

REPORT OF THE COMMITTEE ON PUBLIC SAFETY AND ECONOMIC DEVELOPMENT

Voting Members:

Carol Fukunaga, Chair; Kymberly Marcos Pine, Vice-Chair
Ikaika Anderson, Stanley Chang, Breene Harimoto

Committee Meeting Held
May 20, 2014

Honorable Ernest Y. Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Public Safety and Economic Development to which was referred Resolution 14-92 entitled:

"RESOLUTION RELATING TO THE EXPANSION OF THE MILILANI HIGH TECHNOLOGY PARK/WAHIAWA ENTERPRISE ZONE NO. 2,"

reports as follows:

The purpose of this Resolution is to propose an expansion of the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2 by adding the Whitmore Village area, located within Census Tract 91.

The Executive Director of the Mayor's Office of Economic Development testified in support of the proposed expansion but noted that the financial impacts related to the proposed real property tax rebate and the waiver of fees would need to be evaluated.

The Executive Director of the Agribusiness Development Corporation (ADC) supported the Resolution but requested that the proposed expansion area displayed conceptually in Exhibit A be amended to include additional parcels as shown in the attachment to ADC's written testimony (Misc. Com. No. 1286 (2014)). The Chair of the City's Agricultural Development Task Force testified in support of the Resolution, explaining that the expansion of the Mililani High Technology Park will help revitalize the Whitmore Village area. The Senator of District 22 also submitted testimony in support of the Resolution.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUN 4 2014

COMMITTEE REPORT NO. 146

REPORT OF THE COMMITTEE ON PUBLIC SAFETY AND ECONOMIC DEVELOPMENT

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Upon further consideration, your Committee has amended the Resolution by:

- Amending Exhibit A to identify the proposed addition to Mililani High Technology Park/Wahiawa Enterprise Zone No. 2 certain lands delineated in the testimony of the State of Hawaii Agribusiness Development Corporation; and
- Making technical and non-substantive amendments.

Your Committee on Public Safety and Economic Development is in accord with the intent and purpose of Resolution 14-92, as amended herein, and recommends its adoption in the form attached hereto, as Resolution 14-92, CD1. (Ayes: Fukunaga, Anderson, Chang, Harimoto, Pine – 5; Noes: None.)

Respectfully submitted,



01:51:19 PM 6/4/2014

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JUN 4 2014

COMMITTEE REPORT NO. 146



RESOLUTION

RELATING TO THE EXPANSION OF THE MILILANI HIGH TECHNOLOGY PARK/WAHIAWA ENTERPRISE ZONE NO. 2.

WHEREAS, the enterprise zone program is an economic development tool that can stimulate growth throughout the City and County of Honolulu; and

WHEREAS, Chapter 209E, Hawaii Revised Statutes, authorizes each county, subject to the Governor's approval, to designate up to six enterprise zones within the county's boundaries; and

WHEREAS, six enterprise zones have been designated and approved for the City and County of Honolulu; and

WHEREAS, an enterprise zone must be a contiguous area, the population of which meets a specified low-income criterion or a high unemployment criterion; and

WHEREAS, after county designation and gubernatorial approval of an enterprise zone, a "qualified business" becomes available for a state income tax credit and general excise tax exemption and any local incentive made available by the county; and

WHEREAS, in general a "qualified business" is a business entity which:

- (1) Engages in wholesaling, manufacturing, agricultural production, ship or aircraft repairing, or certain high technology, medical, or educational services, repair or maintenance of assisted technology used by disabled persons, or wind energy production;
- (2) Generates at least 50 percent of its annual gross receipts from activity within the zone; and
- (3) Meets specified minimum levels of employment;

and

WHEREAS, one of the enterprise zones in the City and County of Honolulu is the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2; and

WHEREAS, the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2 was proposed by the Council under Resolution 95-292, CD1, with the concurrence of the Mayor, and approved by the Governor on October 14, 1996; and



RESOLUTION

WHEREAS, the zone was expanded as proposed in Resolution 02-227 and approved by the Governor on November 5, 2002; and

WHEREAS, the Council has received a request to expand the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2; and

WHEREAS, ROH Section 31-1.3 authorizes the Council, with the concurrence of the Mayor, to propose the amendment of an existing enterprise zone; and

WHEREAS, Hawaii Administrative Rules Section 15-6-7 requires gubernatorial approval of such an amendment; and

WHEREAS, the Council finds that the proposed expansion of the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2 will serve the public interest because of the resulting additional opportunities for economic development and employment; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2 be expanded by the addition of the Whitmore Village area, which is located within Census Tract 91, as conceptually displayed in Exhibit A; and

BE IT FURTHER RESOLVED that the incentives to be provided to qualified businesses in the expanded area shall be the same as those specified in Resolution 95-292, CD1, namely:

- (1) A rebate of real property taxes on all new construction for a period not to exceed two years; and
- (2) A waiver of fees for building and grading permits required for new construction by the business for a period of seven years;

and

BE IT FURTHER RESOLVED that the Council requests the Mayor to concur with the expansion of the Mililani High Technology Park/Wahiawa Enterprise Zone No. 2 and, on behalf of the Council, prepare and submit the necessary application materials to the Governor for approval of the expansion; and



RESOLUTION

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

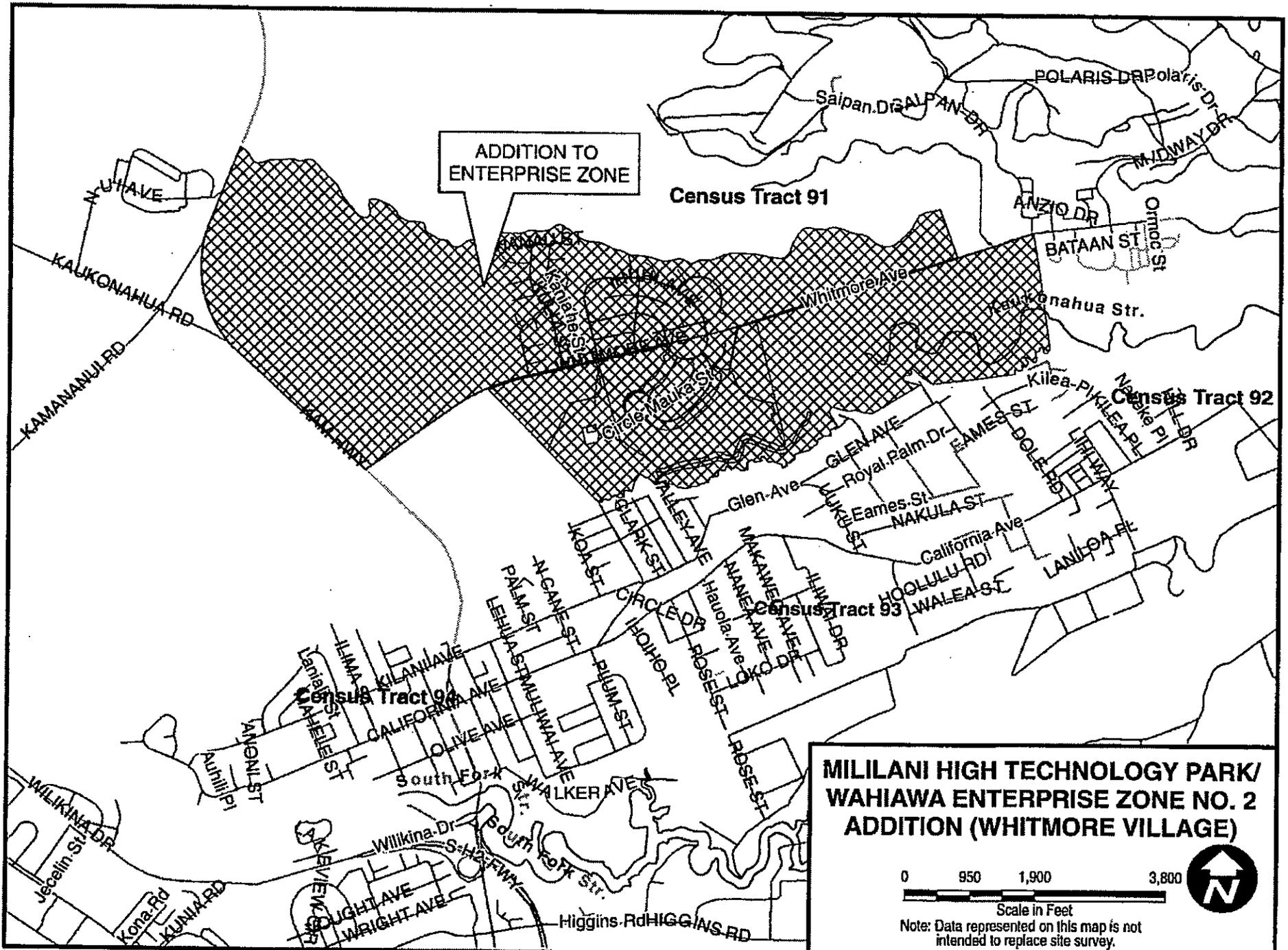
INTRODUCED BY:

Ernest Martin

DATE OF INTRODUCTION:

May 1, 2014
Honolulu, Hawaii

Councilmembers



ADDITION TO ENTERPRISE ZONE

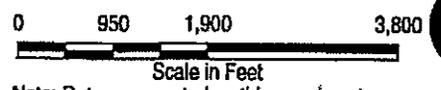
Census Tract 91

Census Tract 92

Census Tract 93

Census Tract 94

**MILILANI HIGH TECHNOLOGY PARK/
WAHIAWA ENTERPRISE ZONE NO. 2
ADDITION (WHITMORE VILLAGE)**



Note: Data represented on this map is not intended to replace site survey.

Prepared by:

Date Prepared:

EXHIBIT A

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