



A BILL FOR AN ORDINANCE

RELATING TO INCENTIVES FOR BUSINESSES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to provide incentives to businesses located within certain areas to create new jobs and generate economic benefits for the city.

SECTION 2. The title of Chapter 35, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"INCENTIVES FOR CERTAIN BUSINESSES THAT ARE LOCATED WITHIN NEIGHBORHOOD TRANSIT-ORIENTED DEVELOPMENT PLAN AREAS TO CREATE NEW JOBS"

SECTION 3. Section 35-1.1, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 35-1.1 Definitions.

(a) As used in this chapter[:], unless the context otherwise requires:

"Anchor institution" means a governmental entity or nonprofit entity authorized to do business in the State and having a primary mission and specific policy goals that align with those of the city. "Anchor institution" includes, but is not limited to: a comprehensive health care system; a public or private research university; a major cultural, scientific, research, or philanthropic institution; a public college that is separate from any public research university; or an experienced nonprofit or governmental economic or community development entity.

"City" means the City and County of Honolulu.

"Eligible business" means any corporation, partnership, limited liability company, or sole proprietorship authorized to do business in the [state] State, which is:



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- (1) Subject to the ~~[state]~~ State corporate or individual income tax under HRS Chapter 235; ~~[and]~~

- (2) ~~[(A)] Engaged in [manufacturing, the wholesale sale of tangible personal property as defined in HRS Section 237-4, or a service business; or]~~ one or more of the growth industries specified in HRS Section 201-19(a)(1) and identified as a "base-growth activity" or "emerging activity" by the State Department of Business, Economic Development and Tourism; and

~~[(B) Engaged in producing agricultural products where the business is a producer as defined in HRS Section 237-5.]~~

- (3) Located within a neighborhood transit-oriented development plan area that will result in the economic expansion of the growth industry engaged in by the business.

"Full-time employee" means an individual employed by a qualified business who works more than twenty hours a week during the business's payroll period~~[-]~~ including staffing configurations specific to particular targeted industries identified in HRS Section 201-19.

"Neighborhood transit-oriented development plan area" means the area specified in a neighborhood transit-oriented development plan adopted by the council in accordance with Section 21-9.100-2.

"Qualified business" means a business certified as such pursuant to Section 35-1.3.

"Service business" means the same as defined in HRS Section 209E-2.

"Wholesale" means the same as defined in HRS Section 237-4.

- (b) As used in this article, unless the context otherwise requires, "director" means the director ~~[of the department]~~ of budget and fiscal services."



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SECTION 4. Section 35-1.3, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 35-1.3 Qualification for incentives.

- (a) Any business in the city may be certified as a qualified business by the director for purposes of this chapter if the business:
- (1) Meets the definition of "eligible business" in Section 35-1.1;
 - (2) Begins operations after ~~[May 1, 1997]~~ January 1, 2022 at a particular site. The date on which a business begins operations at a particular site ~~[shall]~~ will be deemed to be the date on which the business begins to provide, at the site, the service, or to manufacture, grow, or sell wholesale the product, which the business was established to provide, manufacture, grow, or sell; provided that acquiring or renovating the property and other preparations necessary in order to provide the service or to manufacture, grow, or sell wholesale the product to be used in the business ~~[shall]~~ will not constitute beginning operations for purposes of qualifying under this chapter; ~~[and]~~
 - (3) Creates and fills at the beginning of operations at the site, new jobs for ~~[one hundred]~~ 100 or more full-time employees~~[-A]~~; provided that a job ~~[shall]~~ will not be deemed a "new job" if, at the time the business begins operations at the site, it is an existing job with an existing business that is sold to another business, reincorporates under a new name, merely changes its name, or creates a subsidiary corporation. A job filled by an employee of a business who is relocated from another site of operations of the business within the city ~~[shall]~~ will be deemed not to be a new job~~[-]~~;
 - (4) Is involved in the construction or development of new facilities for growth industries identified in HRS Section 201-19(a)(1) that involve a minimum investment of \$100,000,000 for improvement costs; and
 - (5) Provides a net benefit to the city through enhanced real property taxes and related revenues from growth around the new facilities specified in subdivision (4).



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- (b) A business in the city may also be certified a qualified business by the director for purposes of this chapter if the business:
- (1) Meets the definition of "eligible business" in Section 35-1.1;
 - (2) Is operating at a particular site; and
 - (3) Creates and fills in any tax year, other than the tax year in which it begins operations, 50 new jobs at the site for 50 or more new full-time employees in addition to the number of full-time jobs at the site one year prior to the date of the application~~[-A]~~; provided that a job ~~[shall]~~ will not be deemed a "new job" if, at the beginning of the tax year for which it is claimed 50 or more new jobs have been created, it is an existing job with an existing business that is sold to another business, reincorporates under a new name, merely changes its name, or creates a subsidiary corporation. A job filled by an employee of a business who is relocated from another site of operations of the business within the city ~~[shall]~~ will be deemed not to be a new job.
- (c) ~~[No]~~ A business ~~[which has received]~~ that is eligible for or has received incentives or been allowed regulatory flexibility pursuant to the enterprise zone ordinance, Chapter 31, ~~[shall]~~ may also be eligible to receive incentives or be allowed regulatory flexibility under this chapter.
- (d) A qualified business under subsection (b) that is eligible for incentives under this chapter that is constructing or developing new facilities for growth industries identified in HRS Section 201-19(a)(1) may be eligible for county grants of federal funds to offset the State's higher construction and development costs in an amount up to _____ percent of the costs of construction; provided that the business:
- (1) Partners with an anchor institution in the areas of education, health care, culture, community development, or economic development;
 - (2) Involves a minimum investment of \$10,000,000; and
 - (3) Provides a net benefit to the city through enhanced real property taxes and related revenues from growth around the new facilities."



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SECTION 5. Section 35-1.4, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 35-1.4 Incentives for qualified businesses.

The city shall provide the following incentives to qualified businesses:

- (1) Real property tax rebate; ~~and~~
- (2) Waiver of ~~permit~~ city-imposed fees~~[-]; and~~
- (3) Expedited permits."

SECTION 6. Section 35-2.2, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 35-2.2 Real property tax rebate established.

(a) Real property tax rebates for qualified businesses:

(1) Upon proper application, any owner of a qualified business who owned the improvements utilized by that business on the date of the business's first qualification pursuant to Section ~~[35-1.3]~~ 35-1.3(a) and continues to own the improvements during the tax year shall be eligible for ~~[a]~~ an annual rebate from the city, for a period of ~~[three]~~ no more than 30 consecutive years, ~~[of the lesser of:~~

~~(4)~~ All of all real property taxes paid on improvements at the site qualifying under Section 35-1.3(a) ~~[or (b)]~~ by the business which are in excess of the real property taxes paid upon the improvements at the site immediately preceding the date of the business's first qualification~~[-or]; provided that the business continues to meet the definition of "eligible business" under Section 35-1.1, throughout the 30-year period.~~

(2) ~~[\$100,000.00.]~~ Upon proper application, any owner of a qualified business who owned improvements utilized by that business on the date of the business's first qualification pursuant to Section 35-1.3(b) and continues to own the improvements during the tax year shall be eligible for an annual rebate from the city, for a period of no more than three consecutive years, of all real property taxes paid on improvements at the site qualifying under



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Section 35-1.3(b) by the business which are in excess of the real property taxes paid upon the improvements at the site immediately preceding the date of the business's first qualification; provided that the business continues to meet the definition of "eligible business" under Section 35-1.1, throughout the three-year period.

(b) The rebate shall apply only in those years in which the business continues to employ the number of full-time employees required by ~~[Section 35-1.3.] Sections 35-1.3(a) or (b), as applicable.~~ In the event the improvements are transferred after taxes have been paid, only the qualified business that paid the taxes shall be eligible for the rebate.

~~(b)~~ (c) A claim for a real property tax rebate may be filed for excess taxes paid during a tax year at any time during the succeeding tax year only~~[-; provided that for a business first qualifying prior to August 20, 1998, a claim may be filed within one year of August 20, 1998. The first claim for a rebate shall be made during the tax year when the business first qualifies for a rebate or, for a business first qualifying prior to August 20, 1998, within one year of August 20, 1998].~~

~~(e)~~ (d) The rebate ~~[shall]~~ will apply to improvements ~~[which]~~ that are held and used by the qualified business ~~[and which are used by the qualified business]."~~

SECTION 7. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



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SECTION 8. This ordinance takes effect upon its approval; provided that qualified businesses that have been granted any incentives pursuant to Chapter 35, Revised Ordinances of Honolulu 1990, as it read prior to the effective date of this ordinance, shall continue to receive such incentives unless the incentives are canceled by the qualified business or canceled or denied by the Director of Budget and Fiscal Services in accordance with Chapter 35, Revised Ordinances of Honolulu 1990, as it read immediately prior to the effective date of this ordinance.

INTRODUCED BY:

[Handwritten signature]

Carol Fuenoaga

DATE OF INTRODUCTION:

NOV 04 2021

Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

FILED
NOV 4 2023
PURSUANT TO ROH Sec. 1-2.4

Original Affidavit of Publication
Filed With Bill 4

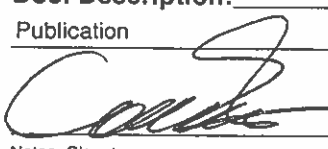
CITY COUNCIL
PUBLIC HEARING

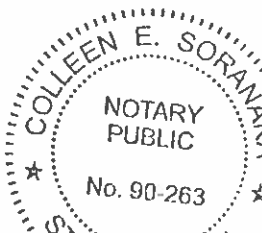
DATE: WEDNESDAY, MAY 4, 2022
PLACE: CITY COUNCIL CHAMBER
TIME: 10 A.M.

AFFIDAVIT OF PUBLICATION

IN THE MATTER OF
CITY COUNCIL PUBLIC HEARING

STATE OF HAWAII }
 } SS.
City and County of Honolulu }


Doc. Date: APR 22 2022 # Pages: 1
Notary Name: COLLEEN E. SORANAKA First Judicial Circuit
Doc. Description: Affidavit of Publication
 APR 22 2022
Notary Signature Date



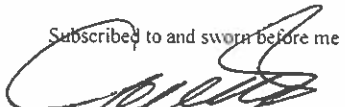
Lisa Sakakida being duly sworn, deposes and says that she is a clerk, duly employed to execute this affidavit of Oahu Publications, Inc publisher of The Honolulu Star-Advertiser, MidWeek, The Garden Island, West Hawaii Today, and Hawaii Tribune-Herald, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the

Honolulu Star-Advertiser 1 times on:
04/22/2022
MidWeek 0 times on:
The Garden Island 0 times on:
Hawaii Tribune-Herald 0 times on:
West Hawaii Today 0 times on:
Other Publications: 0 times on:

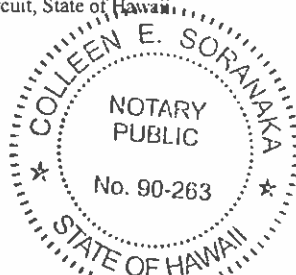
And that affiant is not a party to or in any way interested in the above entitled matter.


Lisa Sakakida

Subscribed to and sworn before me this 22nd day of April A.D. 2022


Colleen E. Soranaka, Notary Public of the First Judicial Circuit, State of Hawaii
My commission expires: Jan 06 2024

Ad # 0001369050



- Resolution 22-98 - Confirming the nomination of Kimberly M. Hashiro, to serve as the Director of the Department of Customer Services of the City and County of Honolulu.
- Bill 45 (2021) - Relating to incentives for businesses. (Providing incentives to businesses located within certain areas to create new jobs and generate economic benefits for the City.)
- Bill 4, CD1 - Relating to real property taxation. (Addressing the taxation of real property, particularly real property used as a transient accommodation.)
- Bill 22 - Relating to building benchmarking. (Establishing a better buildings benchmarking and reporting requirement for energy and water usage of covered properties within the City and County of Honolulu.)
- Bill 24 - Relating to automated external defibrillators. (Promoting public health, safety and welfare by enhancing access to automated external defibrillators.)
- Resolution 22-29 - Initiating amendments to the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, relating to the Police Commission and its membership.
- Resolution 22-46 - Initiating amendments to the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, to establish an Office of Legislative Counsel within the Legislative Branch.
- Resolution 22-79, CD1 - Initiating amendments to the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, relating to City funds.
- CR-114 - Recommendations on the review and evaluation of the Honolulu Rate Commission Pursuant to Ordinance 17-44.
- Resolution 22-62 - and any amendments proposed thereto by the Committee on Zoning and Planning - Approving an application for a Plan Review Use Permit for the redevelopment of the Queen's Medical Center (QMC) - Honolulu.

PUBLIC PARTICIPATION AND TESTIMONY

Pursuant to Act 220, Session Laws of Hawaii 2021, in order to allow public participation in a manner consistent with safe COVID-19 practices, this meeting will be conducted as a remote meeting by interactive conference technology, with the following procedures in effect for the meeting:

VIEWING THE MEETING

The meeting will be viewable: (1) by internet live streaming through <https://www.honolulu.citycouncil.org/meetings> or [olelo.org](https://www.honolulu.citycouncil.org/olelo); (2) by televised live broadcast on 'Olelo TV Channel 54; and (3) on the television situated outside the Council Chamber. Viewers who experience a loss of viewing signal should try switching to another viewing option.

After the meeting, the meeting will be viewable on demand at <https://www.honolulu.citycouncil.org/meetings>. Copies of older meeting videos may be requested by calling the City Clerk's Office at (808) 768-5822, charges may apply.

Some Councilmembers may be participating in the meeting by interactive conference technology from remote locations.

ORAL TESTIMONY

<https://hnlidoc.ehawaii.gov>.

Should you have any questions, please call (808) 768-3814 or send an email to lyamane1@honolulu.gov

MATERIALS AVAILABLE FOR INSPECTION

Meeting materials ("board packet" under HRS Section 92-7.5) are accessible at <https://hnlidoc.ehawaii.gov/hnlidoc/browse/agendas> by clicking on the appropriate Council meeting.

Accommodations are available upon request to persons with disabilities. Please call (808) 768-3814 or send an email to lyamane1@honolulu.gov at least three working days prior to the meeting.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
TOMMY WATERS, CHAIR

(SA1369050 4/22/22)

possession of the property upon recordation. SALE SUBJECT TO COURT CONFIRMATION. For further information contact: Ron Menor, Commissioner, 335 Merchant St., No. 4187, Honolulu, Hawaii. All creditors of the above estate, he, she must file a to H.R.S. §560-3-204.

AFFIDAVIT OF PUBLICATION

IN THE MATTER OF
NOTICE

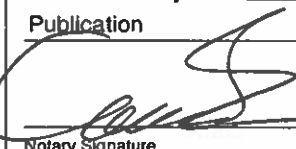
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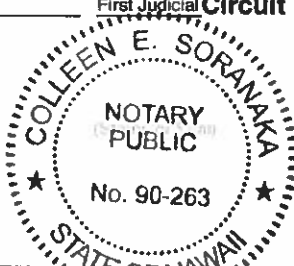
STATE OF HAWAII)
) SS.
City and County of Honolulu)

Doc. Date: MAY 11 2022 # Pages: 1

Notary Name: COLLEEN E. SORANAKA First Judicial Circuit

Doc. Description: Affidavit of Publication

 MAY 11 2022
Notary Signature Date



Lisa Sakakida being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of Oahu Publications, Inc. publisher of The Honolulu Star-Advertiser, MidWeek, The Garden Island, West Hawaii Today, and Hawaii Tribune-Herald, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the

Honolulu Star-Advertiser 1 times on:
05/11/2022

MidWeek 0 times on:


The Garden Island 0 times on:

Hawaii Tribune-Herald 0 times on:

West Hawaii Today 0 times on:

Other Publications: 0 times on:

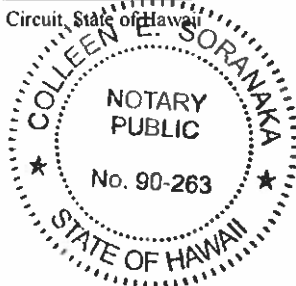
And that affiant is not a party to or in any way interested in the above entitled matter.


Lisa Sakakida

Subscribed to and sworn before me this 11th day of May A.D. 2022

Colleen E. Soranaka, Notary Public of the First Judicial Circuit, State of Hawaii
My commission expires Jan 06 2024

Ad # 0001371482



NOTICE

The COUNCIL OF THE CITY AND COUNTY OF HONOLULU at its meeting held on May 4, 2022, passed the following bills and resolutions on Second Reading by the votes indicated:

Bill 45 (2021) - Relating to incentives for businesses.
9 AYES: Cordero, Elefante, Fukunaga, Kia'aina, Say, Tsuneyoshi, Tulba, Tupola, Waters.

Bill 4 (2022), CD1 - Relating to real property taxation.
9 AYES: Cordero, Elefante, Fukunaga, Kia'aina, Say, Tsuneyoshi, Tulba, Tupola, Waters.

Bill 22 (2022) - Relating to building benchmarking.
8 AYES: Cordero, Elefante, Fukunaga*, Kia'aina, Say, Tsuneyoshi*, Tupola*, Waters.
1 NO: Tulba.

Bill 24 (2022) - Relating to automated external defibrillators.
9 AYES: Cordero, Elefante, Fukunaga, Kia'aina, Say, Tsuneyoshi, Tulba, Tupola, Waters.

Resolution 22-29 - Initiating amendments to the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, relating to the Police Commission and its membership.
9 AYES: Cordero, Elefante, Fukunaga, Kia'aina, Say, Tsuneyoshi, Tulba, Tupola, Waters.

Resolution 22-46 - Initiating amendments to the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, to establish an Office of Legislative Counsel within the Legislative Branch.
9 AYES: Cordero, Elefante, Fukunaga, Kia'aina, Say, Tsuneyoshi, Tulba, Tupola, Waters.

Resolution 22-79, CD1 - Initiating amendments to the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended, relating to City funds.
9 AYES: Cordero, Elefante, Fukunaga, Kia'aina, Say, Tsuneyoshi, Tulba, Tupola, Waters.

Copies of the foregoing bills and resolutions are available for use and examination by the public during regular business hours at the City Clerk's office, Room 203, Honolulu Hale and are also available on-line at <https://hnlidoc.hawaii.gov/hnlidoc/>. Should you have any questions, please call 768-5822.

GLEN I. TAKAHASHI, City Clerk

(SA1371482 5/11/22)

ICSP NO.: _____