

SCR143/ SR86

URGING THE CITY AND COUNTY OF HONOLULU IN COORDINATION WITH THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION TO DEVELOP A PLAN TO GENERATE REVENUE FOR OPERATIONS AND MAINTENANCE OF RAIL.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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DEPUTY DIRECTOR

March 31, 2015

The Honorable Clarence Y. Nishihara, Chair
and Members of the Committee on Transportation
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Nishihara and Members:

Subject: Senate Concurrent Resolution 143
and Senate Resolution 86

The Department of Planning and Permitting (DPP) and the City's Transit-Oriented Development (TOD) Division appreciate the Senate's intent to address the need for construction, operations, and maintenance revenue for the Honolulu rail transit project, but we **have some suggestions** for Senate Concurrent Resolution 143 and Senate Resolution 86 as written.

The Resolutions request that the City and County of Honolulu, in coordination with the Honolulu Authority for Rapid Transportation (HART), develop a plan to generate revenue via TOD near the rail stations. They also request that the City review land use ordinances near rail stations and amend zoning to allow for TOD. We agree that the need to look at all options for additional rail system revenue is a serious concern, and we applaud the Senate's interest in tackling the issue.

The DPP and our TOD Division are developing plans, updating zoning, financial tools, and implementation strategies in the TOD neighborhoods surrounding each station. We are creating TOD plans for each station area, and drafting TOD zoning amendments as the plans are adopted (except for the two Kakaako station areas, which are an HCDA responsibility). The amended zoning will allow for mixed-use development, additional height and density in return for community benefits, and is expected to help stimulate economic growth around most station areas. The draft zoning maps for the Waipahu and West Loch stations are available at www.todhonolulu.org (see implementation section).

The Honorable Clarence Y. Nishihara, Chair
and Members of the Committee on Transportation
Hawaii State Senate
Hawaii State Capitol
Re: Senate Concurrent Resolution 143
Senate Resolution 86
March 31, 2015
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Many State agencies participated in development of these neighborhood TOD plans, which have estimated that 52,000 housing units and nearly 20 million square feet of commercial and industrial space could be developed in the TOD areas planned to date. We are working with several State agencies to identify specific locations for housing and mixed-use projects, coordination of funding and infrastructure planning, and exploring other policy changes needed to expedite development in the TOD areas. All of this work to date can help inform the requested revenue potential study.

The DPP is currently preparing to conduct a study of potential revenue-generating tools and district-based financing (such as tax increment financing or community facilities districts). The study's initial focus is to develop options to accelerate infrastructure construction to support public and private sector development in the rail station areas. This study would be coordinated with an infrastructure master plan for the Iwilei-Kapalama station area, which includes significant State-owned properties. We would be glad to add to the study the potential for such "value capture" revenue to support rail system operations and maintenance.

In summary, the DPP and the TOD Division support the intent of Senate Concurrent Resolution 143 and Senate Resolution 86, but we suggest that the section eliminating all future use of the General Excise Tax for operating and maintenance revenue be removed pending results of the revenue study. We would be glad to work with HART on the requested revenue study, and are well under way on the requested TOD zoning amendments.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in blue ink that reads "George I. Atta". The signature is written in a cursive style.

George I. Atta, FAICP
Director



IN REPLY REFER TO:
CMS-AP00-01179

HONOLULU AUTHORITY for RAPID TRANSPORTATION

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Statement of
DANIEL A. GRABAUSKAS
Executive Director and CEO, Honolulu Authority for Rapid Transportation
before the

SENATE COMMITTEE ON TRANSPORTATION

Tuesday, March 31, 2015
2:50 p.m.
State Capitol, Conference Room 229

In consideration of
SCR143

**URGING THE CITY AND COUNTY OF HONOLULU IN COORDINATION WITH THE HONOLULU
AUTHORITY FOR RAPID TRANSPORTATION TO DEVELOP A PLAN TO GENERATE REVENUE FOR
OPERATIONS AND MAINTENANCE OF RAIL**

and
SR86

**URGING THE CITY AND COUNTY OF HONOLULU IN COORDINATION WITH THE HONOLULU
AUTHORITY FOR RAPID TRANSPORTATION TO DEVELOP A PLAN TO GENERATE REVENUE FOR
OPERATIONS AND MAINTENANCE OF RAIL**

Chair Nishihara, Vice Chair Harimoto, and Members of the Senate Committee on Transportation,

The Honolulu Authority for Rapid Transportation (HART) supports the intent of SCR143 and SR86, which urges the City and County of Honolulu in coordination with HART to develop a plan to generate revenue for operations and maintenance of rail, and provides the following comments.

HART supports diverse mechanisms to generate revenue for the operations and maintenance of the rail, including tax increment financing (TIF), community facilities districts (CFD), and identifying excess property at rail stations. In fact, HART completed a study in August 2011 called the Station Area Development Potential Report, which examined development potential for underutilized parcels in the Honolulu Rail Transit Project station areas. Similarly, the City and County of Honolulu produced a report in September 2010 called the Transit Oriented Development Economic and Financial Study Value Capture Opportunity Analysis, which studied opportunities for tax abatement, CFDs, TIF, and property acquisition to help fund additional programmatic needs around rail stations.

Thank you for this opportunity to provide written testimony.



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March 31, 2015
2:50 PM
Conference Room 229

To: Senate Committee on Transportation
Sen. Clarence Nishihara, Chair
Sen. Breene Harimoto, Vice Chair

From: Grassroot Institute of Hawaii
President Keli'i Akina, Ph.D.

RE: SCR 143 -- URGING THE CITY AND COUNTY OF HONOLULU IN COORDINATION WITH THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION TO DEVELOP A PLAN TO GENERATE REVENUE FOR OPERATIONS AND MAINTENANCE OF RAIL.

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on SCR 143, which recommends the development of a long-term plan to generate revenue for the operation and maintenance of the Honolulu rail.

A comprehensive examination of the rail transit project is long overdue and would help inform the associated debate about the progress of the project, its costs, actual and projected, and the need for (and desirability of) the surcharge.

With similar municipal projects around the country running into countless delays and cost overruns, we have a responsibility to ensure that this project does not become a burden for Hawaii's taxpayers. Therefore, in addition to considering the costs, progress, and status of this project, it is also incumbent upon us to consider best practices for raising revenue for Rail and promoting efficiency in the management of the project. Such safeguards can include: examining how the surcharge is collected and distributed, discovering opportunities for cost cutting, and identifying better ways to generate revenue for the building and maintenance of the rail (freeing the state from reliance on a GET surcharge). This is an opportunity to ensure that the rail project remains responsible to the legislature and Hawaii's citizens.

Thank you for the opportunity to submit our comments.

Sincerely,
Keli'i Akina, Ph.D.
President, Grassroot Institute of Hawaii

From: mailinglist@capitol.hawaii.gov
To: [TRA Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SCR143 on Mar 31, 2015 14:50PM*
Date: Monday, March 30, 2015 7:42:52 PM

SCR143

Submitted on: 3/30/2015

Testimony for TRA on Mar 31, 2015 14:50PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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