THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2015
STATE OF HAWAII

S.C.R. NO. 143
MAR 13 2015

SENATE CONCURRENT RESOLUTION

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.

WHEREAS, the Honolulu rail project is budgeted at $5,200,000,000; and

WHEREAS, the Honolulu Authority for Rapid Transportation has incurred a budget shortfall of up to $900,000,000 on the Honolulu rail project; and

WHEREAS, the Mayor of the City and County of Honolulu and Executive Director and Chief Executive Officer of the Honolulu Authority for Rapid Transportation have requested the State to permanently extend the City and County of Honolulu's 0.5 percent surcharge on the state general excise tax; and

WHEREAS, not all options for generating revenue to cover budget shortfalls on the Honolulu rail project have been reviewed and discussed; and

WHEREAS, the State is a significant landowner at the East Kapolei, University of Hawaii West Oahu, Leeward Community College, and Aloha Stadium rail stations; and

WHEREAS, the 2011 Hawaii Housing Planning Study found that up to fifty thousand new housing units will be needed by 2016 to meet the demand for public housing generated by changing demographics and economic conditions; and

WHEREAS, failure to produce sufficient units for low and moderate income households will cause pent-up demand in such market segments; and
WHEREAS, the Honolulu rail project presents development opportunities for housing and job creation as rail riders will demand employment and housing opportunities in station areas; and

WHEREAS, strong housing and employment connections are vital for transit to fulfill its potential to address goals of accessibility, stronger regional economies, and reduced greenhouse gas emissions; and

WHEREAS, job centers must be a key component of the transit-oriented development equation to complement rail service to densely populated residential areas; and

WHEREAS, the City and County of Honolulu Department of Budget and Fiscal Services has current data on all real property surrounding the rail stations; and

WHEREAS, real property in close proximity to rail stations may increase in value; and

WHEREAS, value capture strategies such as tax increment financing or community facilities districts can generate revenues that can be used to pay for construction, operations, and maintenance of the Honolulu rail transit project; and

WHEREAS, the City and County of Honolulu has the authority to review land use ordinances, determine whether the codes and zoning of lands in close proximity to rail stations reflect the current use of those lands and allow for changes that may accompany projected economic growth, and determine whether specific land use ordinances need to be adopted to allow for master planning and development of those areas; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2015, the House of Representatives concurring, that the City and County of Honolulu in coordination with the Honolulu Authority for Rapid Transportation is requested to develop a plan to generate revenue via transit-oriented development near rail stations to include the development of housing and employment clusters; and
BE IT FURTHER RESOLVED that the City and County of Honolulu in coordination with the Honolulu Authority for Rapid Transportation is requested to identify locations where tax increment financing or community facilities districts may be established to generate revenues that can be used for construction, operations, and maintenance of the Honolulu rail transit project; and

BE IT FURTHER RESOLVED that the City and County of Honolulu is requested to review land use ordinances of lands that lie within one half mile of rail stations and implement measures to amend zoning, as necessary, to allow for transit-oriented development in those areas to include but not be limited to commercial, residential, and mixed-use development; and

BE IT FURTHER RESOLVED that the City and County of Honolulu in coordination with the Honolulu Authority for Rapid Transportation is requested to identify areas of employment concentration and opportunities for future transit investments; and

BE IT FURTHER RESOLVED that the Honolulu Authority for Rapid Transportation is requested to expend any proceeds from an extension of the 0.5 percent general excise tax surcharge on construction only, and not for rail operation or maintenance costs; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, Mayor of the City and County of Honolulu, Chairperson of the Honolulu City Council, and Executive Director and Chief Executive Officer of the Honolulu Authority for Rapid Transportation.

OFFERED BY:

[Signatures]