Bill 61 (2025)
Testimony

I support BILL 61 (25)

Relating to real property taxation

HCDA has changed the status of the FAR in Central Kakaako yet there has been no changes in Central Kakaako to warrant the change the change in the FAR. We have queried the property tax division as to what properties on Oahu have a higher tax rate per/1000/sq.feet than Kakaako which is $/4000 /sq. Feet without the exemption. There has been no response from the property tax division. Even with the exemption our property tax will increase if values continue to rise and we will pay 50% of whatever the assessment is which is currently more than $2,000/1000 sq. Feet.

The rail is now at our doorstep and everyone has see the effects of rail construction. With the combination of rising rents and the loss of the exemption many businesses will be in jeopardy .

Sincerely.

Business: RH Enterprise

Name: Roy Tom

Address: 902 Kawaiahao St.

Phone #: 808 221-9044

Email: roy19676@yahoo.com

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Sincerely.

Business: COREY ODELL REFINISHING

Name: COREY ODELL

Address: 545 KAMANI ST.

Phone #: 808-256 8251

Email: COREY ODELL REFINISHIG ATGMAIL.COM.

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Sincerely.

Business: City Fender & Body Service Ltd
Name: Paul Kimura
Address: 859 Queen Street
Phone #: (808) 591-2204
Email: cityfenders@hawaii.rr.com

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Sincerely.

Business: Kwan's auto body & painting

Name: Martin Lee

Address: 822 Kanaiahao St.

Phone #: 808-593-8893

Email: kwansauto@gmail.com

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Sincerely.

Business: Hawaii Import Parts

Name: Alan Haruki

Address: 918 Ilaniwai St. Hon 96813

Phone #: 808 591-2882

Email: Alan.Haruki@gmail.com

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Sincerely

Business: Minnick Associates

Name: D. Thor Minnick

Address: 913 Waimanu St

Phone #: 808 597 8142

Email: Minnickassociates@Hawaii.rr.com

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Sincerely.

Business: STEWART M. CHONG, INC. DBA. STEWART'S AUTO BODY

Name: STEWART M. CHONG

Address: 815 KAWAIAHAO ST. HONOLULU HI. 96813

Phone #: 808 596-8139

Email: STEWARTSAUTOBODY@GMAIL.COM

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Name: STEWART M. CHONG

Address: 815 KAWAIAHAO ST. HONOLULU HI. 96813

Phone #: 808 596-8139

Email: STEWARTSAUTOSERVICE@GMAIL.COM

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Sincerely.

Business: Benz and JAGZ specialist
Name: Gordon Jeffrey LaChance JR.
Address: 807 KAWAIAHAO St. Honolulu, HI. 96817
Phone #: 808 593-9550
Email: BenzandJAGZ@GMAIL.com

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Sincerely. Franklin young

Business: K & Y auto service / WAYNE'S Auto Electric

Name:

Address: 902 KAWAIOHAO ST

Phone #: 808 593 2842

Email: gildafrank@msn.com

ORAL TESTIMONY

I support Bill 61(25)

Regarding Bill 61(25)

REAL PROPERTY TAX EXEMPTION

I HAVEBEEN IN KAKAAKO MY WHOLE LIFE. I RAN THE FAMILY BUSINESS SINCE 1976 WHICH WAS STARTED IN 1953 AS K&Y CHEVRON NEXT TO THE KAKAAKO FIRE STATION AND NOW HAS EVOVLED INTO K&Y AUTO SERVICE. I ALSO PURCHASED WAYNES AUTO ELECTRIC WHICH WAS ON QUEEN STREET IN 2000 AND IS STILL A FAMILY BUSINESS WITH MY WIFE AND SON. THAT IS 49 YEARS IN KAKAAKO. I GOT HISTORY.

1) NEED TO ADDRESS EMAIL SENT BY CHARRISE TANABE

2) EXTEND DEADLINE FOR SUBMISSION OF RE-CERTIFICATION DUE TO DECEPTIVE WORDING IN EMAIL BY TANABE.

3) MAYOR CALDWELL ATTEMPTED TO REPEAL THE EXEMPTION BUT WAS OVERRULED BY THE PROPERTY TAXASSESSMENT COMMISSION AT A HEARING.

4) CENTRAL KAKAAKO IS NOT OPPOSED TO PAYING ITS FAIR SHARE IN PROPERTY TAX BUT PAYING ONE OF THE HIGHEST PROPERTY TAX PER 1000 SQ. FEET IS NOT FAIR FOR AN UNIMPROVED INDUSTRIAL DISTRICT.

5) WITH THE RAIL CONSTRUCTION WOULD IT BE POSSIBLE FOR THE COUNCIL TO CONSIDER EXTENDING THE EXEMPTION BEYOND THE 2027 SUNSET?

6) SHOULD TANABE BE ASKED TO SEND ANOTHER EMAIL CLARIFYING THE EXEMPTION AND RETRACTING HER FIRST EMAIL WHICH CAN EASILY BE MIS INTERPITED.

7) IN OR AROUND 2017 THE REAL PROPERTY TX COMMISION DECIDED THAT THE EXEMPTION WAS A REASONABLE ACCOMIDATION DUE TO THE FACT THAT OUR PROPERTY TAX WAS CONSIDERED UNREASONABLE AND COULD NOT BE DEFENDED BY THE PROERTY TAX DIVISION WHEN ASKED ABOUT HAVING ONE OF THE HIGHEST PROPERTY TAX PER 1,000 SQ. FT. ON OAHU.

MAHALO,

FRANK YOUNG
K&Y AUTO SERVICE/ WAYNES AUTO ELECTRIC
902 KAWAIAHAO STREET
808 5932842
GILDAFRANK@MSN.COM

Outlook

RE: TMK 2-1-049-058-0000, 2-1-049-059-0000 - Notice of Exemption Status Change for 2026

From Tanabe, Charisse <ctanabe1@honolulu.gov>
Date Thu 8/14/2025 11:05 AM
To 'viop note' <gildafrank@msn.com>

Aloha Frank,

The official notice whether the exemption is approved or denied will be indicated on the assessment notice to be sent December 15, 2025. The email below is a courtesy to let you know that due to the change in the HCDA rules, barring any further changes, the requirements of the ordinance regarding the Central Kakaako Industrial Zone exemption may no longer be met.

The Central Kakaako Industrial Zone Exemption is biennial and is in effect for two years following the approval of the exemption. Since the exemption was applied for last year (2025 tax year) and approved, it was effective from the 2025 tax year and would be continued for the 2026 tax year if all requirements were still met.

The rules regarding the Central Kakaako area were changed regarding the floor area ratio as referenced in the original email. Correct, there was an increase in the FAR to allow for a maximum FAR of 3.5. The wording of the current ordinance states that a requirement of the exemption is that the property is **limited to a maximum FAR of 1.5**. Due to the change in the updated rules, this limitation of the 1.5 FAR would no longer apply.

We understand that this change may be unexpected. For this reason, we're letting affected property owners know in advance that their exemption status may be changing.

Thank you,
Charisse Tanabe
Real Property Appraiser
Real Property Assessment Division
842 Bethel Street, 2nd Floor
Honolulu, HI 96813
(808) 768-7946
https://realproperty.honolulu.gov/

From: viop note [mailto:gildafrank@msn.com]
Sent: Thursday, August 14, 2025 10:39 AM
To: Tanabe, Charisse <ctanabe1@honolulu.gov>
Subject: Re: TMK 2-1-049-058-0000, 2-1-049-059-0000 - Notice of Exemption Status Change for 2026

For clarity, We had not applied for the exemption until today (8/14/25. I am puzzled how you recieved our claim already.
Is it possible for you to state in layman terms your claim as to the reason we are no longer exempt under Ordinance 16-21. My take on this claim is that HCDA has changed the FAR
In Central Kakaako? If so, how was this conclusion determined? Please help us understand the process that has just occurred so we can determine whar options are available to us.
WE cannot see any infrastructure changes in Central Kakaako where we operate our business nor have we heard of any changes to our "special design district" and the restrictions that we believe still exists.
As the real property tax assessors division you should be aware that Central Kakaako pays some of the highest property taxes on Oahu and without the exemption we will suffer. Please make a list of areas that pay greater taxes
than $4,000 per thousand square feet on Oahu, there will not be many.
Please help us with a quick response.
Aloha,
Frank Young 902 Kawaiahao street

From: Tanabe, Charisse <ctanabe1@honolulu.gov>
Sent: Wednesday, August 13, 2025 11:43 AM
To: 'gildafrank@msn.com' <gildafrank@msn.com>
Subject: TMK 2-1-049-058-0000, 2-1-049-059-0000 - Notice of Exemption Status Change for 2026

Aloha,

We have received your Exemption Claim for the Central Kakaako Industrial Zone Limited Development Exemption. As a courtesy, this is to notify you that the conditions under which your Central Kakaako Industrial Zone Limited Development Exemption were previously granted no longer apply.

Due to a change with the Hawaii Community Development Authority's Kaka'ako Community Development District Mauka Area Rules, under Hawaii Administrative Rules (HAR)§15-217-57(c) which provides in relevant part as follows:

> §15-217-57 Adequate infrastructure.
> (c) A **maximum floor area ratio of 3.5**, including off-street parking, shall apply until the executive director determines the infrastructure within the central Kaka'ako neighborhood zone has been sufficiently upgraded, pursuant to an improvement district or other public facilities project. (Emphasis added.)

It has been determined that you no longer meet the qualifying criteria for the exemption established under ROH 8-10.31(c)(3):

> 8-10.31 Exemption—Central Kakaako industrial zone limited development.
> (c) The exemption from real property taxes for real property, or a portion thereof, is 50 percent of the assessed value; provided that the property is:
> (3) Determined by the Hawaii Community Development Authority as being limited to a **maximum floor area ratio of 1.5** due to inadequate infrastructure under Hawaii Administrative Rules § 15-217-57. (Emphasis added.)

As a result, your exemption is expected to be removed (or disapproved) for the 2026 tax year.

Thank you,
Charisse Tanabe
Real Property Appraiser
Real Property Assessment Division
842 Bethel Street, 2nd Floor
Honolulu, HI 96813