencies.

The Authority is also responsible for establishing district development rules that, at minimum, ensure good design, pleasant amenities, health, safety and coordinated development. The district development plan and rules shall take into consideration development that is not beyond existing uses or improvements, not demolished, or provide restrictions on the use of the lands.

Finally, the measure appropriates \$1,000,000 in general revenues to initiate the process and implementation of an organizational structure to provide the oversight and support in developing the stadium development district.

We sincerely appreciate the legislative, statutory, and financial support that are essential to begin the process of complying with all the requirements of SB 3167.

Thank you for the opportunity to provide this testimony in strong support of SB 3167.

LATE

FAITH ACTION FOR COMMUNITY EQUITY

Senate Committee Water and Land
Senate Committee on Energy, Economic Development, and Tourism
February 5, 2020 at 2:45 p.m.
State Capitol Room 414

SUPPORTING SB 3167 WITH AN AMENDMENT

Faith Action for Community Equity is a coalition of religious and community organizations driven by a spiritual commitment to improve the quality of life for all of the people of Hawaii by addressing the root causes of social justice challenges.

This bill creates the Stadium Development District (District) and establishes policies for it. According to the bill, “Redeveloping, renovating, or improving these public lands in a manner that will provide suitable recreational, residential, educational, and commercial areas, where the public can live, congregate, recreate, and attend schools is in the best interest of the State.” We agree. In fact, much of the District can be used for purposes other than the stadium since only a portion is needed for the new stadium and affiliated parking.

About half of Hawaii’s residents are struggling financially to afford basic needs because their earnings are not enough to cover Hawaii’s high cost of living. These are people who are a paycheck or two away from homelessness. Housing is the highest cost item in a typical family’s budget.

The District is ideal for developing affordable housing for two reasons. First, it is State land, so the land cost is zero, making the development of affordable housing financially viable. Second, it is on the rail line, where housing is being encouraged because it reduces the need for personal vehicles.

Our vision is that 20,000 affordable housing units would be built in the District. The housing would be integrated with a substantial amount of commercial businesses, such as grocery stores, restaurants, department stores, movie theaters, health clinics, social service agencies, retail stores, fitness centers, parks, child care centers, senior care centers, and various professional services. These urban amenities would be within walking distance of the housing, creating a livable community and minimizing the need for personal vehicles.

Tens of thousands of people would live in the 20,000 housing units, making the stadium more viable financially. As it is now, the stadium loses money every year, so it must be subsidized by the State. The plan is for new commercial businesses in the District to subsidize the operations of the new stadium.

Tens of thousands of people living in the District will increase attendance at UH football games, the swap meet, and other activities at the stadium, increasing income to the new stadium. Tens of thousands of people living near the commercial businesses that will subsidize the operations of the new stadium will ensure the success of these commercial

businesses. If customers have to be lured from outside the District, the success of the commercial businesses is less likely.

The bill should be amended to create 20,000 housing units in the District, at prices that are affordable to individuals and families earning 80% of the area median income or less. That is the income level where the need for affordable housing is greatest. With that amendment, Faith Action for Community Equity supports the bill.

LATE

SB-3167

Submitted on: 2/5/2020 7:04:44 AM

Testimony for EET on 2/5/2020 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Costa	Individual	Support	No

Comments:

More, much more affordable housing must be included in the redevelopment of Aloha Sadium

LATE

SB-3167

Submitted on: 2/5/2020 8:58:06 AM

Testimony for EET on 2/5/2020 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Godbey Carson	Individual	Support	No

Comments:

I am a member of Faith Action and support this bill, with a request for an amendment that would assure at least 20,000 housing units are included on the Stadium site, for people earning 80% of median area income or less.

The Stadium Development District can be used for purposes in addition to the stadium since only a portion is needed for the new stadium and affiliated parking. The District is ideal for developing affordable housing for two reasons. First, it is State land, so the land cost is zero, making the development of affordable housing financially viable. Second, it is on the rail line, where housing is being encouraged because it reduces the need for personal vehicles.

Our vision is that 20,000 affordable housing units would be built in the District. The housing would be integrated with a substantial amount of commercial businesses, such as grocery stores, restaurants, department stores, movie theaters, health clinics, social service agencies, retail stores, fitness centers, parks, child care centers, senior care centers, and various professional services. These urban amenities would be within walking distance of the housing, creating a livable community and minimizing the need for personal vehicles.

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Tens of thousands of people living in the District will increase attendance at UH football games, the swap meet, and other activities at the stadium, increasing income to the new stadium. Tens of thousands of people living near the commercial businesses that will subsidize the operations of the new stadium will ensure the success of these commercial businesses. If customers have to be lured from outside the District, the success of the commercial businesses is less likely.

The bill should be amended to create 20,000 housing units in the District, at prices that are affordable to individuals and families earning 80% of the area median income or less. That is the income level where the need for affordable housing is greatest.

