SHAN TSUTSUI LT. GOVERNOR



MARIA E. ZIELINSKI DIRECTOR OF TAXATION DAMIEN A. ELEFANTE DEPUTY DIRECTOR

STATE OF HAWAII **DEPARTMENT OF TAXATION** P.O. BOX 259 HONOLULU, HAWAII 96809 PHONE NO: (808) 587-1540 FAX NO: (808) 587-1560

To:	The Honorable Jill N. Tokuda, Chair and Members of the Senate Committee on Ways and Means
To:	The Honorable Glenn Wakai, Chair and Members of the Senate Committee on Economic Development, Tourism, and Technology
Date: Time:	Monday, April 3, 2017 1:30 P.M.
Place:	Conference Room 211, State Capitol
From:	Maria E. Zielinski, Director Department of Taxation

Re: H.B. 943, S.D. 1, Relating to Economic Development

The Department of Taxation (Department) appreciates the intent of the H.B. 943, S.D. 1, defers to the Department of Business, Economic Development, and Tourism (DBEDT) on the merits of this bill and provides the following comments for your consideration.

Among other things, H.B. 943, S.D. 1, creates a new tax credit for qualifying businesses to be known as the Kapolei Jobs Initiative pilot program. The Senate Committee on Judiciary and Labor amended the measure by limiting the pilot program to five years and increasing the minimum gross annual salary amount that a business must provide to at least half of its employees in order to participate in the program. The measure has a defective effective date, but would otherwise apply to taxable years beginning after December 31, 2017, and is repealed on December 31, 2022.

First, the Department notes that this proposed program is very similar to the current Enterprise Zone program found at chapter 209E, Hawaii Revised Statutes (HRS). Because of its similarity, and because the Kapolei region is already in an existing Enterprise Zone, the Department believes that it is far more efficient to amend the definition of "eligible business activity" under section 209E-2, HRS, rather than creating a new program which will require new rules, procedures, and forms. In addition, changes to the definition of "eligible business activity" would also benefit other economically depressed areas, rather than just Kapolei. Department of Taxation Testimony WAM/ETT HB 943 SD1 April 3, 2017 Page 2 of 2

Second, the Department notes that proposed section 235-___(b)(2), HRS, would provide for a decreasing income tax credit based on "the amount of unemployment insurance accrued or paid by an employer under chapter 383." This differs from the current Enterprise Zone program by allowing unemployment insurance premiums accrued, but unpaid to be counted in determining the income tax credit. The Department strongly recommends that this measure be amended to eliminate the reference to accrued unemployment insurance to prevent an employer from obtaining an income tax credit based on amounts which have not actually been paid.

Third, the Department notes that there is an aggregate cap of an unspecified amount in subsection (b). The Department has serious concerns about its ability to administer an aggregate cap. Additionally, certifying an amount that a taxpayer may claim gives the wrong impression that the credit will not be examined and possibly reduced. The Department strongly suggests that the aggregate cap be deleted, or that the duty of managing the aggregate cap be assigned to another agency.

In addition, procedures for administering the aggregate cap should be specific, such as on a first come first served basis, or some sort of division of the allowed credit for requests that are received before a specified date.

Fourth, the Department recommends that once the cap is reached, any excess claims be allowed in the following year, but in no event beyond the sunset of the credit. The Department suggests the following language, instead of proposed section (h)(3), as follows:

(3) The taxpayer shall file such certificate with the taxpayer's return. Any taxpayer who is not eligible to claim the credit in a taxable year due to the \$_____ cap having been exceeded for that taxable year shall be eligible to claim the credit in the subsequent taxable year, but in no event after December 31, 2022.

Finally, the Department notes that it is able to administer this measure for taxable years beginning after December 31, 2017 as currently written in this measure.

Thank you for the opportunity to provide comments.

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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: www.hawaii.gov/dbedt

Statement of **LUIS P. SALAVERIA**

Director

Department of Business, Economic Development, and Tourism before the

SENATE COMMITTEE ON WAYS AND MEANS AND ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY

Monday, April 3, 2017 1:30p.m. State Capitol, Conference Room 211

in consideration of HB 943, SD1 RELATING TO ECONOMIC DEVELOPMENT.

Chairs Tokuda and Wakai, Vice Chairs Dela Cruz and Taniguchi, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on HB 943, SD1. There are no significant changes between HB 943, SD1 and its companion bill, SB 1192, already heard by the Senate Committees on Economic Development, Tourism and Technology and on Judiciary and Labor.

This measure, the Kapolei Jobs Initiative, allows companies that are in 96706, 96707, 96709 zip codes tax incentives for certain types of job creation. The goal is to encourage the development of jobs in Kapolei for Kapolei residents, who will then not need to commute into urban Honolulu.

DBEDT highlights for the committee's consideration the issue of fairness by using the state tax code to advantage one part of the state over others. An alternative approach for Kapolei to consider would be a business attraction marketing program highlighting the assets Kapolei already has as a business investment location.

Additionally, this bill would require DBEDT to establish a whole new program including new reporting and tracking systems, as well as request that the Legislature establish a new permanent Economic Development Specialist V position for BED 100. No position count or funds have been allocated to do this. DBEDT estimates that \$150,000 in each year of the biennium is necessary to implement this measure.

We defer to the Department of Taxation for the fiscal impact of this measure.

Thank you for the opportunity to provide this written testimony.

DAVID Y. IGE GOVERNOR

LUIS P. SALAVERIA DIRECTOR

MARY ALICE EVANS DEPUTY DIRECTOR

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



Queen's Court 800 Bethel Street, Suite 501 Honolulu HI 96813 Phone 808.587.7770 Fax 808.587.7769 www.avalonhi.com

March 31, 2017

TESTIMONY IN SUPPORT OF HB943 SD1 RELATING TO ECONOMIC DEVELOPMENT

To: Chair Jill N. Tokuda and Chair Glenn Wakai, Vice Chairs and Members of the Senate Ways and Means and Economic Development, Tourism and Technology (ETT) Committees

Date: April 3, 2017 Time: 1:30 p.m. Room Number: Conference Room 211 Hawaii State Capitol 415 South Beretania Street Honolulu, Hawaii 96813

Honorable Chair, Vice Chair and Members of the WAM and ETT Committees,

On behalf of Avalon Development Company, I am writing in SUPPORT of HB943SD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative is an evolution of the current Enterprise Zone and will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs in the Kapolei region and reducing traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely,

EXECUTIVE VICE President

Hawai'i Construction Alliance

April 2, 2017

The Honorable Jill N. Tokuda, Chair	The Honorable Glenn Wakai, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair	The Honorable Brian T. Taniguchi, Vice Chair
and members	and members
Senate Committee on Ways and Means	Senate Committee on Economic Development,
415 South Beretania Street	Tourism, and Technology
Honolulu, Hawaiʻi 96813	415 South Beretania Street
	Honolulu, Hawai'i 96813

RE: Support for HB943 SD1, Relating to Economic Development

Dear Chairs Tokuda and Wakai, Vice Chairs Dela Cruz and Taniguchi, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; 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.

We **support HB943 SD1, relating to economic development**. The bill would establish a Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region and a tax credit until 12/31/2022 as part of the Kapolei jobs initiative pilot program.

One key to successfully realizing "smart growth" on Oahu is to encourage more businesses to establish themselves in West Oahu, where the vast majority of the residential growth has occurred on this island in recent years. Businesses that establish themselves in or relocate to West Oahu will be able to avail themselves of the area's large customer base. Once the rail is operational, businesses in TOD areas will attract customers from other areas of the island as well.

We note that many of our members live in West Oahu (specifically zip codes 96706, 96707, and 96709) and have family members, friends, and neighbors who own, operate, or are employed by small businesses in the area. We expect that they will enjoy the opportunities that the "Kapolei Jobs Initiative Program" will bring.

Thank you for the opportunity to provide this testimony.

Mahalo,

Splan Dor Santon Sam

Tyler Dos Santos-Tam Executive Director Hawai'i Construction Alliance

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, UNEMPLOYMENT, Kapolei jobs initiative program

BILL NUMBER: HB 943, SD-1

INTRODUCED BY: Senate Committee on Judiciary and Labor

EXECUTIVE SUMMARY: Enacts a Kapolei jobs initiative five-year pilot program similar to the current Enterprise Zone program, but with different requirements. We question why this program is not being made available to other localities in the State.

BRIEF SUMMARY: Adds a new HRS chapter called Kapolei Jobs Initiative.

Defines a "full-time employee" as any employee, including a leased employee and an employee under a joint employment arrangement, for whom the employer is legally required to provide employee fringe benefits.

Defines a "qualified business" as a business that: (1) establishes or opens a new location within the designated geographic area (defined as the zip codes 96706, 96707, and 96709); (2) if opening a new location within the designated geographic area, has a minimum of ten full-time employees working at the establishment in the designated geographic area; or, if already established in the designated geographic area and expanding or building a new establishment in the same area, has a net gain of ten full-time employees; (3) provides gross annual salaries of \$44,000 or more to at least half of its employees at the establishment in the designated geographic area; (4) earns at least half of its gross annual revenue from its establishment in the designated geographic area; (5) is not participating in the state enterprise zone program pursuant to chapter 209E; and (6) excludes retail, except when greater than fifty per cent of sales are to Hawaii general excise tax licensees.

Adds a new section in HRS chapter 235 that provides for an income tax credit equal to __% of the taxpayer's net income tax liability (liability attributable to activity in Kapolei) in the year of qualification, and a credit of __% less in each of the subsequent four years for any income tax due.

Provides for an additional credit equal to __% of the taxpayer's unemployment insurance contributions (attributable to activity in Kapolei) in the year of qualification, and a credit of _% less for each of the subsequent four years.

Provides that a maximum of \$_____ of tax credits in the aggregate for all eligible taxpayers may be used in any one taxable year.

Provides that the credit is not refundable, but may be carried forward a maximum of five consecutive years. States that all credit claims, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the tax credit may be claimed. Failure to do so constitutes a waiver of the right to claim the tax credit.

HB 943, SD-1 Page 2

In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for the qualified costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of the tax credit shall be determined pursuant to section 704(b) (with respect to partner's distributive share) of the Internal Revenue Code.

Provides that the director of taxation shall prepare any forms that may be necessary to claim a credit under this section, may require the taxpayer to furnish information to ascertain the validity of the claim for the tax credit made, and may adopt rules under chapter 91.

EFFECTIVE DATE: January 7, 2059; shall apply to taxable years beginning after December 31, 2017; and shall be repealed on June 30, 2022.

STAFF COMMENTS: The enterprise zone program in chapter 209E, HRS, was enacted as a cooperative program between the state and the counties to promote jobs in areas of high unemployment. Certain areas are designated as enterprise zones through joint action of the state and counties. In a zone, the state offers an income tax credit for the tax attributable to the eligible business conducted in the zone, which is normally applied on a sliding scale – 80% for the first year, 70% for the second, and so on until the credit is 20% for the seventh and last year in the program. It also offers an unemployment tax credit for the tax attributable to employees doing the eligible business in the zone, on the same sliding scale. Finally, the state offers a general excise tax exemption for the eligible business attributed to the zone. The counties also offer incentives, which vary by county. In return, the business commits to either maintain or increase the number of employees in the zone doing the eligible activity, depending on whether it was already in the zone upon designation or moved to the zone.

As business incentives go, the enterprise zone program is better than most. The incentive applies to a specific activity (here, creating and maintaining employment) targeted to the problem the program seeks to address. The incentive tapers off over time and then stops. It requires accountability, namely required reports to DBEDT, for a business to retain its eligibility. The business itself may need a different kind of assistance, such as financing, but the state is focusing on creating and maintaining jobs in areas that need them.

The program established by this bill is separate from the enterprise zone program, as one of the requirements to qualify for this program is no participation in the enterprise zone program.

We question why Kapolei is so unique and special as to merit an extraordinary incentive. Aren't jobs also necessary or desirable in Puna, or Hana, or Princeville, all of which have been designated enterprise zones because of the relatively high unemployment there?

Digested 3/31/2017

From:	mailinglist@capitol.hawaii.gov
Sent:	Friday, March 31, 2017 5:30 PM
То:	WAM Testimony
Cc:	stam@haseko.com
Subject:	Submitted testimony for HB943 on Apr 3, 2017 13:30PM

<u>HB943</u>

Submitted on: 3/31/2017 Testimony for WAM/ETT on Apr 3, 2017 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Sharene Saito Tam	Haseko	Support	No

Comments: TESTIMONY IN SUPPORT OF HB943 SD1 RELATING TO ECONOMIC DEVELOPMENT To: Chair Jill N. Tokuda and Chair Glenn Wakai, Vice Chairs and Members of the Senate Ways and Means and Economic Development, Tourism and Technology (EET) Committees Date: April 3, 2017 Time: 1:30 p.m. Room Number: Conference Room 211 Hawaii State Capitol 415 South Beretania Street Honolulu, Hawaii 96813 Honorable Chair, Vice Chair and Members of the WAM and EET Committees, On behalf of Haseko, I am writing in SUPPORT of HB943SD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region. This initiative is an evolution of the current Enterprise Zone and will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs in the Kapolei region and reducing traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike. I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many. Sincerely, Sharene Saito Tam Vice President

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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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Hunt Development Group, LLC 737 Bishop Street, Suite 2750 Honolulu, Hawai'i 96813 Office: 808-585-7900

Senator Jill Tokuda, Chair Senator Donovan Dela Cruz, Vice Chair Senate Committee on Ways and Means

Senator Glenn Wakai, Chair Senator Brian Taniguchi, Vice Chair Senate Committee on Economic Development, Tourism and Technology

RE: HB 943 SD1 – Relating to Economic Development - IN SUPPORT Monday, April 3, 2017 Conference Room 211; 1:30 PM

Aloha Chairs Tokuda and Wakai, Vice Chairs Dela Cruz and Taniguchi and Members of the Committees,

Thank you for the opportunity to submit testimony in <u>support</u> of HB 943 SD1 which establishes a Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

We see this bill as an evolution of the state Enterprise Zone. Creating more jobs in the Kapolei region is needed in order to keep pace with Kapolei's population growth and will help reduce traffic caused by the amount of people driving into downtown Honolulu for work every day. This will give those living on the west side the opportunity to work closer to home and improve their quality of life.

We ask for your favorable consideration of this measure.

Thomas Lee Senior Vice President Hunt Companies, Hawaii Division



Testimony to the Senate Committee on Ways and Means and the Senate Committee on Economic Development, Tourism and Technology Monday, April 3, 2017 at 1:30 P.M. Conference Room 211, State Capitol

RE: HOUSE BILL 943 SD1 RELATING TO ECONOMIC DEVELOPMENT

Chairs Tokuda and Wakai, Vice Chairs Dela Cruz and Taniguchi, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent** of HB 943 SD1, which establishes a Kapolei jobs initiative pilot program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region; establishes a tax credit, until 12/31/2022, as part of the Kapolei jobs initiative pilot program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs in the Kapolei region and reducing traffic congestion. More jobs in the Kapolei region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

We encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many. Thank you for the opportunity to testify.

TESTIMONY IN SUPPORT OF HB943 SD1 RELATING TO ECONOMIC DEVELOPMENT



To: Chair Jill T. Tokuda, Vice Chair Donovan Dela Cruz, Chair Glenn Wakai, Vice Brian T. Taniguchi and Members of the Senate Ways and Means (WAM) and Economic Development, Tourism and Technology (EET) Committee

Working together for Kapolei

RE: HB943 SD1; Monday, April 3, 2017; Committee Conference Room 211; 1:30 p.m.

Honorable Chair, Vice Chair and Members of the WAM and EET Committees,

On behalf of the Kapolei Chamber of Commerce, I am submitting this testimony **in SUPPORT** of HB943 SD1. The Kapolei Jobs Initiative Pilot Program compliments the Enterprise Zone program. While the Enterprise Zone's intent is to stimulate job growth for economically depressed areas; the Kapolei Jobs Initiative Pilot Program's intent is to stimulate <u>professional</u> job growth to help keep pace with Kapolei's population growth. The Initiative offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region resulting in more professional jobs in the region. <u>The Initiative Pilot Program</u> not only realizes the State's long standing policy of redirecting growth to the second urban core, it will create more professional, living wage jobs in the Kapolei region and reduce traffic congestion.

The Kapolei Chamber offers the following comments and considerations to HB943 SD1:

The Kapolei Jobs Initiative Pilot Program intends to mirror <u>elements</u> of the State's existing Enterprise Zone 209-E (10) by offering state tax credits and unemployment insurance tax credits. The GET tax exemption is <u>not</u> included in the Kapolei Jobs Initiative Pilot Program. The Initiative is also a <u>5 year program</u> as compared to the 7 year Enterprise Zone Program.

The Enterprise Zone 209-E (10) states: "Except for the general excise tax, the credit shall be eighty per cent of the tax due for the first tax year, seventy per cent of the tax due for the second tax year, sixty per cent of the tax due for the third year, fifty per cent of the tax due the fourth year, forty per cent of the tax due the fifth year, thirty per cent of the tax due the sixth year, and twenty per cent of the tax due the seventh year."

To mirror the Enterprise Zone tax credit schedule, we suggest that Sec. 4 (b) (1) 'Adoption of Rules' be amended as follows:

- (b) "The amount of the tax credit shall:
- (c) Be equal to <u>80</u> per cent of any tax imposed for the first tax year and <u>10</u> per cent less for each of the immediately succeeding four years for any tax liability; and
- (d) Include the amount of unemployment insurance accrued or paid by an employer under chapter 383 as follows:
 - (A) For the first year, **80** percent of the amount accrued or paid;
 - (B) For the second year, **70** percent of the amount accrued or paid;
 - (C) For the third year, <u>60</u> percent of the amount accrued or paid;
 - (D) For the fourth year, **<u>50</u>** percent of the amount accrued or paid;
 - (E) For the fifth year, **<u>40</u>** percent of the amount accrued or paid;

Second, we recommend Kapolei Jobs Initiative Pilot Program have a cap of number of businesses participating in a calendar year versus an aggregate cap amount. We suggest that Sec. 4 (b) (1) 'Adoption of Rules' be amended as follows:

provided that a qualified business shall be allowed to carry over any unused tax credits in accordance with subsection (d). A maximum of \$ — of tax credits in the aggregate for all eligible taxpayers may be used in any one taxable year. A maximum of twenty qualified businesses shall be allowed to participate each calendar year.

Finally, the Kapolei Jobs Initiative Pilot Program under Section 5 has a sunset date of December 31, 2024. Since this initiative is 5 year pilot program, the sunset <u>to enroll</u> in the program should be 5 years after it begins. This allows businesses enrolled in the program to participate for the 5 year period. We suggest changing the language to reflect this.

This Pilot Program will help create the needed professional, living wage jobs needed in the region. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

Thank you for your consideration and I respectfully as for you to pass this measure.

Sincerely,

Park

Kiran Polk Executive Director

From:	mailinglist@capitol.hawaii.gov
Sent:	Friday, March 31, 2017 1:17 PM
То:	WAM Testimony
Cc:	susan.hullerman@gmail.com
Subject:	Submitted testimony for HB943 on Apr 3, 2017 13:30PM

<u>HB943</u>

Submitted on: 3/31/2017 Testimony for WAM/ETT on Apr 3, 2017 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Hullerman	Individual	Support	No

Comments: To: Chair Jill N. Tokuda and Chair Glenn Wakai, Vice Chairs and Members of the Senate Ways and Means and Economic Development, Tourism and Technology (EET) Committees Date: April 3, 2017 Time: 1:30 p.m. Room Number: Conference Room 211 Hawaii State Capitol 415 South Beretania Street Honolulu, Hawaii 96813 Honorable Chair, Vice Chair and Members of the WAM and EET Committees, I am writing in SUPPORT of HB943SD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region. This initiative is an evolution of the current Enterprise Zone and will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs in the Kapolei region and reducing traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike. I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many. As a Waianae resident, I have experienced first hand the daily struggles of traffic congestion into downtown and back to Waianae. The time on the road and commutes can be painful. I also have difficulty in finding good job opportunities on the Leeward side. Please bring more job opportunities this way. Mahalo, Susan Hullerman

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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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TESTIMONY IN SUPPORT OF HB943 SD1 RELATING TO ECONOMIC DEVELOPMENT

To: Chair Jill N. Tokuda and Chair Glenn Wakai, Vice Chairs and Members of the Senate Ways and Means and Economic Development, Tourism and Technology (EET) Committees

Date: April 3, 2017 Time: 1:30 p.m. Room Number: Conference Room 211 Hawaii State Capitol 415 South Beretania Street Honolulu, Hawaii 96813

Honorable Chair, Vice Chair and Members of the WAM and EET Committees,

On behalf of Hunt Companies, I am writing in SUPPORT of HB943SD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

This initiative is an evolution of the current Enterprise Zone and will realize the State's long standing policy of redirecting growth to the second urban core, creating jobs in the Kapolei region and reducing traffic congestion. More jobs in the Kapolei Region are needed to keep pace with Kapolei's population growth. This is evident in the traffic congestion caused by the number of people who still have to commute to downtown Honolulu for work every day. Job creation in the Kapolei region is a quality-of-life, community-building concern affecting employers and employees alike.

I encourage you to support this bill that will bring jobs to the Kapolei region affecting the lives of many.

Sincerely, Mitch Silver Sr. VP Huntcompanies





March 31, 2017

20 VOVAV Chair Jill N. Tokuda

Vice Chair Donovan M. Dela Cruz Chair Glenn Wakai Vice Chair Brian T. Taniguchi Members of the Senate Ways and Means (WAM) and Economic Development, Tourism and Technology (EET) Committees

SUBJECT: <u>Testimony in Support of HB943SD1 Relating to Economic Development,</u> <u>Monday, April 3, 2017; Conference Room 211, Hawaii State Capitol</u>

Honorable Chair, Vice Chair and Members of the WAM and EET Committees,

As the Councilmember for District 1, I appreciate the opportunity to express my support of HB943SD1 which will establish a Kapolei Jobs Initiative Pilot Program that offers incentives to increase the number of businesses willing to establish themselves or open a new location in the Kapolei region.

Reducing traffic congestion through the creation of jobs on the Leeward Coast is one of my highest priorities. As the population of my district continues to grow, it is important that my constituents have the opportunity to work closer to their homes in order to reduce the hours they spend in traffic commuting to jobs in town. HB943SD1 will offer the incentives for businesses to be located in the Kapolei area and provide those much-needed, closer-to-home jobs that will greatly improve the quality of life for Leeward residents.

This initiative will realize the State's long standing policy of redirecting growth to the second urban core. I strongly support HB943SD1 and encourage you to support this bill that will bring jobs to the Kapolei region and enhance the lives of my constituents.

Sincerely,

Pine

Kymberly Marcos Pine Councilmember, District 1

From:	mailinglist@capitol.hawaii.gov
Sent:	Saturday, April 1, 2017 9:45 PM
То:	WAM Testimony
Cc:	mickferreirais@gmail.com
Subject:	Submitted testimony for HB943 on Apr 3, 2017 13:30PM

<u>HB943</u>

Submitted on: 4/1/2017 Testimony for WAM/ETT on Apr 3, 2017 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Ferreira	Business Consultant	Support	Yes

Comments: This testimony is in addition to original support. This is a necessary incentive to compete for jobs in an area mandated for measured growth. Michael Ferreira

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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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