



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

MIKE MCCARTNEY  
DIRECTOR

CHUNG I. CHANG  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [dbedt.hawaii.gov](http://dbedt.hawaii.gov)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**MIKE MCCARTNEY**  
Director

Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT**

Friday, March 18, 2022  
10:30 AM

State Capitol, Conference Room 312 & Videoconference

In consideration of  
**SB3334, SD2**  
**RELATING TO GOVERNMENT OPERATIONS.**

Chair Quinlan, Vice Chair Holt and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent and offers comments on SB3334, SD2, which establishes the DBEDT director as an ex-officio voting member of the Hawaii Tourism Authority, Hawaii Community Development Authority (HCDA), Stadium Authority and the School Facilities Authority Boards; establishes the Stadium Community Development District under the HCDA; and transfers the School Facilities Authority to DBEDT.

We note the following discrepancy in Part III, Section 5, which lists the purpose of that part 1) Transfer the stadium authority from DAGS to DBEDT. However, in Section 6, Section 109-1, HRS (a) states: “There shall be within the **department of accounting and general services** for administrative purposes only, a stadium authority...” This should be corrected to the department of business, economic development, and tourism.

We defer to the Hawaii Community Development Authority’s testimony for other specific corrections in relation to Chapter 206E.

We defer to the Department of Budget and Finance on Section 15 of this measure as it relates to the issuance of the general obligation bonds.

DBEDT agrees with centralizing state functions to gain efficiencies and expertise and will continue discussions to evaluate the current state of personnel, funding, and contracts of the Stadium Authority and the School Facilities Authority to ensure proper transfer of these agencies to DBEDT without operational interruption should these transfers occur.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

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

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

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

TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT  
ON  
SENATE BILL NO. 3334, S.D. 2

**March 18, 2022**  
**10:30 a.m.**  
**Room 312 and Videoconference**

RELATING TO GOVERNMENT OPERATIONS

The Department of Budget and Finance (B&F) offers comments on Section 15 of this bill. B&F defers to the appropriate departments and agencies on the remainder of this bill.

B&F notes that Section 15 of this bill further amends Section 6 of Act 268, SLH 2019, as amended, to increase the general obligation (G.O.) bond appropriation for the Stadium Development District from \$170,000,000 to \$350,000,000 in FY 20. Of the original appropriation amount, \$10,000,000 has been allotted to date. However, a FY 20 G.O. bond appropriation will lapse on June 30, 2022, because Article VII, Section 11, of the Constitution of the State of Hawai'i provides that no appropriation of G.O. bonds can extend longer than three years. If the Committee intends to move this appropriation forward, B&F suggests reducing the appropriation made in Act 268 from \$170,000,000 to the \$10,000,000 that has already been allotted and making a new G.O. bond appropriation for the desired amount in FY 23.

Thank you for your consideration of our comments.

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

HOUSE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT

FRIDAY, MARCH 18, 2022, 10:30 A.M.  
VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 3334, S.D. 2

RELATING TO GOVERNMENT OPERATIONS

Chair Quinlan, Vice Chair Holt, and Members of the Committee, thank you for the opportunity to testify on S.B. 3334, S.D. 2. The Department of Accounting and General Services (DAGS) supports the overall intent of this bill and offers the following comments and strong concerns.

Although page 3, lines 12 – 14, state that the purpose of this Act is to transfer the Stadium Authority to the Department of Business, Economic Development, and Tourism, Section 6, keeps the Stadium Authority attached to DAGS.

Sections 6 and 7 reduces the Stadium Authority's responsibility to maintain, operate, and manage the stadium development district down to just the stadium and facilities attached thereto. Sections 8 through 11 take further action to amend Chapter 206E, Hawaii Revised Statutes (HRS), to create a new Stadium Community Development District under the Hawaii Community Development Authority (HDCA), remove the "Stadium Authority" from the definition of "Authority," and to define the Stadium Community Development District as the land surrounding

the current Aloha Stadium. While DAGS understands the legislature's intent to increase the State's ability to exercise broader control over the proposed new district's development regulations and requirements, especially with regard to zoning, we believe these actions will reduce the effective administration of the entire district to achieve sustainability, to implement development as expediently as possible, and to deliver an overall vision that best serves the community and Hawaii's residents and visitors.

It is DAGS' understanding that implementing a new community district under HCDA will require the promulgation of rules in accordance with Chapter 91, HRS. This is anticipated to take, on average, two years, before HCDA will be able to establish the necessary zoning that will define what kind of development will be permitted. This delay will stymy the current, on-going efforts to procure the real estate project with our Priority Listed Offerors (PLOs), at best, or outright terminate the procurement altogether if the PLOs choose not to continue to expend resources waiting for this action to be complete.

In addition, the division of authority between the stadium and real estate portions of the district increases the confusion over governance of the entire district and removes the symbiotic relationship necessary to leverage the best benefits of the public, private partnership concept embodied by the new stadium development model. Confusion over district governance has been identified as a risk that may also serve to drive away participation of our PLOs in development of both the stadium and the real estate projects.

DAGS believes these actions are not necessary, as our long-established collaborative relationship with the City and County of Honolulu and key stakeholders that has led to adoption of the Halawa Area Transit Oriented Development Plan and preparation for timely approval of the zoning necessary to implement development of the current Stadium Development District will ensure our progress will continue to the award of both the stadium and real estate project awards

in 2023, with potential construction beginning within the year. This effort, if left alone as proposed by companion bill H.B. 2470, H.D. 2, will ensure completion of the stadium to serve the University of Hawaii and the community much more quickly than waiting for the state to reestablish the district's oversight and zoning.

Section 15 of this bill increases the authorization to issue general obligation bonds from \$170,000,000 to \$350,000,000 by amending Act 268, Session Laws of Hawaii (SLH) 2019, section 6, as amended by section 5 of Act 4, SLH 2020, as amended by section 18 of Act 146, SLH 2021. While DAGS appreciates the legislature's overall support of the New Aloha Stadium Entertainment District (NASED) and the additional \$180,000,000 in general obligation funding, we are concerned that the proposed language may may not allow for assigning a new funds lapse date of June 30, 2024, as we understand that the lapse date is determined by the project authorization date, not the funds appropriation date. Therefore, merely amending the acts related back to Act 268, Session Laws of Hawaii 2019, may lock the funds lapse date at June 30, 2022. Instead, DAGS recommends that a new project appropriation be established for the Stadium Development District in the differential amount of \$180,000,000 comprised of \$130,000,000 in general obligation bonds for necessary design and construction costs, and \$50,000,000 in general funds to support the interim operations of the Stadium Authority and the Stadium Development District.

DAGS is also concerned that Section 18 may inadvertently create confusion over governance and negatively impact on-going planning and procurement efforts to implement development of the Stadium Development District as expediently and effectively as possible to bring benefit to the University of Hawaii and the people of Hawaii by directing the immediate transfer of all legal agreements from DAGS to the Department of Business, Economic

Development, and Tourism upon the effective date of this bill. Instead, DAGS recommends Section 18 be revised as follows:

“ SECTION 18. All deeds, leases, contracts, loans, agreements, permits, or other documents executed or entered into by or on behalf of the stadium authority or the department of accounting and general services, pursuant to the provisions of the Hawaii Revised Statutes, that are reenacted or made applicable to the department of business, economic development, and tourism by this part shall remain in full force and effect. Notwithstanding any law to the contrary, all contracts currently under the department of accounting and general services on behalf of the stadium authority shall remain with the department of accounting and general services. Otherwise, as appropriate, upon ~~Upon~~ the effective date of this part, every reference to the stadium authority, department of accounting and general services, or the comptroller therein shall be construed as a reference to the department of business, economic development, and tourism or the director of business, economic development, and tourism~~[, as appropriate]~~.

DAGS will continue to coordinate closely with the Stadium Authority and stakeholders 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 the opportunity to testify on this matter.

**SB-3334-SD-2**

Submitted on: 3/17/2022 9:40:31 AM

Testimony for ECD on 3/18/2022 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Christine Kinimaka	DAGS	Comments	Remotely Via Zoom

Comments:

Available to answer questions with State Comptroller Otaguro.





**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813  
Telephone: (808) 594-0300 Fax: (808) 587-0299  
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE  
GOVERNOR

SUSAN TODANI  
CHAIRPERSON

CRAIG K. NAKAMOTO  
INTERIM EXECUTIVE DIRECTOR

---

Statement of  
**CRAIG NAKAMOTO**  
Interim Executive Director  
Hawaii Community Development Authority  
before the  
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT**

Friday, March 18, 2022  
10:30 A.M.  
VIA Videoconference, State Capitol, Conference Room 312

In consideration of  
**SB 3334, SD2**  
**RELATING TO GOVERNMENT OPERATIONS.**

Chair Quinlan, Vice Chair Holt, and members of the Committee. The Hawaii Community Development Authority (HCDA) **supports SB 3334, SD2 with clarifying amendments** relating specifically to HRS Chapters 206E and 109.

This measure streamlines state operations by placing similar functions under the purview one agency, for efficiency and cost savings.

Because the bill also makes changes to the governance structure of the HCDA board and other community development district boards, we suggest the following amendments:

1. Board of Land and Natural Resources desires to be a member only with respect to matters affecting the Pulehunui community district only. Therefore, please remove, “the chairperson of the Board of Land and Natural Resources or the chairperson’s designee” from all HCDA boards mentioned in SB3334, SD2. That language can be found at:
  - Page 15, Lines 14 and 15, and
  - Page 22, Lines 3 and 4.
2. Page 7, Lines 11 and 12, delete “department of accounting and general services”, and substitute with “department of business, economic development, and tourism.”
3. Page 13, Lines 16-19, delete (2) in its entirety, and replace with the following:

“(2) To coordinate in planning, design, development,  
and/or construction activities regarding a new stadium  
and facilities appurtenant thereto. “Facilities  
appurtenant thereto” shall mean and include all of the  
land that is now under the jurisdiction of the stadium  
authority.”

4. Page 17, Line 7: delete the word, “in”, and replace with “from any of”
5. Page 29, Line 7, delete the existing language and replace it with the following:  
“ninety-eight acres of land under the existing”
6. Page 30, Lines 5-8: delete existing language
7. Page 31, Lines 1-4, delete the existing language and replace with the following:

the following parcels:

TMK (1)9-9-003:055;

TMK (1)9-9-003:061;

TMK (1)9-9-003:070; and

TMK (1)9-9-003:071

8. Page 34, Line 6, add “and county” after “state” and before “agencies”.

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

**DAVID Y. IGE**  
GOVERNOR

**CURT T. OTAGURO**  
COMPTROLLER



*An Agency of the State of Hawaii*

**ROSS I. YAMASAKI**  
CHAIRMAN, STADIUM AUTHORITY

**RYAN G. ANDREWS**  
DEPUTY MANAGER

TESTIMONY  
OF  
RYAN G. ANDREWS, ACTING MANAGER  
ALOHA STADIUM  
STADIUM AUTHORITY  
TO THE  
HOUSE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT

MARCH 18, 2022, 10:30 A.M.  
BY VIDEO CONFERENCE, ROOM 312

S.B. 3334, S.D.2

RELATING TO GOVERNMENT OPERATIONS

Chair Quinlan, Vice Chair Holt, and members of the committee, thank you for the opportunity to submit this testimony with comments and strong concerns on SB 3334, S.D.2.

On behalf of the Stadium Authority, I would like to take this opportunity to thank the legislature and the Department of Accounting and General Services (DAGS) for its many years of continuous support towards building a New Aloha Stadium Entertainment District (NASED) that includes redevelopment of its surrounding land into a vibrant and robust entertainment district. We would not be at this stage of development if not for the collective and coordinated support from these entities working together to reach project completion. Thank you for your continued support.

From a macro perspective, the Stadium Authority understands the intent of the legislature in aggregating enterprise agencies as well as centralizing land development expertise and functions under the Department of Economic Development and Tourism (DBEDT). The Authority is supportive of all efforts to continue the positive progress and momentum that has been established and that will drive this project's development through completion.

There are five (5) major areas of concern for which the Stadium Authority shares the following comments and respectfully requests the Legislature's consideration of these comments:

**Part III -Section 5 (1)**. We note a discrepancy in subsection (1) where it transfers the Stadium Authority from DAGS to DBEDT, while language in Section 6 specifies that the Stadium Authority shall be within DAGS.

**Part III -Section 6 (a)**. This subsection is seeking the Stadium Authority's scope of responsibility limited to maintaining, operating, and managing the stadium and facilities attached thereto. Further, it removes the stadium development district from the Stadium Authority's oversight. As written, we believe this bifurcates the overall New Aloha Stadium Entertainment District (NASED) master plan, including the overall management of the NASED project from both an operational and financial planning standpoint. We are concerned that the proposed change in oversight will have longstanding operational and financial repercussions to the project.

**Part III -Section 7**. We note that this section continues to remove oversight responsibility for the stadium development district from the Stadium Authority and in doing so, exacerbates the bifurcation of property management as well as stand contrary to the NASED master plan. This will also impact NASED's overall operational and financial plan.

**Part III -Section 9**. We concur with DAGS' concern that as a community district under the Hawaii Community Development Authority, the promulgation of rules is required in order to properly establish and effectuate zoning required by the Stadium Authority. It is our understanding that this development process takes, on average, two years before being effectuated. This holds considerable concern for the Stadium Authority.

**Part III -Section 15**. The Authority appreciates the legislature's support of NASED and its intent to provide the additional funding required to ensure that the NASED project is completed as planned; however, we are concerned that extending the lapse date by amendment may not be constitutionally allowable. We concur with DAGS' recommendation that a new project appropriation be established in order to ensure the NASED project is completed as planned. In order to align the appropriate means of financing with the overall mechanics of the project plan, the Stadium Authority strongly recommends that the appropriation be detailed as follows:

- \$130,000,000 in general obligation bonds for necessary design and construction costs, and
- \$50,000,000 in general funds into the Stadium Development Special Fund to support interim operations of the Stadium Authority and the Stadium Development District.

On behalf of the Stadium Authority Board, I would like to express our gratitude and appreciation for your continuing support of the NASED project and respectfully ask for your consideration of our concerns noted above. Thank you for the opportunity to provide this testimony with comments on S.B. 3334, S.D.2.



Hawai'i Convention Center  
1801 Kalākāua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourism-authority.org](http://hawaii-tourism-authority.org)

**David Y. Ige**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

Statement of  
**JOHN DE FRIES**

Hawai'i Tourism Authority  
before the  
**COMMITTEE ON ECONOMIC DEVELOPMENT**

March 18, 2022  
10:30 A.M.  
State Capitol  
via videoconference

In consideration of  
**SENATE BILL NO. 3334 SD 2**  
**RELATING TO GOVERNMENT OPERATIONS**

---

Aloha Chair Quinlan, Vice Chair Holt, and members of the Committee on Economic Development.

The Hawai'i Tourism Authority appreciates the opportunity to offer comments on SB3334 SD2, which in Part II establishes the Director of Business, Economic Development, and Tourism, or a designee of the Director, as an ex-officio, voting member of the Hawai'i Tourism Authority board. Our comments today are limited to Part II of the act.

As an agency administratively attached to the Department of Business, Economic Development, and Tourism, our staff already works closely with the Director and his team. We welcome the Director or the Director's designee's membership on our board to further deepen involvement in the policy and oversight discussions that happen at the board level.

We appreciate the opportunity to provide these comments on SB3334 SD2. Mahalo.

SB 3334 SD 2 TESTIMONY

To: House Committee on Economic Development  
Hearing on March 18, 2022 at 10:30 a.m.

From: John Kawamoto

Position: Oppose

**LATE**

This bill proposes to fund an entertainment district at a time when so many of Hawaii's families are struggling just to get by financially. Their priority is not entertainment, but figuring out how to make it to their next paycheck.

Aloha United Way conducted a study in 2018 which showed that 33% of Hawaii's families were living above the federal poverty level, but did not earn enough to cover all of the necessities of daily living. They had to cut back on food or medication or other necessities. Unable to put money in savings, they were only an illness or an injury away from homelessness. Covid has undoubtedly pushed even more families into those dire financial straits. In 2018, another 9% of Hawaii's families were living below the federal poverty level.

Carl Bonham, executive director of the University of Hawaii Economic Research Organization said, "People are getting by paycheck to paycheck, and there isn't much left at the end of the month for anything, and that goes way up into the middle class, and a big chunk of that goes toward housing."

Housing is the biggest expense by far in a typical family's budget. We are all aware of the high price of housing in Hawaii. Last month, the median price of a home in Hawaii, according to Zillow, was \$842,000 -- far outside the range of most families. Housing prices are so high that many of Hawaii's families are moving to the mainland, where they can find less expensive housing.

There is anecdotal evidence that more and more young people who attend college on the mainland are staying there to live after they graduate, largely because of housing. That trend will have devastating effects on Hawaii's economy because it will cause a deterioration in Hawaii's labor force. Without a skilled, educated workforce, there will be no chance to improve Hawaii's economy.

Hawaii needs affordable housing much more than an entertainment district.

A study by the Department of Business and Economic Development estimates that 24,238 homes would be needed between 2020 and 2025 by families whose earnings are at or below 60% of the Area Median Income. Many of these homes can be built on the Aloha Stadium site. Furthermore, they can be built at relatively low cost to the State because the

land belongs to the State. Land cost is usually about one-third of the total cost of a typical housing project, but in this case it is zero.

The Aloha Stadium site could accommodate 12,000 homes that are affordable to Hawaii's families with mid-rise development that includes parks, community centers, grocery stores, restaurants, shops, child care, senior care, and health care facilities. Careful planning could increase that number considerably, while maintaining a livable environment.

By contrast, the current plan for the entertainment district includes only 3,000 housing units, and none of them are designated as affordable.

Nevertheless, some people like the idea of a new Aloha Stadium. They believe that UH will play football there and draw lots of fans like before, and that Hawaii will field professional teams that play in soccer and rugby leagues. These major events could make the new stadium financially viable. However, it is questionable whether these events would draw enough people.

For example, UH football attendance has been dwindling for decades. UH now has its own stadium, which has 9,000 seats. In the last game of the 2021 season, only 5,315 people attended, even though there were no social distancing requirements.

As for soccer and rugby, there is no precedent -- no experience in these areas. These are completely new ideas. There has not even been a study showing that either would be viable. Hawaii's geography in the middle of the Pacific, and hours of travel time to anywhere else, have discouraged other efforts to attract sporting events, and conditions haven't changed.

If soccer and rugby are not viable, and if UH football attendance remains low, the income of the new stadium would likely be far below maintenance costs. The difference would have to be covered with tax revenue.

There's insufficient data at this time to show that a new stadium would be viable. Appropriating \$350 million for it would be somewhat of a gamble. That's a lot of money coming from the people of Hawaii paid in taxes -- money that should be spent thoughtfully.

The committee should hold the bill.

Written Only

DAVID Y. IGE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

KEITH T. HAYASHI  
INTERIM SUPERINTENDENT

**LATE**

**Date:** 03/18/2022

**Time:** 10:30 AM

**Location:** 312 Via Videoconference

**Committee:** House Economic  
Development

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Interim Superintendent of Education

**Title of Bill:** SB 3334, SD2 RELATING TO GOVERNMENT OPERATIONS.

**Purpose of Bill:** Establishes the Director of Business, Economic Development, and Tourism, or a designee of the Director, as an ex officio voting board member of the Hawaii Tourism Authority and the School Facilities Authority. Transfers the Stadium Authority and the School Facilities Authority from the Department of Accounting and General Services and Department of Education, respectively, to the Department of Business, Economic Development, and Tourism. Increases the amount of general obligation bonds that may be issued for the Stadium Development District. Amends the Hawaii Community Development Authority membership to include the Director of Business, Economic Development, and Tourism and the Director of the Office of Planning and Permitting of each county, or their designee, in which a community development district is located. Amends community representatives on each board from three to two at-large members. Effective 7/1/2050. (SD2)

**Department's Position:**

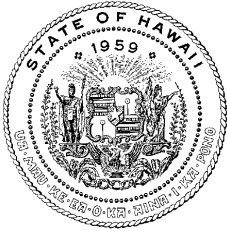
The Hawaii State Department of Education (Department) provides comments on SB 3334, SD2.

The Department has established and maintains an effective working relationship with the School Facilities Authority and its staff. Regardless of where the School Facilities



Authority resides, the Department is confident that this relationship will continue and is committed to ensuring adequate facilities for the needs of public school students.

Thank you for the opportunity to provide testimony offering comments on this measure.



## SCHOOL FACILITIES AUTHORITY

c/o 869 Punchbowl Street, 5<sup>th</sup> Floor, Honolulu, Hawai'i, 96813

IN REPLY REFER TO: **SB3334 ECD**

David Y. Ige  
Governor

Alan Oshima  
Chairperson

February 18, 2022  
10:30 A.M.  
State Capitol, Teleconference

**LATE**

### **S.B. 3334, S.D. 2 RELATING TO GOVERNMENT OPERATIONS**

House Committee on Economic Development

The School Facilities Authority (SFA) provides **comments on Part IV of this measure** that proposes to transfer the SFA from the Department of Education (DOE) to the Department of Business, Economic Development, and Tourism (DBEDT).

The SFA takes no position on the proposed transfer, but notes that the SFA is in its first six months of operations and is currently in the process of promulgating administrative rules on practice and procedure. In addition, the SFA is initiating the process to recruit its first executive director and hire three staff positions. The SFA respectfully requests your committee defer consideration of part IV of the bill until such time that the SFA is well-established and fully operational as the operations over the next year can better inform future decisions on the appropriate placement of the authority.

However, if this committees are inclined to advance this measure with Part IV as is, the SFA is concerned that the transfer of functions and duties set forth in Section 19 is too broad and may have unintended adverse consequences. This section that states: "All rights, powers, functions, and duties of the department of education as they relate to the school facilities authority are transferred to the department of business, economic development, and tourism." This provision could have the effect of no longer requiring the DOE to perform certain duties that are necessary for the SFA to do its work. Two such examples are Hawaii Revised Statutes (HRS) 302A-1705(a), which states that, at the request of the SFA, the DOE shall transfer any land to which it holds title to the authority, and HRS 302A-1706(a)(3), which requires that any moneys received by the DOE in the form of a grant, gift, endowment, or donation for the development, planning, or construction of new school facilities or major renovations of school facilities be deposited into the School Facilities Special Fund. Therefore, the SFA requests that the bill be amended to ensure that any rights, powers, functions, and duties of the DOE that allow the SFA to perform its functions should remain with the DOE, and should not be transferred to DBEDT.

Thank you for the opportunity to provide these comments.

**LATE**

**SB-3334-SD-2**

Submitted on: 3/17/2022 1:18:05 PM

Testimony for ECD on 3/18/2022 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ellen Godbey Carson	Individual	Oppose	Written Testimony Only

Comments:

The Stadium property's highest and best use is in building thousands of affordable housing units on government land. It is ill-conceived and loss of a once-in-a-lifetime opportunity to use this land as an entertainment district instead of prioritizing to meet our housing needs. If entertainment is to be considered for this property, let's go back to the drawing board and create an overall plan that would produce many thousands of units on this property as top priority for our community's needs.

**LATE**

**SB-3334-SD-2**

Submitted on: 3/17/2022 7:52:12 PM  
Testimony for ECD on 3/18/2022 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

There is Enough Crooked Shit Going on in Government Asit is!!

**SB-3334-SD-2**

Submitted on: 3/17/2022 9:36:17 PM

Testimony for ECD on 3/18/2022 10:30:00 AM

**LATE**

Submitted By	Organization	Testifier Position	Testify
Richard Tillotson	Individual	Oppose	Written Testimony Only

Comments:

SB 3334 SD 2 TESTIMONY

To: House Committee on Economic Development

Hearing on March 18, 2022 at 10:30 a.m.

From: Richard Tillotson

Position: Oppose

I stand with our three former Governors in opposition to this bill. The Aloha Stadium site is our island's last best chance to provide desperately needed housing for thousands of local families. To build an entertainment district there instead is not just bad legislative policy, it is morally wrong. Hawaii needs affordable housing far more than an entertainment district.

Aloha United Way conducted a study in 2018 which showed that 33% of Hawaii's families were living above the federal poverty level, but did not earn enough to cover all of the necessities of daily living. They had to cut back on food or medication or other necessities. Unable to put money in savings, they were only an illness or an injury away from homelessness.

Housing is the biggest expense by far in a typical family's budget. We are all aware of the high price of housing in Hawaii. Last month, the median price of a home in Hawaii, according to Zillow, was \$842,000 -- far outside the range of most families. Housing prices are so high that many of Hawaii's families are moving to the mainland, where they can find less expensive housing.

A study by the Department of Business and Economic Development estimates that 24,238 homes would be needed between 2020 and 2025 by families whose earnings are at or below 60% of the Area Median Income. Many of these homes can be built on the Aloha Stadium site. Furthermore, they can be built at relatively low cost to the State because the land belongs to the State. Land cost is usually about one-third of the total cost of a typical housing project, but in this case it is zero.

The Aloha Stadium site could accommodate many thousands of homes that are affordable to Hawaii's families with mid-rise development. By contrast, the current plan for the entertainment district includes only 3,000 housing units, and NONE of them are designated as affordable.

In addition, an entertainment district at the Aloha stadium site may not even be financially viable. For example, UH football attendance has been dwindling for decades. UH now has its own stadium, which has 9,000 seats. In the last game of the 2021 season, only 5,315 people attended, even though there were no social distancing requirements.

As for soccer and rugby, there has not even been a study showing that either would be viable. Hawaii's geography in the middle of the Pacific has discouraged other efforts to attract sporting events, and conditions haven't changed.

If soccer and rugby are not viable, and if UH football attendance remains low, the income of the new stadium would likely be far below maintenance costs. The difference would have to be covered with tax revenue. The last thing Hawaii needs is another expensive white elephant of a construction project that may well be an ongoing drain on tax revenues. Use this site for homes instead. That's what Hawaii does need!

The committee should hold oppose this bill.

Thank you for reading my testimony, and mahalo for your service.

Respectfully submitted by

Richard Tillotson