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**TESTIMONY OF MURRAY TOWILL
PRESIDENT
HAWAI'I HOTEL & LODGING ASSOCIATION
WRITTEN ONLY
March 4, 2009**

RE: Bill 11 Relating to Real Property Tax Incentives for New Construction

Good morning Chairman Garcia and members of the Honolulu City Council's Budget Committee. I am Murray Towill, President of the Hawai'i Hotel & Lodging Association.

The Hawai'i Hotel & Lodging Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 170 hotels representing over 47,300 rooms. Our hotel members range from the 2,523 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawai'i Hotel & Lodging Association supports Bill 11 Relating to Real Property Tax Incentives for New Construction. This bill would be an incentive for private sector investment and construction. This sort of incentive is especially critical at this time as we see falling construction activity and employment. When a similar ordinance was passed in 1999, it helped stimulate construction activity.

A very important feature of this bill is that it would not reduce the revenue flow to the City. This bill would provide temporary tax relief only on the value of any new construction. The tax revenue to the City would continue as if no new construction had taken place. At the end of the exemption period, the City would be collecting real property tax on the new higher value.

We believe this bill is important because it would provide an incentive for private sector investment and would help put people to work.

Mahalo for this opportunity to provide testimony.