



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
CITY AND COUNTY OF HONOLULU

No. 25 - 56

RESOLUTION

ESTABLISHING A PERMITTED INTERACTION GROUP TO DISCUSS AND EXPLORE THE POTENTIAL USE OF TAX INCREMENT FINANCING BY THE CITY AND COUNTY OF HONOLULU.

WHEREAS, tax increment financing ("TIF") is a public financing method that uses future real property tax increases (known as "tax increments") to fund community improvement projects; and

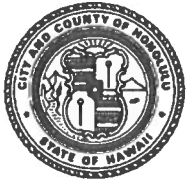
WHEREAS, TIF has been utilized successfully in states such as California, Colorado, and Illinois to revitalize underserved or blighted areas and to attract private investment; and

WHEREAS, Chapter 46, Part VI ("Tax Increment Financing") of the Hawaii Revised Statutes ("HRS"), authorizes the City Council ("Council") to provide for the use of TIF for public improvement projects by approving a TIF plan and adopting an ordinance establishing the tax increment district, its boundaries, funding, and termination date; and

WHEREAS, once a tax increment district is established, increases in tax revenue resulting from higher real property assessments and real property taxes generated from the assessment base are used to pay the principal and interest on the tax increment bonds, any project cost approved by the county, and an adjustment amount to the county general fund, with any remaining amounts deposited into the tax increment fund established for the tax increment district in accordance with HRS Section 46-105; and

WHEREAS, HRS Section 92-2.5 permits the Council to assign two or more, but fewer than five, Councilmembers to investigate matters relating to the business of the Council, without the interactions of the Councilmembers in the course of the investigation being considered a "meeting," under HRS Chapter 92, Part I; provided that:

1. The scope of the investigation and the scope of each member's authority are defined at a meeting of the Council;
2. All resulting findings and recommendations are presented to the Council at a meeting of the Council; and



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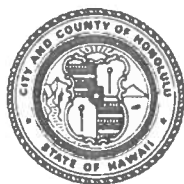
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3. Deliberation and decision-making on the matter investigated, if any, occur only at a duly noticed meeting of the Council held no less than six business days after the meeting at which the findings and recommendations of the investigation were presented to the Council; and

WHEREAS, the Council desires to establish a permitted interaction group to discuss and explore the City's potential use of tax increment financing; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that a Real Property Taxation Permitted Interaction Group, composed of: _____, _____, and _____, is hereby established and authorized to discuss and explore the City's potential use of tax increment financing; and

BE IT FURTHER RESOLVED that no member of the permitted interaction group may, during the investigation, make any binding commitment or create any obligation on behalf of the group, the Council, or the City; and



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BE IT FINALLY RESOLVED that the permitted interaction group shall present a written report to the Council of its findings and recommendations at a Council meeting pursuant to HRS Section 92-2.5(b)(1)(C), that the Council will not be able to act upon the report until a subsequent Council meeting, held no less than six business days after the meeting at which the permitted interaction group presented its findings and recommendations of the investigation, and that upon the permitted interaction group's submission of the report to the Council, the group will be dissolved.

INTRODUCED BY:

Radiant Cidras
George

DATE OF INTRODUCTION:

FEB 10 2025

Honolulu, Hawai'i

Councilmembers

Report Title:

Permitted Interaction Group ("PIG"); Tax Increment Financing ("TIF"); Investigation;
Tax Increment Bonds; Financing; Bonds; Real Property Tax; Public Infrastructure

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.