

RES25-056
Testimony

MISC. COMM. 180

COUNCIL

COUNCIL Meeting

Meeting Date: Mar 19, 2025 @ 10:00 AM

Support: 1

Oppose: 0

I wish to comment: 0

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Representing: Pacific Resource Partnership (PRP)	Position: Support	Submitted: Mar 19, 2025 @ 09:58 AM



Testimony of
Pacific Resource Partnership

City and County of Honolulu, Honolulu City Council
Honorable Chair Tommy Waters and Members of the Council
Wednesday, March 19, 2025

Subject: Strong Support for Resolution 25-56, CD1 – Establishing a Permitted Interaction Group to Explore Tax Increment Financing

Aloha Chair Waters and Members of the Council:

On behalf of Pacific Resource Partnership (PRP), which represents thousands of unionized carpenters and more than 250 contractors across Hawai'i, we strongly support Resolution 25-56, CD1.

This resolution takes a critical step toward unlocking the potential of tax increment financing (TIF) by establishing a permitted interaction group to discuss and explore its use by the City and County of Honolulu. We believe this investigation could pave the way for transformative community improvements, including transit-oriented development (TOD) and the New Aloha Stadium Entertainment District (NASED).

TIF, as authorized under Chapter 46, Part VI of the Hawai'i Revised Statutes, uses future real property tax increases to fund public infrastructure projects. This proven financing tool – successfully implemented in states like California, Colorado, and Illinois – can revitalize underserved areas and attract private investment. In Hawai'i, TIF could be instrumental in unlocking the true potential of TOD by funding upfront infrastructure like roads, sewer and water, and other utilities. By reducing these costs for homebuilders, which are typically passed on to homebuyers, TIF can lower housing prices and create affordable, walkable communities near transit hubs – directly supporting PRP's mission to build a stronger future for working families.



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A concrete example of TIF's value is the New Aloha Stadium Entertainment District (NASED). Aloha Halawa District Partners (AHDP) currently faces \$179 million in infrastructure costs to redevelop this vital asset. These expenses drain resources that could instead accelerate the construction of a new stadium and a mixed-use district with housing, retail, and jobs. TIF could finance this infrastructure, freeing funds to prioritize the stadium and drive economic growth. Our workforce development report, *New Foundations: Laying the Groundwork for Hawai'i's Middle-class Renewal and Revival of the Trades*, highlights the urgency of such investments, noting that the construction industry must grow its workforce by 10% annually to meet demand. TIF could ensure a steady pipeline of projects to sustain these skilled jobs.

Resolution 25-56, CD1's creation of a permitted interaction group – including Councilmembers Radiant Cordero, Tyler Dos Santos-Tam, and Scott Nishimoto, alongside experts from the Department of Budget and Fiscal Services, the Department of Planning and Permitting, and the University of Hawai'i Economic Research Organization – offers a thoughtful approach to evaluating TIF. We encourage the group to prioritize TOD and NASED in its discussions, as these initiatives align with the Council's authority under HRS Section 46-105 to establish tax increment districts that benefit residents, workers, and businesses alike.

PRP's only caveat is that the permitted interaction group also includes a local homebuilder with experience in successfully bringing large-scale projects to fruition. This addition would ensure the group benefits from practical, on-the-ground expertise in navigating the complexities of development, enhancing its ability to craft a TIF framework that works for Honolulu.

For these reasons, we respectfully urge the Council to pass Resolution 25-56, CD1 and support the permitted interaction group's efforts to explore TIF as a game-changing tool for Honolulu's future.

Mahalo for the opportunity to provide testimony.

Sincerely,



Andrew Pereira
Director of Public Affairs
Pacific Resource Partnership

