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Statement of
MICHAEL R. YADAO
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON WATER & LAND

Tuesday, March 17, 2026
09:00 AM
State Capitol, Conference Room 411

In consideration of
S.B. 2599, SD2
RELATING TO DEVELOPMENT.

Chair Hashem, Vice Chair Morikawa and members of the Committee.

The Stadium Authority supports Senate Bill 2599, SD2 which redesignates the Stadium Development District as the Halawa Community Development District and refines the governance and operational framework necessary to realize the New Aloha Stadium Entertainment District (NASSED).

S.B. 2599, SD2 clarifies the roles of the Stadium Authority and the HCDA, reducing administrative friction and accelerating project timelines. The creation of a dedicated Special Fund ensures that revenues generated within the district stay in the district to support long-term maintenance and infrastructure. By refining permitting powers, the bill facilitates the delivery of much-needed housing and its integration with the Skyline rail system.

Thank you for the opportunity to testify.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
HOUSE COMMITTEE ON WATER & LAND

Tuesday, March 17, 2026
9:00 a.m.
State Capitol, Conference Room 411 & Videoconference

In consideration of
S.B. 2599, S.D. 2
RELATING TO DEVELOPMENT.

Chairperson Hashem, Vice Chairperson Morikawa, and members of the Committee.

Inasmuch as this bill incorporates S.B. 2599, S.B. 2604, and S.B. 3327, the Hawai'i Community Development Authority (HCDA) provides both testimony in **support** on Parts I and II, and provides **comments** on Part III of the bill, as follows.

Part I of the Bill

HCDA supports the provisions contained in Part I and offers no other comments at this time.

Part II of the Bill

HCDA supports the provisions contained in Part II and offers no other comments at this time.

Part III of the Bill

HCDA recognizes the merits of this section of the bill and the author's vision in shaping HCDA's communities in the future by modernizing its development strategies. The suggested revisions, herein, also reinforce the aspirational nature of the strategies thereby allowing HCDA to consider community needs, feasibility, and landowner feedback.

This section suggests revisions to Hawaii Revised Statutes Section 206E-6, “District-wide improvement program”. Section 206E-6 requires the authority to develop district-wide improvement programs for public facilities. On the other hand, the suggested revisions in Part III to Section 206E-6, HRS, are aspirational in nature and should be more properly and appropriately placed in a new section 206E-23, entitled, “Policy Guidelines for Planning Community Development Districts”.

Thus, we suggest the following revisions to this bill.

First, in part III of the bill, the suggested revisions to Section 206E-6, HRS, starting from Page 43, Lines 20 to 21 and continuing to Page 52, Line 20, be removed as follows:

~~[SECTION 16. Section 206E-6, Hawaii Revised Statutes, is amended to read as follows:~~

~~"**§206E-6 District-wide improvement program.** (a) The authority shall develop a district-wide improvement program to identify necessary district-wide public facilities within a community development district.~~

~~(b) Whenever the authority determines to undertake, or causes to be undertaken, planning and development to include housing in a district or community, the authority shall endeavor to plan for complete communities that include, to the maximum extent appropriate:~~

~~(1) Infrastructure for utilities, including sewer, water, power, and similar needs;~~

~~(2) Affordable housing and related infrastructure;~~

~~(3) Public and private commercial spaces;~~

~~(4) Public spaces of meaningful scale that shall include:~~

~~(A) Public parks and gathering spaces;~~

~~(B) Public spaces for hosting markets and events;~~

~~(C) Natural areas with open green space and water for passive relaxation;~~

~~(D) Public spaces for active recreation; and~~

~~(E) Public spaces for pets and animals;~~

~~(5) Facilities for public arts and culture that include:~~

~~(A) Public libraries;~~

~~(B) Public works of art;~~

~~(C) Spaces for public performances and events;~~

~~(D) Accessible educational and narrative exhibits on the history, culture, and people of the area; and~~

~~(E) Flexible spaces and infrastructure for seasonal, rotating, and evolving programming and engagement;~~

~~(6) Public spaces for local economic development and community empowerment; provided that the primary focus shall be assisting local residents, entrepreneurs, and brands, including:~~

~~(A) Community-based economic development hubs and cooperative spaces such as public commercial kitchens, processing facilities, or similar work hubs available to the community and small businesses;~~

~~(B) Cooperative commercial and retail locations capable of supporting and aggregating products and services from numerous small businesses;~~

~~(C) Spaces for hosting micro-businesses such as food trucks, market stalls, and similar temporary business fronts;~~

~~(D) Spaces for hosting growing small businesses in permanent micro or small commercial locations or rotating pop-up locations; and~~

~~(E) Spaces for hosting larger, maturing businesses in regular food, retail, and commercial locations;~~

~~(7) Commuting infrastructure; provided that the infrastructure shall be designed to have the capacity to enable at least seventy per cent of all daily commutes to, from, and within the area to be safely and comfortably made by walking, biking, using micro-mobility devices, or using public transit, between common destinations, as well as for long-distance daily commuting without interruption pursuant to section 264-142 and shall include amenities such as rest stops, secure bicycle and micro-mobility device parking, and emergency support stations with tools and other resources as may be appropriate; and~~

~~(8) Public parking hubs of meaningful capacity, including charging for electric vehicles, a reasonable distance from which minimum requirements for parking stalls that are not designated as parking spaces reserved for persons with disabilities as defined in section~~

~~291-51 shall be prohibited; provided that of the parking stalls developed as part of the public parking hubs pursuant to this paragraph, twenty-five per cent shall be electric vehicle-ready.~~

~~(c) Public properties, public commercial facilities, and other relevant infrastructure shall be planned with the capacity to provide meaningful revenue generation from appropriate facilities, leases, programs, or other means as may be appropriate to help finance the infrastructure projects identified in this section, fund public community programs in the area, or financially sustain the community within the district.~~

~~[(b)] (d) Whenever the authority shall determine to undertake, or cause to be undertaken, any public facility as part of the district-wide improvement program, the cost of providing the public facilities shall be assessed against the real property in the community development district specially benefiting from [such] the public facilities[], the revenue generated under subsection (c), or other revenue generated by any financing mechanism available to the authority under this chapter. The authority shall determine the areas of the community development district [which] that will benefit from the public facilities to be undertaken and, if less than the entire community development district benefits, the authority may establish assessment areas within the community development district. The authority may issue and sell bonds in [such] the amounts as may be authorized by the legislature to provide funds to finance [such] public facilities. The authority shall fix the assessments against real property specially benefited. All assessments made pursuant to this section shall be a statutory lien against each lot or parcel of land assessed from the date of the notice declaring the assessment until paid and [such] the lien shall have priority over all other liens except the lien of property taxes. As between liens of assessments, the earlier lien shall be superior to the later lien.~~

~~[(c)] (e) Bonds issued to provide funds to finance public facilities shall be secured solely by the real properties benefited or improved, the assessments thereon, or by the revenues derived from the program for which the bonds are issued, including reserve accounts and earnings thereon, insurance proceeds, and other revenues, or any combination thereof. The bonds may be additionally secured by the pledge or assignment of loans and other agreements or any note or other undertaking, obligation,~~

~~or property held by the authority. Bonds issued pursuant to this section and the income therefrom shall be exempt from all state and county taxation, except transfer and estate taxes. The bonds shall be issued according and subject to the provisions of the rules adopted pursuant to this section.~~

~~[(d)] (f) Any other law to the contrary notwithstanding, in assessing real property for public facilities, the authority shall assess the real property within an assessment area according to the special benefits conferred upon the real property by the public facilities. These methods may include assessment on a frontage basis or according to the area of real property within an assessment area or any other assessment method [which] that assesses the real property according to the special benefit conferred, or any combination thereof. No [such] assessment levied against real property specially benefited as provided by this chapter shall constitute a tax on real property within the meanings of any constitutional or statutory provisions.~~

~~[(e)] (g) The authority shall adopt rules pursuant to chapter 91, and may amend the rules from time to time, providing for the method of undertaking and financing public facilities in an assessment area or an entire community development district. The rules adopted pursuant to this section shall include[,] but are not limited to[,] the following: methods by which the authority shall establish assessment areas; the method of assessment of real properties specially benefited; the costs to be borne by the authority, the county in which the public facilities are situated, and the property owners; the procedures before the authority relating to the creation of the assessment areas by the owners of real property therein, including provisions for petitions, bids, contracts, bonds, and notices; provisions relating to assessments; provisions relating to financing, such as bonds, special funds, advances from available funds, special funds for payment of bonds, payment of principal and interest, and sale and use of bonds; provisions relating to funds and refunding of outstanding debts; [and] provisions relating to limitations on time to sue[.]; and other related provisions.~~

~~[(f)] (h) Any provisions to the contrary notwithstanding, the authority [may], in its discretion, may enter into any agreement with the county in which the public facilities are located, to implement all or part of the purposes of this section.~~

~~[(g)] (i) All sums collected under this section shall be deposited in the Hawaii community development special fund established by section 206E-16; [except] provided that, notwithstanding section 206E-16, all moneys collected on account of assessments and interest thereon for any specific public facilities financed by the issuance of bonds shall be set apart in a separate special fund and applied solely to the payment of the principal and interest on these bonds[,]; the cost of administering, operating, and maintaining the program[,]; the establishment of reserves[,]; and other purposes as may be authorized in the proceedings providing for the issuance of the bonds. If any surplus remains in any special fund after the payment of the bonds chargeable against that fund, it shall be credited to and become a part of the Hawaii community development special fund. Moneys in the Hawaii community development special fund may be used to make up any deficiencies in the special fund.~~

~~[(h)] (j) If the public facilities to be financed through bonds issued by the authority may be dedicated to the county in which the public facilities are to be located, the authority shall ensure that the public facilities are designed and constructed to meet county requirements.~~

~~[(i)] (k) Notwithstanding any law to the contrary, whenever as part of a district-wide improvement program it becomes necessary to remove, relocate, replace, or reconstruct public utility facilities, the authority shall establish by rule the allocation of cost between the authority, the affected public utilities, and properties that may specially benefit from [such] the improvement, if any. In determining the allocation of cost, the authority shall consider the cost allocation policies for improvement districts established by the county in which the removal, relocation, replacement, or reconstruction is to take place."] Stricken language is in brackets and strikethrough.~~

Second, the above deleted language should be replaced in its entirety in Section 16 of Part III of the bill with the following language, starting at Page 43, Line 20 of the bill, as follows:

“SECTION 16. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new section to read as follows:

206E-23 Development policy guidelines for planning of community

development districts. In addition to any other development guidance policies existing in Chapter 206E, Hawaii Revised Statutes, whenever the authority determines to undertake, or causes to be undertaken, planning and development to include housing in a district or community, the authority shall endeavor to plan for complete communities that include, to the maximum extent appropriate:

- (1) Infrastructure for utilities, including sewer, water, power, and similar needs;
- (2) Affordable housing and related infrastructure;
- (3) Public and private commercial spaces;
- (4) Public spaces of meaningful scale that shall include:
 - (A) Public parks and gathering spaces;
 - (B) Public spaces for hosting markets and events;
 - (C) Natural areas with open green space and water for passive relaxation;
 - (D) Public spaces for active recreation; and
 - (E) Public spaces for pets and animals;
- (5) Facilities for public arts and culture that include:
 - (A) Public libraries;
 - (B) Public works of art;
 - (C) Spaces for public performances and events;
 - (D) Accessible educational and narrative exhibits on the history, culture, and people of the area; and
 - (E) Flexible spaces and infrastructure for seasonal, rotating, and evolving programming and engagement;
- (6) Public spaces for local economic development and community empowerment; provided that the primary focus shall be assisting local residents, entrepreneurs, and brands, including:
 - (A) Community-based economic development hubs and cooperative spaces such as public commercial kitchens, processing facilities, or similar work hubs available to the community and small businesses;

(B) Cooperative commercial and retail locations capable of supporting and aggregating products and services from numerous small businesses;

(C) Spaces for hosting micro-businesses such as food trucks, market stalls, and similar temporary business fronts;

(D) Spaces for hosting growing small businesses in permanent micro or small commercial locations or rotating pop-up locations; and

(E) Spaces for hosting larger, maturing businesses in regular food, retail, and commercial locations;

(7) Commuting infrastructure; provided that the infrastructure shall be designed to have the capacity to enable at least seventy per cent of all daily commutes to, from, and within the area to be safely and comfortably made by walking, biking, using micro-mobility devices, or using public transit, between common destinations, as well as for long-distance daily commuting without interruption pursuant to section 264-142 and shall include amenities such as rest stops, secure bicycle and micro-mobility device parking, and emergency support stations with tools and other resources as may be appropriate; and

(8) Public parking hubs of meaningful capacity, including charging for electric vehicles, a reasonable distance from which minimum requirements for parking stalls that are not designated as parking spaces reserved for persons with disabilities as defined in section 291-51 shall be prohibited; provided that of the parking stalls developed as part of the public parking hubs pursuant to this paragraph, twenty-five per cent shall be electric vehicle-ready.

(9) Where practicable, public properties, public commercial facilities, and other relevant infrastructure shall be planned with the capacity to provide meaningful revenue generation from appropriate facilities, leases, programs, or other means as may be appropriate to help finance the infrastructure projects identified in this section, fund public community programs in the area.”

Third, to align with the suggested changes above, we suggest that the preamble also be revised as follows on Page 43, Lines, 15 to 19, by deleting that language in the entirety and replacing it in its entirety with the following:

“The purpose of this part is to provide statutory updates to [~~ensure that~~] to provide development guidance to the Hawaii community development authority can fully modernize its development strategy. [and adopt best practices that have been successfully implemented for decades in jurisdictions across the United States and around the world.]” Stricken language is in brackets and strikethrough and new language is underscored.

Thank you for the opportunity to provide testimony.

March 15, 2026

The Honorable Mark J. Hashem, Chair
The Honorable Dee Morikawa, Vice Chair
and Members of the Committee on Water and Land

Subject: Testimony: SB2599, SD2, Relating to Development
Hearing: March 17, 2026, at 9:00 AM, Conference Room 411

Dear Chair Ilagan, Vice Chair Hussey, and Members of the Committee:

Stanford Carr Development supports Senate Bill 2599, SD2, which redesignates the Stadium Development District as the Halawa Community Development District and strengthens the policy and administrative framework required to successfully implement the New Aloha Stadium Entertainment District (NASED).

This measure provides important clarity regarding the respective roles of the Stadium Authority and the Hawai'i Community Development Authority (HCDA). By reducing administrative overlap and streamlining coordination between agencies, S.B. 2599, SD2 will help minimize delays and ensure the redevelopment of the stadium district proceeds efficiently and responsibly.

The bill also establishes a dedicated special fund to ensure that revenues generated within the district are reinvested. This is a critical component for the long-term success of NASED, providing a sustainable funding source for infrastructure, maintenance, and future improvements without placing additional burdens on taxpayers.

Equally important, the bill refines permitting authorities within the district to support the timely delivery of housing and mixed-use development. These provisions will help accelerate transit-oriented development in an area uniquely positioned to benefit from the Skyline rail system, advancing the State's broader goals of increasing housing supply, creating jobs, and building vibrant, walkable communities.

The redevelopment of the Aloha Stadium site represents one of the most significant public-private redevelopment opportunities in Hawai'i. S.B. 2599, SD2 provides the governance framework necessary to move this transformative project forward.

Stanford Carr Development respectfully urges the Committee to pass S.B. 2599, SD2.

Sincerely,



Stanford S. Carr