

ORDINANCE 8.10.35

October 11, 2017

Cc:real property tax assessment commission (RPTAC)

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Dear Honolulu City Council,

On behalf of many businesses in Central Kakaako we thank you for taking interest in our plight and helping many of us with relief in our struggle to survive the brutal effects of the development craze in Kakaako. Many Council members know of our plight and that is the reason for the passage of Ordinance 16-21. It is our understanding that the RPTAC is recommending repeal of this Ordinance. WE BELIEVE THAT THEIR RECOMMENDATION IS INCORRECT. The RPTAC states concerns of Constitutionality, Exposure, Preservation and Infrastructure which are not based on any judicial rulings or documented facts but just on concerns and unsubstantiated and false conclusions. We are sure that the RESIDENTIAL A passage and controversy was significant yet the City moved forward to defend it and won. Central Kakaako is unique in so many ways and cannot be compared to other areas on Oahu so the issue of selective favoritism is without merit. We know of no other area on Oahu which has the presence of such a powerful agency such as HCDA. While many rulings by HCDA have been questioned, they still have great powers on development rulings and variances which have greatly enhanced property values of the large landowners in Kakaako. Central Kakaako is a cluster of small landowners and businesses. It is community of many owners of small lots which refuse to sell out to developers and that is the reason for its continued existence. Back in the boom of the late 80's many developers tried to buy out parcels and create "super blocks" but there always holdouts who would not sell. The rationale of "preservation" and "conflicts with inferior infrastructure" that RPTAC is basing its recommendation is totally false. Again a small land owner (Kakaako land co.) controls land that inhibits even the powerful HCDA. Owners back in 1989 were being offered \$300 per square foot and declined, Meyer was the developer at that time. There is a lot more to be learned about Central Kakaako by the RPTAC before opinions are developed and decisions are made by the RPTAC. Is it possible that HCDA made this delineation due to certain factors in the history and circumstances that transpire in Central Kakaako. This Ordinance is an infant born on July 1, 2017 and its first exemptions given in August 2017. It is our opinion that the recommendation on Ordinance 16-21 by the RPTAC is a premature judgement of an Ordinance. While many were denied the exemption, many may have missed the September 1, 2016 deadline for acceptance and it is possible that some who were denied, were denied for technical reasons and may qualify in the future. It is our hope that RPTAC has studied the property tax escalation in this area over the last 10 years, the private road situation, lack of any support from the City, and special design designation on height and property setbacks, all of which devalue these parcels.

This ordinance became law without the signature of our Mayor last year and this delayed the effective date in which this process started. The window opened in late July and closed on September 1, 2016. The time it takes to get the word out, learn the process in which to qualify, educate business owners, getting approval and signatures from property owners, filing papers to different agencies was stressful and mistakes could easily be made. Please allow this ordinance more time to work and more time to study its success or failure. Comparing property tax burdens from other industrial areas on Oahu, no

area will compare to Central Kakaako, with our burden being 3-4 times other industrial areas. Our exemption under 16-21 still keeps Central Kakaako among the highest taxed areas on Oahu.

Aloha, Central Kakaako Community

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