No. <u>20-3</u>03

RESOLUTION

RELATING TO THE REDESIGNATION OF THE URBAN HONOLULU AND LEEWARD ENTERPRISE ZONES.

WHEREAS, the Enterprise Zone Program:

- (1) Is an economic development tool that can stimulate growth throughout the City and County of Honolulu;
- (2) Pursuant to Chapter 209E, Hawaii Revised Statutes (HRS), authorizes each county, subject to the Governor's approval, to designate up to six enterprise zones within the county's boundaries; and
- (3) Requires an enterprise zone to be located within one United States census tract, or two or more contiguous census tracts, the populations of which meet a specified low-income criterion or a high unemployment criterion; and

WHEREAS, the City and County of Honolulu (the City) has enabled the establishment of enterprise zones on O'ahu through the enactment of Chapter 31, Revised Ordinances of Honolulu 1990; and

WHEREAS, pursuant to Hawai'i Revised Statutes Section 209E-4, Council Resolution 95-292 and subsequent resolutions, and subsequent concurrence by the Mayor and approval by the Governor, six enterprise zones to date have been designated and approved for the City; and

WHEREAS, under HRS Section 209E-4(b), the designation of an enterprise zone expires 20 years after the Governor's designation; and

WHEREAS, two of the six enterprise zones in the City are the Urban Honolulu and the Leeward Oʻahu Enterprise Zones, both of which are scheduled to expire in accordance with HRS Section 209E-4(b) on March 31, 2021; and

WHEREAS, the histories of these two enterprise zones are as follows:

 Urban Honolulu Enterprise Zone: a) established by Governor's approval in 2001 from the Honolulu airport area through lower Kalihi, lwilei, and downtown into the Ala Moana area; b) expanded in September 2004 to include all of Kaka`ako;

No. <u>20-303</u>

RESOLUTION

 Leeward O'ahu Enterprise Zone: established via Governor's approval on April 1, 2001.

WHEREAS, the Council finds that the Urban Honolulu Enterprise Zone and the Leeward Oʻahu Enterprise Zones have proven to be valuable economic development tools over the previous 19 years as reflected in the seventy-three (73) businesses and firms that were enrolled in and one hundred four (104) businesses and firms that graduated from the Enterprise Zone Program on Oʻahu as of August 2020, including many businesses and firms located in these two enterprise zones; and

WHEREAS, the Council desires to re-designate these two zones, Urban Honolulu and Leeward Oʻahu Enterprise Zones with modifications, each for an additional 20-year term; and

WHEREAS, the Council also desires to combine the Leeward O'ahu and the 'Ewa/Central O'ahu Enterprise Zones into a single enterprise zone to allow for flexibility in the future to designate an additional enterprise zone, as needed; and

WHEREAS, the following attached exhibits provide information about the proposed reconfigured enterprise zones:

- Exhibit A Map that shows tracts within the Urban Honolulu Enterprise Zone that are current, newly proposed, and ineligible for renewal due to not meeting either the specified low-income criterion or contiguity requirement.
- Exhibit B Map that shows tracts within the proposed combined Leeward O'ahu and Central/Ewa O'ahu Enterprise Zone of current, newly proposed, and ineligible for renewal due to not meeting either the specified low-income criterion or contiguity requirement.

WHEREAS, both of the proposed enterprise zones attached hereto as Exhibits C and D satisfy the eligibility for areas to be nominated for enterprise zone status; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the following areas be designated as enterprise zones in the City and County of Honolulu according to the attached exhibits that include maps and corresponding descriptions of each proposed zone's boundaries:

Exhibit C – Urban Honolulu Enterprise Zone, on the date of the Governor's approval;

No	2	0	-	3	0	3	
NO.		•		~	•	•	

RESOLUTION

Exhibit D – Leeward O'ahu Enterprise Zone, on the date of the Governor's approval; and

BE IT FURTHER RESOLVED that the following incentives be provided to businesses and firms enrolled in the designated Urban Honolulu and Leeward Oʻahu Enterprise Zones:

- (1) A two-year exemption from any increase in property taxes resulting from new construction by economic zone businesses and firms at their economic zone sites, and
- (2) A waiver of fees for building and grading permits required for new construction for enrolled economic zone businesses and firms for a period of seven years; and

BE IT FURTHER RESOLVED that the Council requests the Mayor to concur with the designations of the Urban Honolulu and Leeward Oʻahu Enterprise Zones, and on behalf of the Council, prepare and submit the necessary application materials to the Governor for approval of the designation; and

BE IT FINALLY RESOLVED that copies of the Resolution be transmitted to the Mayor and to the Director of the Department of Community Services.

	INTRODUCED BY:			
DATE OF INTRODUCTION:				
NOV 9 2020				
Honolulu, Hawai'i	Councilmembers			







