REQUESTING THE OFFICE OF PLANNING, IN COORDINATION WITH VARIOUS OTHER RELATED STATE AND COUNTY ENTITIES, TO IDENTIFY STRATEGIES TO SECURE INFORMATION REGARDING THE ESTIMATED COST OF DELAY IN CONSTRUCTION OF CERTAIN PUBLIC AND PRIVATE DEVELOPMENT PROJECTS.

WHEREAS, public capital improvement projects are approved by decision-making authorities based upon careful analysis that weighs any public benefits against all projected costs to complete the project; and

WHEREAS, discretionary permits that are required for private projects prior to the commencement of project construction are approved, in part, based on the cost-benefit analysis of any public benefits and the stated project costs; and

WHEREAS, when the completion of an approved project is delayed, the total cost of the project increases, including costs related to labor, materials, land, capital, and inflation; and

WHEREAS, when project costs increase due to delays in completing a project, the scope of the project may be reduced as a result, via a process known as value engineering; and

WHEREAS, value engineering may result in a decrease in public benefits resulting from a project; and

WHEREAS, in the case of delayed public projects, a decision-making authority may be asked to approve additional funds at a greater cost to taxpayers, who are receiving delayed benefits; and

WHEREAS, in the case of delayed private projects, increased rent or purchase prices may be presented to permit-granting
authorities in an effort to amortize any higher costs of project
completion; and

WHEREAS, when the cost of a project increases due to delay,
a decision-making authority's initial cost-benefit analysis may
no longer be valid; and

WHEREAS, to make an informed determination, decision-making
authorities must know the estimated cost of delay when a
project's completion extends beyond its initial plan; now,
therefore,

BE IT RESOLVED by the House of Representatives of the
Thirtieth Legislature of the State of Hawaii, Regular Session of
2020, that the Office of Planning is requested to coordinate
with the Department of Accounting and General Services,
Department of Budget and Finance, Department of Transportation,
Land Use Commission, and the planning and public works
departments of the respective counties to:

(1) Identify strategies to secure information regarding
the costs incurred due to a delay in the performance
of any project, whether public or private, that
required public funds or public permits prior to the
initial commencement of the project; and

(2) Propose amendments to existing budget request forms or
permit applications to facilitate sharing of the
estimated costs of delay with decision-making
authorities; and

BE IT FURTHER RESOLVED that the Office of Planning is
requested to submit to the Legislature a report of its findings
and recommendations, including any proposed legislation, no
later than twenty days prior to the Regular Session of 2021; and

BE IT FURTHER RESOLVED that certified copies of this
Resolution be transmitted to the Director of the Office of
Planning, Comptroller, Director of Budget and Finance, Director
of Transportation, Chair of the Land Use Commission, Mayor of
the City and County of Honolulu, Mayor of the County of Hawaii, Mayor of the County of Maui, and Mayor of the County of Kauai.

OFFERED BY:

[Signatures]

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