



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

**OAHU REAL PROPERTY TAX
ADVISORY COMMISSION**

Commissioners:
Ray Kamikawa, Chair
Scott Higashi, Vice Chair
Amy Hirano
Natalie Iwasa
Joy Kimura
Earl Mente
Matthew Pennaz

WRITTEN SUMMARY FOR AUDIO RECORD

REGULAR MEETING
THURSDAY, OCTOBER 17, 2019

COUNCIL COMMITTEE MEETING ROOM
2ND FLOOR, HONOLULU HALE
HONOLULU, HAWAII 96813

The time references below indicate the point in the audio recording when the stated actions began.

CALL TO ORDER

The meeting of the Oahu Real Property Tax Advisory Commission was called to order by Commission Chair Kamikawa at 1:30 p.m. Commissioners Kamikawa, Higashi, Hirano, Iwasa, Kimura, Mente, and Pennaz were present at the meeting.

ORDER OF BUSINESS

WELCOME BY COMMISSION CHAIR

[1:30 p.m.]

At this juncture, Commission Chair Kamikawa welcomed the Commissioners at the meeting. Commission Chair Kamikawa went over general housekeeping matters relating to conduct at the meeting.

ORAL TESTIMONY ON AGENDA ITEMS

[1:33 p.m.][3 minute mark]

Commission Chair Kamikawa requested testimony on all the items on the Agenda. Commission Chair Kamikawa asked for testifiers to present testimony.

Two testifiers indicated they would present testimony.

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[1:33 p.m.][3 minute mark]

Barbara Jessee presented testimony.

[1:38 p.m.][8 minute mark]

Rob Rietow presented testimony.

[1:42 p.m.][12 minute mark]

Commission Chair Kamikawa responded to concerns in testifier's testimony.

[1:43 p.m.][13 minute mark]

Commission Chair Kamikawa called for other testifiers wishing to testify.

NEW BUSINESS

[1:44 p.m.][14 minute mark]

Commission Chair Kamikawa requested reports on updates from the three special committees that met in between the Commission's regular meetings. Commission Chair Kamikawa requested to first proceed with the valuation committee.

Commissioner Iwasa, the chair of the valuation committee, provided an update on the valuation committee's findings regarding the income approach valuation methodology, and its use in appeals as indicated at the valuation committee's meeting on October 10, 2019, by Steven Takara, Department of Budget and Fiscal Services ("BFS") representative and Gary Kurokawa, Executive Assistant to the Mayor. Commissioner Iwasa addressed the Marshall & Swift valuation models for the cost approach methodology used by the City.

[1:51 p.m.][21 minute mark]

Commission Chair Kamikawa thanked Commissioner Iwasa for the report and asked for questions from the other commissioners.

Commission Chair Kamikawa reiterated the importance of addressing each issue separately by the next meeting and acknowledged that only one meeting remains before the Commission's full report is due to the Council.

Commission Chair Kamikawa proceeded with a discussion of proposals and ideas being reviewed by the subcommittees.

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Commission Chair Kamikawa opened up discussion on income methodology used by appraisers to value commercial real estate.

Discussion was held among the Commissioners.

[1:52 p.m.][22 minute mark]

Commission Chair Kamikawa opened up discussion on Marshall and Swift valuation procurement and implementation by the City.

Discussion was held among the Commissioners.

[1:55 p.m.][25 minute mark]

Commission Chair Kamikawa opened up discussion on Bill 49 (2019) and cap on assessed values.

Discussion was held among the Commissioners.

[2:00 p.m.][30 minute mark]

Commission Chair opened up discussion on policy on public education.

Discussion was held among the Commissioners.

[2:01 p.m.][31 minute mark]

Commission Chair Kamikawa requested discussion on any other topics related to valuations.

Commission Chair Kamikawa requested to proceed with the classification and rates committee and requested Commissioner Kimura, the chair of the classification and rates committee to give her report.

[2:02 p.m.][32 minute mark]

Commissioner Kimura provided an update on the classification and rates committee's report regarding classifications for bed and breakfast homes and credit unions.

Commission Chair Kamikawa thanked Commissioner Kimura for her report and opened discussion on Bill 55.

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[2:03 p.m.][33 minute mark]

Discussion was held among the Commissioners.

[2:06 p.m.][36 minute mark]

Commissioner Hirano called Department of Budget and Fiscal Services representative Steven Takara to answer questions regarding historic properties exemptions.

[2:33 p.m.][1 hr. 3 minute mark]

Commission Chair Kamikawa proceeded with the credits and exemptions committee and requested Commissioner Pennaz, the chair of the credits and exemptions committee, to present the committee's report.

Commissioner Pennaz provided an update on the credits and exemptions committee's findings regarding Bill 23, low income areas, tax credits, and workforce housing.

Discussion was held among the Commissioners and BFS representative Steven Takara regarding Bill 23, credits for redevelopment of low income areas using expanded opportunity zone low income designated areas.

[2:44 p.m.][1 hr. 14 minute mark]

Discussion was held among the Commissioners and Mr. Takara regarding property tax exemptions and homes rented for terms of one year or longer.

[2:46 p.m.][1 hr. 16 minute mark]

Discussion was held among the Commissioners regarding the definition of charitable organizations under Section 501(c)(3).

[2:57 p.m.][1 hr. 27 minute mark]

Mr. Takara requested a moment to apologize to the Commission for his demeanor and any miscommunications or misunderstandings at the last meeting on October 10, 2019, on his mishandling of the valuation committee's inquiries on assessment and valuation.

[2:58 p.m.][1 hr. 28 minute mark]

Commission Chair Kamikawa made a final call asking for any other topics to be discussed.

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Discussion was held among Commissioners Hirano, Higashi, and Commission Chair Kamikawa regarding the proposals to be provided at the Commission's next meeting to prepare for the final report.

[3:03 p.m.][1 hr. 33 minute mark]

Commission Chair Kamikawa thanked the Commissioners and reiterated that discussion will continue in the respective subcommittee meetings so that reports can be compiled and drafted in time for the posting of the Commission's next agenda.

ANNOUNCEMENTS

[3:03 p.m.][1 hr. 33 minute mark]

Commission Chair Kamikawa announced the next meeting of the full Commission scheduled for Thursday, November 7, 2019 at 1:30 p.m. in the Council committee room, at which the committees are to present their reports, to form the final Commission report.

[3:04 p.m.][1 hr. 34 minute mark]

Commission Chair Kamikawa stated that at the Commission's final meeting on November 21, 2019, the Commissioners are to approve the report that will be submitted to the Council. Commission Chair Kamikawa asked for any other announcements.

ADJOURNMENT

There being no further business and no objections, Commission Chair Kamikawa adjourned the meeting at 3:04 p.m. and thanked everyone for coming.