

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1348, H.D. 1

February 25, 2021
11:00 a.m.
Room 308 and Videoconference

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

The Department of Budget and Finance (B&F) has concerns with the creation of the Stadium Development Special Fund (SDSF).

House Bill (H.B.) No. 1348, H.D. 1, establishes the SDSF to be administered by the Stadium Authority (SA) into which shall be deposited:

1. All revenues from the Stadium Development District (SDD).
2. All gifts or grants awarded in any form from any public agency or from any other source for purposes of the SDD.
3. All proceeds from revenue bonds issued by the SA.
4. Appropriations made by the Legislature to the fund.

SDSF funds are directed to be used by the SA for the payment of expenses arising from any and all use, operation, repair, maintenance, alteration, improvement, or any unforeseen or unplanned repairs of the SDD.

The bill also amends the general bond authorization made in Act 268, SLH 2019; revises the general development guidance policies for the SDD; broadens the powers

and duties of the SA; exempts land to which the SA holds the title from the definition of “public lands”; authorizes the Hawai'i Community Development Authority, with approval by the Governor, to delegate to other State agencies implementation of capital improvement projects, under certain conditions; broadens the representation of the SA by adding two members to its membership; and makes the financial disclosures of members of the SA public records pursuant to Section 84-17(d), HRS.

As a matter of general policy, B&F does not support the creation of special funds that do not meet the requirements of Section 37-52.3, HRS. Special funds should:

1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining.

Regarding H.B. No. 1348, H.D. 1, it is unclear if the sources of revenues will be able to adequately support the SDSF aside from appropriations into the special fund.

Thank you for your consideration of our comments.

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
HOUSE COMMITTEE
ON
FINANCE

FEBRUARY 25, 2021, 11:00 A.M.
CONFERENCE ROOM 308

H.B. 1348, H.D. 1
RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to submit this testimony supporting HB 1348, H.D. 1.

We appreciate the Legislature's support and view the intent of this measure as a critical and essential component to providing the State of Hawaii – Stadium Authority with the ability to move forward in a careful, judicious, yet expeditious manner. We have been working closely with the Department of Accounting and General Services (DAGS) and support their position and testimony submitted on this measure. DAGS' comments are the product of many hours of collaborative work with subject matter experts in departments across the executive branch, as well as invaluable consultation and guidance from the Legislature and the Administration. We believe this comprehensive product provides the impetus required to bring the stadium development district project to fruition and clarifies roles and responsibilities of all parties involved, while fostering a collaborative process and platform on which to move forward.

In an effort to ensure short and long term project success; of note, this measure includes revision of development guidance policies for the Stadium Authority, clarifies roles between the Stadium Authority and the Hawaii Community Development Authority, authorizes the Stadium Authority to hold title to real property, establishes a stadium development special fund, exempts land to which the Stadium Authority hold title, and amends the general bond authorization enabled through Act 268, Session Laws of Hawaii 2019.

Thank you for your ongoing support and guidance over the years and for the opportunity to provide this testimony in strong support of HB 1348, H.D.1.

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
COMMITTEE ON FINANCE

THURSDAY, FEBRUARY 25, 2021, 11:00 A.M.
CONFERENCE ROOM 308, STATE CAPITOL

H.B. 1348, H.D. 1

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to submit testimony on H.B. 1348, H.D. 1.

The Department of Accounting and General Services (DAGS) strongly supports and appreciates H.B. 1348, H.D. 1, and offers the following revisions to more fully enable the intent of Act 268, Session Laws of Hawaii 2019, and to provide necessary powers, appropriations, and guidance to ensure optimal development of the stadium development district for the enjoyment of Hawaii's residents and visitors.

1. To give the Stadium Authority full administrative oversight of the Stadium development district special fund, establish the Stadium development district special fund under the Stadium Authority:
 - a. Revise Part II, Section 6, page 17, lines 4 -10 to read:

“SECTION 6. Chapter 109, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§109- Stadium development special fund; established.”

(a) There is established in the state treasury another special fund to be known as the stadium development special fund, into which funds collected by the stadium authority shall be deposited, including:”

b. Amend Part III, Section 11, Page 26, lines 15 - 16, as follows:

“(36) Stadium development special fund under section [206E—]109- ,”

c. Amend Part III, Section 12 of the Bill, Page 30, lines 1-2 as follows:

“(30) Stadium development special fund under section [206E—]109- ,”

2. To sunset the existing Stadium special fund as established in Section 109-3, Hawaii Revised Statutes, after such time that all remaining balance within the fund may be fully applied, used, and disposed of by the Stadium Authority, add new part (c) in Part II, Section 9, page 19, after line 3, to read:

“(c) Upon the effective date of Act _____, Session Laws of Hawaii 2021, the stadium special fund established herein is abolished, and all appropriations, encumbrances, and the remaining unencumbered balance shall be transferred to the stadium development special fund.”

3. To designate the stadium authority as the expending agency:

a. Amend Part V, Section 14 of the Bill, Page 33, lines 11 – 19 as follows:

“SECTION 14. Act 268, Session Laws of Hawaii 2019, is amended by adding a new section to read as follows:

“SECTION 7A. [~~The Hawaii Community Development Authority~~]Stadium Authority, as the designated expending agency for capital improvement projects authorized in this Act, may delegate to other state agencies

in the implementation of projects when it is determined advantageous to do so by
[both the Hawaii community development authority] the stadium authority, as the
original expending agency and the agency to which expending authority is to be
delegated.”

- b. Amend Part V, Section 16, Page 35, line 1 through page 36, line 3 as follows:

"SECTION 6. (a) The director of finance is authorized to issue
general obligation bonds in the sum of \$170,000,000 or so much thereof as
may be necessary and the same sum or so much thereof as may be necessary is
appropriated for fiscal year 2019-2020 to the ~~[Hawaii community
development authority]~~ stadium authority for the stadium development
district; provided that the appropriation made for the capital improvement
project authorized by this section shall not lapse at the end of the fiscal year
for which the appropriation is made; provided further that all moneys from the
appropriation unencumbered as of June 30, ~~2022,~~ 2024, shall lapse as of that
date.

The sum appropriated shall be expended by the ~~[Hawaii community
development authority]~~ stadium authority for the purposes of this Act.

(b) The director of finance is authorized to issue general obligation
bonds in the sum of \$180,000,000 or so much thereof as may be necessary and
the same sum or so much thereof as may be necessary is appropriated for
fiscal year 2021-2022 to the [Hawaii community development
authority] stadium authority for the stadium development district; provided
that the appropriation made for the capital improvement project authorized by

this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all moneys from the appropriation unencumbered as of June 30, 2024, shall lapse as of that date."

- c. Amend Part VI, Section 17, Page 36, lines 5 – 12, to read as follows:

“SECTION 17. General obligation bonds appropriated by Act 268, Session Laws of Hawaii 2019, as amended by Act 4, Session Laws of Hawaii 2020, that have been allotted and encumbered prior to approval of this Act shall continue to be expended by the stadium authority [~~in accordance with the memorandum of agreement executed by and between the Hawaii community development authority, the stadium authority, and the department of accounting and general Services~~].

4. To enhance and strengthen the dynamic relationship between the partnering agencies primarily supporting the implementation and management of the stadium development district, DAGS recommends revising Part II, Section 10, page 22, line 10, through page 23, line 6, as follows:

“SECTION 10. Section 206E-225, Hawaii Revised Statutes, is amended to read as follows:

"~~[§206E-225]~~ **Stadium development district governance; memorandum of agreement.** Notwithstanding [~~section~~] sections 206E-3~~[, for]~~ and 206E-4.1, the stadium authority established pursuant to section 109-1 shall have sole jurisdiction regarding matters affecting the stadium development district~~[, the]; [provided that the executive director of the Hawaii community development authority shall serve directly under the stadium authority for those matters;]~~ provided [further] that the Hawaii community development authority, department of accounting and general services, and

the stadium authority shall enter into a memorandum of agreement regarding implementation responsibilities of the respective agencies. [~~The executive director of the Hawaii community development authority, state comptroller, and the stadium authority shall also execute a memorandum of agreement with the appropriate state agencies, as needed.~~]"

The DAGS continues to collaborate closely with the Stadium Authority and the Hawaii Community Development Authority to ensure our on-going project efforts coincide with the future goals to bring benefit in the best interests of the State and its people.

Thank you for this opportunity to provide testimony on this matter.

LATE

HB-1348-HD-1

Submitted on: 2/24/2021 12:22:09 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christine Kinimaka	Department of Accounting and General Services	Support	No

Comments:

I am available for comments.

Testifier for DAGS on HB1348, HD1, representing Comptroller Curt Otaguro.



**Testimony to the House Committee Finance
Thursday, February 25, 2021 at 11:00 A.M.
Via Videoconference**

RE: HB 1348, HD 1, RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 1348, HD 1 which:

1. Establishes the stadium development district special fund;
2. Revises the general development guidance policies for the stadium development district and clarifies the respective roles the stadium authority and Hawaii community development authority in the development of the stadium development district;
3. Broadens the powers and duties of the stadium authority, including authorizing the stadium authority to acquire and hold title to real property;
4. Exempts land to which the stadium authority holds title from the definition of "public lands;"
5. Authorizes the Hawaii community development authority, with approval from the governor, to delegate to other state agencies implementation of capital improvement projects, under certain conditions;
6. Adds two members to the stadium authority;
7. Amends the general bond authorization made by Act 268, Session Laws of Hawaii 2019; and
8. Makes the financial disclosures of members of the stadium authority public records.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Hawaii's stadium development district is an untapped growth segment to transform and consolidate Hawaii's entertainment, tourism, retail, and housing into a major economic driver. Given the opportunity to establish itself as a premier development destination for not only sports and events, the district would have limitless potential to advance the breath



Chamber *of* Commerce HAWAII

The Voice of Business

of future commercial retail, residential housing, and transit-oriented development, to name a few, in delivering another economic driver to Hawaii for residents and tourists.

The Chamber believes this is an untapped opportunity for the State to benefit in planning, coordinating, and marketing the strength to live, work, and play.

Thank you for this opportunity to provide testimony.



LiUNA!

**Testimony of the Hawaii Laborer's Union Local 368
1617 Palama Street
Honolulu, Hawaii 96817**

PETER A. GANABAN
*Business Manager/
Secretary-Treasurer*

ALFONSO OLIVER
President

JOBY NORTH II
Vice President

TONI FIGUEROA
Recording Secretary

JAMES DRUMGOLD JR.
Executive Board

ORLANDO PAESTE
Executive Board

JOSEPH YAW
Executive Board

MARTIN ARANAYDO
Auditor

RUSSELL NAPIHA'A
Auditor

MARK TRAVALINO
Auditor

ALFRED HUFANA JR.
Sergeant-At-Arms

**Meeting: House Committee on Finance
Date: Thursday, February 25, 2021
Time: 11:00 a.m.
Place: Via Video Conference**

**RE: SUPPORT for HB1348 HD1 Relating to the
Stadium Development District**

Chair Luke, Vice Chair Cullen, and Committee Members,

The Hawaii Laborers' Union Local 368 and its nearly 5000 working and retired men and women across the state of Hawaii **SUPPORTS HB1348 HD1 Relating to Aloha Stadium.**

HB1348 HD1 is an important first step in rethinking the stadium district and how it can be developed into a vibrant community for generations to come. The concept of the stadium development district takes into account transit-oriented housing, as well as entertainment, and retail and restaurants. All the things that are needed to create a vibrant and well thought out live, work, and play community.

Furthermore, a project such as this will help to bolster an already suffering economy due to the COVID-19 pandemic, by creating much needed jobs and tax revenue for the State during this period of economic recovery.

Therefore, the Hawaii Laborers' Union Local 368 SUPPORTS HB1348 HD1, and humbly requests that your committee do the same.

Respectfully,
Ryan Kobayashi
Government Affairs

LiUNA Local 368
1617 Palama Street
Honolulu, HI 96817
Phone: (808) 841-5877
Fax: (808) 847-7829
www.local368.org

Feel the Power

Testimony of
Pacific Resource Partnership

House Committee on Finance
The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair

HB1348 HD1—Relating to the Stadium Development District

Thursday, February 25, 2021
11:00 A.M.
Conference Room 308

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

Pacific Resource Partnership (PRP) writes in strong support of HB1348 HD1.

The passage of HB1348 HD1 is a critical step towards creating a new stadium, maximizing the development potential of the 98-acre campus with housing and commercial/retail, and developing a transit-oriented community facilitated by a robust multimodal transportation network. Moreover, in this COVID-19 environment, Hawaii faces an economic crisis without parallel in its history as a state. The University of Hawaii Economic Research Organization (UHERO) predicts that Hawaii employment will not return to 2019 levels before 2026. The development of the new stadium before late 2023 will help with the economic recovery of the state by creating more jobs during these difficult times.

Given the above, we respectfully request your favorable decision on this measure. Thank you for this opportunity to submit written testimony.





UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 25, 2021 at 11:00 a.m.

by

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 1348 HD1 – RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Luke, Vice Chair Cullen, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) is supportive of House Bill No. 1348 HD1, Relating to the Stadium Development District, and requests further amendments to the bill where it relates to the UH. Among a number of things, this bill seeks to establish a special fund, broadens development authority of the Stadium Authority, amends the bond financing structure for the new stadium project, and adds two members to the Stadium Authority.

The UH requests that the bill be revised to allow the UH representative to have a vote on the Stadium Authority Board. Considering that the new stadium project is primarily for, and will rely on the UH use of the stadium as a major activity, it is more prudent to ensure that UH is a contributing participatory decision maker in the Authority decisions. I recommend the bill (page 7, lines 4 through 9) be amended, as follows:

Each member of the authority shall have been a citizen of the United States and a resident of the State for at least five years next preceding the member's appointment. The eleven members shall include the president of the University of Hawaii and the superintendent of education, or their designated representatives, who shall be ex-officio members of the authority [~~but shall not vote~~].

The inclusion of the UH President to the Stadium Authority Board originated out of the recognition that UH athletics was a primary anchor of the stadium and a foremost purpose for the stadium itself. This purpose remains a prominent component of the planned new stadium and the broader stadium district project. Having the UH President, or their designee, serve in a full capacity on the Stadium Authority will ensure that the broader project and eventual operation of the completed project has the governance input and involvement of one of the primary users and beneficiaries.

Lastly, the UH recently provided a list of desired objectives to the State's project leadership (Department of Accounting and General Services) that should be incorporated as business outcomes as part of the structure for the new stadium and district project. Those items can be more thoroughly considered once the State gets underway negotiating terms with the project partners.

Thank you for this opportunity to testify.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96817
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE
GOVERNOR

JOHN WHALEN
CHAIR

DEEPAK NEUPANE, P.E., AIA
EXECUTIVE DIRECTOR

Statement of
DEEPAK NEUPANE, P.E., AIA
Executive Director
Hawaii Community Development Authority
before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 25, 2021, 11:00 A.M.
VIA Videoconference State Capitol, Conference Room 308

In consideration of
HB 1348, HD 1, RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Luke, Vice Chair Cullen and members of the Committee.

As background, the Hawaii Community Development Authority (HCDA), Department of Accounting and General Services, and the Stadium Authority have been discussing this bill and the Senate version. HCDA respectfully offers **comments suggesting amendments** to this measure, as follows:

1. Part II, Section 6, Pages 17-19

In order to facilitate the ease of releasing and using of funds needed by the Stadium Authority, we suggest that the stadium development special fund be moved from Chapter 206E to Chapter 109.

2. Part II, Section 10, Pages 22 to 23

To clarify the respective roles of the agencies supporting the implementation and management of the stadium development district, we recommend the changes as follows:

SECTION 10. Section 206E—225, Hawaii Revised Statutes, is amended to read as follows:

§206E-225 Stadium development district governance; memorandum of agreement. Notwithstanding ~~[section]~~ sections 206E-3 ~~[, for]~~ and 206E-4.1, the stadium authority established pursuant to section 109-1 shall have sole jurisdiction regarding matters affecting the stadium development district ~~[, the];~~ ~~[provided that the executive director of the Hawaii community development authority shall serve directly under the stadium authority for those matters;]~~ provided ~~[further]~~ that the stadium authority shall enter into a memorandum of agreement with the Hawaii community development authority, and the department of accounting and general services regarding the implementation of responsibilities of the respective agencies. ~~[The executive director of the Hawaii community development authority, state comptroller, and the stadium authority shall execute a memorandum of agreement with the appropriate state agencies~~ ~~[,]~~ as needed.

3. Part III, Section 11, Pages 23 to 26

In connection with our suggestion to move the stadium special development fund from Chapter 206E to Chapter 109, we suggest the following change:

“(36) Stadium development special fund under Section 109- .”

4. Part III, Section 12, Pages 27 to 30

In connection with our suggestion to move the stadium special development fund from Chapter 206E to Chapter 109, we suggest the following change:

“(30) Stadium development special fund under Section 109- .”

5. Part V, Section 14, Page 33

In connection with our suggestion to move the stadium special development fund from Chapter 206E to Chapter 109 and to specify the stadium authority as the expending agency, we suggest the following change:

SECTION 14. Act 268, Session Laws of Hawaii 2019, is 12 amended by adding a new section to read as follows:

SECTION 7A. The stadium authority ~~[Hawaii community development authority]~~, as the designated expending agency for capital improvement projects authorized in this Act, may delegate to other state agencies the

implementation of projects when it is determined advantageous to do so by both the [~~Hawaii community development authority~~] stadium authority as the original expending agency and the agency to which expending authority is to be delegated.

6. Part V, Section 16, Pages 34 to 36

In order to reflect that the stadium authority, rather than the Hawaii community development authority, is the expending agency, we suggest the following changes:

SECTION 16. Act 268, Session Laws of Hawaii 2019, as amended by Act 4, Session Laws of Hawaii 2020, is amended by amending section 6 to read as follows:

SECTION 6. (a) The director of finance is authorized to issue general obligation bonds in the sum of \$170,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2019-2020 to the [~~Hawaii community development~~] stadium authority for the stadium development district; provided that the appropriation made for the capital improvement project authorized by this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all moneys from the appropriation unencumbered as of June 30, [~~2022,~~] 2024, shall lapse as of that date.

The sum appropriated shall be expended by the [~~Hawaii community development~~] stadium authority for the purposes of this Act.

(b) The director of finance is authorized to issue general obligation bonds in the sum of \$180,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2021-2022 to the stadium authority for the stadium development district; provided that the appropriation made for the capital improvement project authorized by this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all moneys from the appropriation unencumbered as of June 30, 2024, shall lapse as of that date.

We have been working collaboratively with the Department of Accounting and General Services, and the Stadium Authority on the Senate version of this bill. Those agencies may offer comments on other sections of this bill.

As HCDA continues its mission to join the strengths of private enterprise, public development and regulation into a new form capable of long-range planning and implementation of improved community development, we thank the legislature and community for its guidance and support.

Thank you for the opportunity to testify.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 220-8892

February 25, 2021

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
and members
The House Committee on Finance
415 South Beretania Street
Honolulu, Hawai'i 96813

**RE: SUPPORT for HB1348 HD1, RELATING TO THE STADIUM DEVELOPMENT
DISTRICT**

Dear Chair Luke, Vice-Chair Cullen and members,

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Laborers' International Union of North America, Local 368; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

The Hawaii Construction Alliance is in support of establishing a stadium development district and redeveloping the stadium that is no longer structurally sound.

HB1348 allows the state to leverage the best of public and private sector investment in a way that large government projects typically have not done well.

The Aloha Stadium project presents a unique opportunity for Hawaii to upgrade needed sports facilities, develop critical infrastructure, and provide for much-needed affordable housing in an important transit-oriented development district.

The proposed Stadium Development District structure aligns with the way other major development districts in Hawaii are best governed.

Therefore, we strongly ask for your committee's favorable action on HB1348.

Mahalo,

A handwritten signature in black ink, appearing to read "Nathaniel Kinney". The signature is fluid and cursive, with the first name being more legible than the last name.

Nathaniel Kinney
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 24, 2021

TO: HONORABLE SYLVIA LUKE, CHAIR, HONORABLE TY J.K. CULLEN,
VICE CHAIR, COMMITTEE ON FINANCE

SUBJECT: **SUPPORT OF H.B. 1348 HD1, RELATING TO THE STADIUM DEVELOPMENT DISTRICT.** Establishes the stadium development district special fund. Revises the general development guidance policies for the stadium development district and clarifies the respective roles the stadium authority and Hawaii community development authority in the development of the stadium development district. Broadens the powers and duties of the stadium authority, including authorizing the stadium authority to acquire and hold title to real property. Exempts land to which the stadium authority holds title from the definition of "public lands." Authorizes the Hawaii community development authority, with approval from the governor, to delegate to other state agencies implementation of capital improvement projects, under certain conditions. Adds two members to the stadium authority. Amends the general bond authorization made by Act 268, Session Laws of Hawaii 2019. Makes the financial disclosures of members of the stadium authority public records.

HEARING

DATE: Thursday, February 25, 2021
TIME: 11:00 a.m.
PLACE: Capitol Room 308

Dear Chair Luke, Vice Chair Cullen and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA is in **Support** of H.B. 1348 H.D.1, which will not only allow the Stadium Development District to upgrade its sports facilities, but also allow the State to develop critical infrastructure and transit oriented development. This measure ensures the proper development of the stadium area by broadening the powers and duties of the stadium authority.

Thank you for this opportunity to testify in support this measure.

HB-1348-HD-1

Submitted on: 2/23/2021 7:08:52 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch, Sr.	Individual	Support	No

Comments:

I'm in support of HB1348. Please pass this bill.

HB-1348-HD-1

Submitted on: 2/23/2021 11:25:44 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John Kawamoto	Individual	Support	No

Comments:

My name is John Kawamoto, and I support HB 1348 HD 1 with an amendment. This bill establishes legal infrastructure to facilitate the development of the stadium development district.

Aloha Stadium was built in 1975. Although its design was innovative, its steel has never stopped rusting because of the salt air from the nearby ocean. In 2019 the Legislature appropriated \$350 million to build a new stadium.

On Dec. 17, 2020, the Aloha Stadium Authority announced that it would close Aloha Stadium indefinitely. The stadium was experiencing safety issues due to corrosion and a lack of sufficient funding to maintain the facility.

In early January, 2021, the University of Hawaii Athletic Department announced that it would expand the Clarence T.C. Ching Athletics Complex on the Manoa campus and play home football games there for the following three years.

Although the University of Hawaii's football program had been the anchor tenant at Aloha Stadium, the UH Athletic Department issued a memorandum saying that it was only the fourth priority in making decisions for the new stadium. The UH Athletic Department contended that it would have no direct input into the RFP criteria, the RFP process, the selection of the contractor(s), or the provisions of the contract that the state would enter into.

According to the UH Athletic Department, "UH is being forced to fend for itself to identify and prepare a home field for football for at least 2021-2023, likely longer, and potentially indefinitely."

The potential absence of UH football from the new stadium creates an uncertainty about its viability and the viability of the stadium development district. It is possible that the new stadium will not be built and the stadium development district will be abandoned.

HB 13348 HD 1 accounts for this possibility. The provision on page 14, lines 17-21 would return the land to the Department of Land and Natural Resources. Instead, however, due to Hawaii's housing crisis, the land should be transferred to the Housing Finance and Development Corporation.

Hawaii faces tens of thousands of housing units, which disproportionately impacts families earning the median income and below. A recent Aloha United Way report, entitled, "ALICE: A Study in Financial Hardship in Hawaii" (ALICE = Asset Limited, Income Constrained, Employed), 59% of Hawaii households cannot afford the basic necessities of life. Housing is the biggest item in a typical family's budget, so these families are in dire need of housing that is affordable to them.

HB 1348 HD 1 should be amended so that if the land is no longer needed for the stadium development district, it should be transferred to the Housing Finance and Development Corporation to develop housing for the people of Hawaii that is affordable to them.