

TESTIMONY

SB721

Committee on Water, Land, Agriculture, and Hawaiian Affairs
Senator Clayton Hee, Chair
Senator Jill N. Tokuda, Vice Chair

February 18, 2009, Committee Hearing
Conference Room 229
3:30PM

Senate Bill 721
Relating to District-Wide Improvement Programs

Chair Hee and Committee Members:

I support the passage of Senate Bill 721.

I am Dexter Okada. As a disclosure, I am a member of the Hawaii Community Development Authority(HCDA). But I am testifying as the president of U. Okada & Co., Ltd., a third generation small family business that has been located on Queen Street in Kaka'ako for over fifty years and as a representative of the Kaka'ako Business and Landowners Association.

When HCDA undertakes a public facility improvement program for the greater community, it is the area community that suffers from:

1. Loss of business revenue during prolong construction
2. Increase in the cost of doing business during construction
3. Loss of property for widening of the right of way

Then the final insult is assessing the area community for something that the costs far outweigh the benefits because of the current wording of Section 206E-6(b), "shall be assessed".

By changing the current wording of Section 206E-6(b) from "shall be assessed" to "may be assessed" gives HCDA the flexibility to work with the community when building public facilities.

Thank you,

Dexter Okada

**Committee on Water, Land, Agriculture, and Hawaiian Affairs
Senator Clayton Hee, Chair
Senator Jill N. Tokuda, Vice Chair**

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3:30PM**

**Senate Bill 721
Relating to District-Wide Improvement Programs**

Chair Hee and Committee Members:

I support the passage of Senate Bill 721.

*I AM JOSEPH L. WRIXON - I AM THE TRUSTEE FOR
THE PROPERTY LOCATED AT 942 KAWAIAHAO ST. - THIS
PROPERTY IS OWNED BY MY WIFE AND HER SISTER -
IT HAS BEEN IN THE REED FAMILY FOR MORE THAN
50 YEARS -*

When HCDA undertakes a public facility improvement program for the greater community, it is the area community that suffers from:

- 1. Loss of business revenue during prolong construction
- 2. Increase in the cost of doing business during construction
- 3. Loss of property for widening of the right of way

Then the final insult is assessing the area community for something that the costs far outweigh the benefits because of the current wording of Section 206E-6(b), "shall be assessed".

By changing the current wording of Section 206E-6(b) from "shall be assessed" to "may be assessed" gives HCDA the flexibility to work with the community when building public facilities.

Thank you,

JOSEPH L. WRIXON

**Committee on Water, Land, Agriculture, and Hawaiian Affairs
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3:30PM**

**Senate Bill 721
Relating to District-Wide Improvement Programs**

Chair Hee and Committee Members:

I support the passage of Senate Bill 721.

I am William R. Schoen. I am the lease holder of property at 532 Cummins St., at the corner of Cummins and Kawaihao.

When HCDA undertakes a public facility improvement program for the greater community, it is the area community that suffers from:

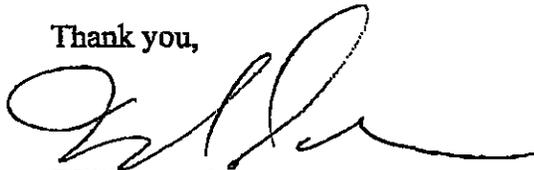
1. Loss of business revenue during prolong construction
2. Increase in the cost of doing business during construction
3. Loss of property for widening of the right of way

When I leased the property a few years ago, I was required to build sidewalks and observe the required setbacks. Now if new infrastructure is required I will lose most of my sidewalk and be forced to pay again for improvements that will not benefit my business.

Then the final insult is assessing the area community for something that the costs far outweigh the benefits because of the current wording of Section 206E-6(b), "shall be assessed".

By changing the current wording of Section 206E-6(b) from "shall be assessed" to "may be assessed" gives HCDA the flexibility to work with the community when building public facilities.

Thank you,



William R. Schoen
Feb. 17, 2009

**Committee on Water, Land, Agriculture, and Hawaiian Affairs
Senator Clayton Hee, Chair
Senator Jill N. Tokuda, Vice Chair**

**February 18, 2009, Committee Hearing
Conference Room 229
3:30PM**

**Senate Bill 721
Relating to District-Wide Improvement Programs**

RE: Support of SB 721

Dear Senator Hee and committee members,

Thank you, for the opportunity to testify in support for SB 721. I'm a small business owner in Kakkako. A couple of years ago, my area in was designated an improvement district by HCDA. Fortunately, this project was put on hold. However, should the project had continued, I would have been subject to months or years of construction, loss of property, loss of business on top of a \$180,000 assessment. Any one or combination of these situations would have put me out of business.

I would like to urge you to support SB 721 and change the language in Section 206E-6. That one word from shall to may could mean life or death to small business owners like myself and my neighbors.

Thank you again,

Gary Onishi
g_onishi@msn.com



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKAKO
KALAELOA

Linda Lingle
Governor

Jonathan W. Y. Lai
Chairperson

Anthony J. H. Ching
Executive Director

STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WATER, LAND, AGRICULTURE, AND
HAWAIIAN AFFAIRS

Wednesday, February 18, 2009

3:30 P.M.

State Capitol, Conference Room 229

**S. B. 721 - RELATING TO DISTRICT WIDE IMPROVEMENT
PROGRAMS.**

Purpose: Changes the authority of the Hawaii Community Development Authority ("HCDA") to assess costs of providing public facilities against real property in the community development districts from mandatory to discretionary.

Position: HCDA supports the intent of this measure and provides the following comments.

Currently, under Section 206E-6, Hawaii Revised Statutes, the HCDA is required to assess part of the cost of providing public facilities (i.e., improvement district project) against real property specially benefiting from such improvements.

The HCDA has, to date, undertaken eleven (11) district-wide improvement projects. In eight (8) district-wide improvement projects property benefiting from such improvements were assessed. One project, Improvement District 11, was proposed for Queen/Kamakee Street but cancelled amid concerns from the affected landowners regarding the mandatory assessment and the level of that assessment, the design of the project and for other reasons.

While such district-wide improvement projects confer significant public benefits, the HCDA is mindful about the impact of the cost of these improvement projects on affected landowners versus recouping an average of only 27% of the construction cost via a mandatory assessment program. I have since proposed that

677 Ala Moana Boulevard
Suite 1001
Honolulu, Hawaii
96813

Telephone
(808) 587-2870

Facsimile
(808) 587-8150

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

each improvement project shall include a community vetting process that elicits community input and comment and which will be submitted to the Authority for consideration. Elements to be considered by the Authority in determining whether an assessment against the real property in the community development district specially benefiting from the development of public facilities shall be taken include, but are not limited to: special or general benefits conferred upon the real property; impacts and burdens created by the assessment; the overall benefits of the project; impacts on stakeholders; and the need for and importance of the project.

Thank you for the opportunity to submit this testimony.

Committee on Water, Land, Agriculture, and Hawaiian Affairs
Senator Clayton Hee, Chair
Senator Jill N. Tokuda, Vice Chair

February 18, 2009, Committee Hearing
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Senate Bill 721
Relating to District-Wide Improvement Programs

Dear Mr. Chairman and Members of the Committee:

I write in support of Senate Bill 721 from the perspective of a small landowner on Queen Street. My family leases property on Queen Street to small businesses and has done so for many years. We believe that the Queen Street corridor has been and continues to be critical for the development and operation of small businesses in Honolulu and urge actions on your part to maintain this important venue. In view of the need to revitalize our economy, support of small businesses will be even more critical than in more economically robust times. In this context, I urge you to pursue policies that stimulate and nurture small businesses. One such action is passage of Senate Bill 721.

When the Hawaii Community Development Authority (HCDA) undertakes any public facility improvement program, small businesses in the vicinity suffer most due to increased cost of doing business during construction, loss of business revenue during construction, and loss of property to accommodate improvements. If this is not enough of a sacrifice in support of the broader community, small businesses are then assessed for the improvements.

While there are several changes to Section 206E- (Hawaii Revised Statutes) proposed in S.B. 721, I am most concerned with line 7 on page 1 which changes the current wording of Section 206E-6(b) [HRS] from "shall" be assessed to "may" be assessed. I support this change since it would provide HCDA with discretion in working with the community in undertaking any public facility improvement program. I urge your favorable consideration of S.B. 721.

Thank you for your consideration of my request.

Sincerely,



Chauncey Ching
1219 Alewa Drive
Honolulu, HI 96817

TESTIMONY
SB721
(END)