

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Joey Manahan, Chair; Brandon Elefante, Vice-Chair;
Ron Menor, Kymberly Marcos Pine, Tommy Waters

Committee Meeting Held
February 5, 2020

Honorable Ikaika Anderson
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Resolution 20-14 entitled:

"RESOLUTION URGING THE CITY ADMINISTRATION TO PROVIDE REAL
PROPERTY TAX RELIEF TO TENANTS OF THE SAND ISLAND BUSINESS
ASSOCIATION,"

reports as follows:

The purpose of the resolution is to urge the City Administration to provide real property tax relief to tenants of the Sand Island Business Association by granting a one-time compromise of the real property taxes owed by tenants for the tax year beginning July 1, 2019.

The Director of Budget and Fiscal Services and the Real Property Tax Administrator stated that the Sand Island Business Association filed an appeal with Tax Appeal Court for the 2019 assessments and to the Board of Review for the 2020 assessments, and recommended that the appeal process as set by ordinance be concluded in lieu of adoption of the resolution.

Your Committee received public testimony in support of the resolution from the Sand Island Business Association and its consultant. Two individuals provided comments. Written testimony in support of the resolution was received from the following Sand Island businesses:

1. 1122 Makepono Street LLC

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON **FEB 19 2020**

COMMITTEE REPORT NO. **53**

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2. Alfred I. Castillo, LLC
3. Akira Yamamoto Painting, Inc.
4. Arakaki Five-O Limited Partnership
5. Auto Recycling Corporation
6. BMK Construction LLC
7. Borja
8. Economy Plumbing & Sheet Metal, Inc.
9. Group Builders, Inc.
10. Honolulu Disposal Service
11. Honolulu Container Sales & Rental
12. Honolulu Recovery Systems
13. Ideal Construction, Inc.
14. Innovations Hawaii
15. KE Properties LLC
16. Kula Sand LLC
17. LK Takamori, Inc.
18. Leis Co., Inc.
19. MRC Roofing, LLC
20. M. Nakai Repair Service, Ltd.
21. Naka's Marble & Solid Surface, LLC
22. Martin Transportation Services
23. NJB, LLC
24. Pacific Express, Inc.
25. Parkway Properties, LLC
26. Plas-Tech Ltd.
27. Reynolds Recycling, Inc.
28. Rons Construction Corporation
29. Sonny's Service & Repair, Inc.
30. SSNR, LLC

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON

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COMMITTEE REPORT NO.

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31. Striker Construction LLC
32. Tajiri Demolition and Disposal LLC
33. Tomco Corp.
34. Water Resources International, Inc.
35. Westpac International, Inc.
36. Wong's Meat Market, Ltd.

Your Committee considered and approved a CD1 version to the resolution that makes the following amendments:

- A. Amends the BE IT FURTHER RESOLVED clause to remove the phrase "one-time."
- B. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Resolution 20-14, as amended herein, and recommends its adoption in the form attached hereto, as Resolution 20-14, CD1. (Ayes: Elefante, Manahan, Menor, Pine, Waters – 5; Noes: None.)

Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON FEB 19 2020

COMMITTEE REPORT NO. 53



RESOLUTION

URGING THE CITY ADMINISTRATION TO PROVIDE REAL PROPERTY TAX RELIEF TO TENANTS OF THE SAND ISLAND BUSINESS ASSOCIATION.

WHEREAS, the Sand Island Business Association is a 501(c)(3) nonprofit organization located at 1115 Makepono Street, Honolulu, Hawaii; and

WHEREAS, in 1992, the Department of Land and Natural Resources entered into a 55-year master lease with the Sand Island Business Association for the Sand Island Industrial Park located on Sand Island in the City and County of Honolulu ("City"); and

WHEREAS, the Sand Island Industrial Park is approximately 70 acres in size and is divided into more than 100 lots that are sublet to Sand Island Business Association members ("tenants"); and

WHEREAS, as a condition of the lease, the Sand Island Business Association is responsible for maintaining the infrastructure improvements until such improvements are dedicated to the City or an appropriate utility company; and

WHEREAS, roads, utilities, storm and sewer drains, the water system, and underground electric, telephone, and streetlight systems are included in the definition of infrastructure improvements; and

WHEREAS, the Sand Island Business Association and its tenants have made considerable investments into infrastructure improvements at the Sand Island Industrial Park; and

WHEREAS, although the Sand Island Industrial Park does not receive many City services, such as bus service or garbage pick-up, Sand Island Business Association tenants have received substantial real property tax bill increases in recent years; and

WHEREAS, for the tax year beginning July 1, 2019, the average real property tax bill increase for Sand Island Business Association tenants was approximately 30 to 40 percent; and

WHEREAS, the real property taxes owed by Sand Island Business Association tenants for the tax years beginning July 1, 2018 and July 1, 2019 are identified by parcel in the attached Exhibit A; and



RESOLUTION

WHEREAS, Section 8-1.3(l), Revised Ordinances of Honolulu 1990, provides that the Director of Budget and Fiscal Services may compromise a claim concerning real property taxes that exceeds \$500.00 with the approval of the City Council ("Council"); and

WHEREAS, the Council believes that the City should provide real property tax relief to the Sand Island Business Association tenants, as many are small businesses that cannot afford to pay the higher real property taxes; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Administration is urged to provide real property tax relief to tenants of the Sand Island Business Association; and

BE IT FURTHER RESOLVED that the Council urges the Director of Budget and Fiscal Services to submit to the Council a request to grant a compromise of the real property taxes owed by tenants of the Sand Island Business Association for the tax year beginning July 1, 2019 such that, for each parcel identified in Exhibit A, the taxes are compromised to the amount of the real property taxes for the tax year beginning July 1, 2018; and



RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, and the Director of Budget and Fiscal Services.

INTRODUCED BY:

Joey Manahan

Ann Kobayashi

DATE OF INTRODUCTION:

January 17, 2020
Honolulu, Hawaii

Councilmembers

SAND ISLAND BUSINESS ASSOCIATION
REAL PROPERTY TAXES 2018-2019

	TMK	2018 RPT	2019 RPT	RPT INCREASE
1	150412530000	17,646.44	29,188.36	11,541.92
2	150412550000	11,594.00	16,738.76	5,144.76
3	150410820000	36,048.04	48,209.96	12,161.92
4	150413220000	300.00	300.00	0.00
5	150411270000	26,134.24	36,630.84	10,496.60
6	150410800000	49,617.36	74,587.24	24,969.88
7	150410140000	34,687.76	48,271.96	13,584.20
8	150412590000	20,869.20	24,552.00	3,682.80
9	150412800000	29,235.48	34,610.88	5,375.40
10	150412640000	10,128.32	13,811.12	3,682.80
11	150410650000	16,151.00	19,635.40	3,484.40
12	150410370000	98,055.48	132,939.16	34,883.68
13	150410310000	27,172.12	35,094.48	7,922.36
14	150412810000	45,712.60	60,109.00	14,396.40
15	150411080000	105,197.88	130,791.48	25,593.60
16	150410990000	21,564.84	28,368.72	6,803.88
17	150412970000	26,116.88	38,714.04	12,597.16
18	150413120000	13,214.68	16,978.08	3,763.40
19	150413000000	10,128.32	13,811.12	3,682.80
20	150411010000	15,214.80	19,671.36	4,456.56
21	150410170000	14,253.80	18,356.96	4,103.16
22	150410640000	12,871.20	16,944.60	4,073.40
23	150410610000	38,950.88	50,686.24	11,735.36
24	150411210000	41,323.00	53,416.72	12,093.72
25	150410590000	17,209.96	28,087.24	10,877.28
26	150411330000	37,162.80	41,723.52	4,560.72
27	150410980000	25,422.48	30,760.68	5,338.20
28	150412820000	18,353.24	24,223.40	5,870.16
29	150412570000	16,617.24	21,449.52	4,832.28
30	150413370000	10,411.04	14,319.52	3,908.48
31	150411410000	36,903.64	44,078.28	7,174.64
32	150413380000	23,744.76	31,726.64	7,981.88
33	150410960000	27,948.36	37,909.28	9,960.92
34	150412870000	22,688.28	27,437.48	4,749.20
35	150411620000	17,825.00	29,554.16	11,729.16
36	150413100000	21,577.24	25,787.04	4,209.80
37	150411740000	25,902.36	33,215.88	7,313.52

EXHIBIT A

38	150412830000	26,981.16	35,213.52	8,232.36
39	150410230000	12,010.64	17,591.88	5,581.24
40	150411400000	41,887.20	50,046.40	8,159.20
41	150410880000	21,094.88	27,965.72	6,870.84
42	150411710000	23,106.16	27,752.44	4,646.28
43	150411000000	40,876.60	45,558.84	4,682.24
44	150410190000	24,000.20	27,939.68	3,939.48
45	150410860000	18,768.64	25,830.44	7,061.80
46	150412950000	13,678.44	17,577.00	3,898.56
47	150410260000	19,515.12	26,301.64	6,786.52
48	150410940000	14,976.72	18,807.08	3,830.36
49	150411920000	12,698.84	16,412.64	3,713.80
50	150412480000	30,706.12	41,613.16	10,907.04
51	150410270000	43,268.56	52,572.28	9,303.72
52	150411190000	17,962.64	24,238.28	6,275.64
53	150413020000	14,726.24	20,500.92	5,774.68
54	150410460000	23,553.80	30,930.56	7,376.76
55	150410390000	28,093.44	36,454.76	8,361.32
56	150412680000	54,194.20	71,866.68	17,672.48
57	150411990000	32,729.80	36,810.64	4,080.84
58	150412900000	14,509.24	18,374.32	3,865.08
59	150412910000	14,219.08	17,956.44	3,737.36
60	150412880000	21,097.36	30,129.52	9,032.16
61	150412670000	26,653.80	37,625.32	10,971.52
62	150412980000	13,775.16	17,510.04	3,734.88
63	150413110000	10,912.00	15,345.00	4,433.00
64	150412940000	10,230.00	13,950.00	3,720.00
65	150412500000	7,406.52	10,380.04	2,973.52
66	150412510000	18,551.64	27,821.88	9,270.24
67	150413280000	25,901.12	31,965.96	6,064.84
68	150412520000	27,860.32	33,374.60	5,514.28
69	150413050000	10,552.40	15,865.80	5,313.40
70	150410970000	23,708.80	29,237.96	5,529.16
71	150410950000	13,258.08	19,414.68	6,156.60
72	150413420000	12,031.72	17,704.72	5,673.00
73	150413030000	54,794.36	69,437.52	14,643.16
74	150411280000	16,881.36	20,714.20	3,832.84
75	150410930000	DLNR	DLNR	N/A
76	150413010000	12,290.88	18,164.76	5,873.88
77	150411980000	35,921.56	41,161.80	5,240.24
78	150412850000	16,122.48	26,002.80	9,880.32
79	150410910000	13,896.68	21,366.44	7,469.76
80	150411030000	87,064.12	129,485.76	42,421.64

EXHIBIT A

81	150410250000	22,013.72	26,446.72	4,433.00
82	150410400000	21,396.20	25,359.24	3,963.04
83	150412620000	48,186.40	60,256.56	12,070.16
84	150412690000	35,809.96	42,623.76	6,813.80
85	150412780000	14,085.16	20,326.08	6,240.92
86	150412560000	11,935.00	17,438.12	5,503.12
87	150412770000	43,541.36	51,685.68	8,144.32
88	150413390000	12,515.32	16,691.64	4,176.32
89	150412600000	69,299.88	94,289.60	24,989.72
90	150412750000	68,940.28	94,280.92	25,340.64
91	150411540000	27,076.64	31,109.12	4,032.48
92	150412700000	28,155.44	35,899.24	7,743.80
93	150412710000	31,035.96	40,060.68	9,024.72
94	150412720000	19,682.52	33,534.56	13,852.04
95	150411780000	46,714.52	59,151.72	12,437.20
96	150413150000	29,963.36	40,422.76	10,459.40
97	150411070000	52,471.84	80,110.20	27,638.36
98	150410340000	28,578.28	37,627.80	9,049.52
99	150413260000	28,208.76	40,758.80	12,550.04
100	150411530000	24,811.16	32,830.24	8,019.08
101	150410660000	20,665.84	31,978.36	11,312.52
102	150411570000	61,748.28	74,556.24	12,807.96
103	150412730000	29,714.12	39,506.40	9,792.28
104	150412990000	16,592.44	24,098.16	7,505.72
105	150412610000	22,974.72	28,129.40	5,154.68
106	150413400000	23,351.68	31,224.44	7,872.76
107	150413410000	14,185.60	21,104.80	6,919.20
108	150412740000	26,894.36	37,777.84	10,883.48
109	150410830000	26,314.04	34,925.84	8,611.80
110	150411720000	18,705.40	26,543.44	7,838.04
111	150413250000	40,158.64	49,888.92	9,730.28
112	150413190000	18,177.16	25,444.80	7,267.64
113	150410770000	38,019.64	55,362.28	17,342.64

EXHIBIT A