Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Transportation, to which was referred S.R. No. 86 entitled:

"SENATE 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,"

begs leave to report as follows:

The purpose and intent of this measure is to request the City and County of Honolulu, in coordination with the Honolulu Authority for Rapid Transportation, to:

(1) Develop a plan to generate revenue via transit-oriented development near rail stations to include the development of housing and employment clusters;

(2) 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;

(3) 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;
(4) Identify areas of employment concentration and
opportunities for future transit investments; and

(5) 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.

Your Committee received testimony in support of this measure
from the Honolulu Authority for Rapid Transportation and one
individual. Your Committee received comments on this measure from
the Department of Planning and Permitting of the City and County
of Honolulu and Grassroot Institute of Hawaii.

Your Committee finds that the Honolulu rail transit project
presents development opportunities for housing and job creation as
rail riders will demand employment and housing opportunities in
station areas. Strong housing and employment connections are
vital for rail transit to fulfill its potential to address goals
of accessibility, stronger regional economies, and reduced
greenhouse gas emissions. 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.

As affirmed by the record of votes of the members of your
Committee on Transportation that is attached to this report, your
Committee concurs with the intent and purpose of S.R. No. 86 and
recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,

CLARENCE K. NISHIHARA, Chair
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:

The Recommendation is:

<table>
<thead>
<tr>
<th>Decision</th>
<th>Votes</th>
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<tbody>
<tr>
<td>Pass, unamended</td>
<td>2312</td>
</tr>
<tr>
<td>Pass, with amendments</td>
<td>2311</td>
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<tr>
<td>Hold</td>
<td>2310</td>
</tr>
<tr>
<td>Recommit</td>
<td>2313</td>
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<table>
<thead>
<tr>
<th>Members</th>
<th>Aye</th>
<th>Aye (WR)</th>
<th>Nay</th>
<th>Excused</th>
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<tbody>
<tr>
<td>NISHIHARA, Clarence K. (C)</td>
<td>✓</td>
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<tr>
<td>HARIMOTO, Breene (VC)</td>
<td>✓</td>
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<td>DELA CRUZ, Donovan M.</td>
<td>✓</td>
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<td>ENGLISH, J. Kalani</td>
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<td>ESPERO, Will</td>
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<td>INOUYE, Lorraine R.</td>
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<td>KIDANI, Michelle N.</td>
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<td>KOUCHI, Ronald D.</td>
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<td>SLOM, Sam</td>
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TOTAL: 7 Ayes, 2 Nays

Recommendation: Adopted

Chair's or Designee's Signature:

*Only one measure per Record of Votes*