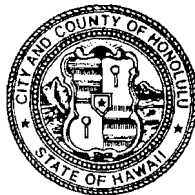


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

February 7, 2006

The Honorable David Ige, Chair
and Members
Committee on Intergovernmental Affairs
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Ige and Members:

Re: Senate Bill No. 2397
Relating to Impact Fees

The Department of Planning and Permitting can support Senate Bill No.2397, with revisions.

This bill clarifies that the county may collect impact fees on behalf of the state. Since 2002, the City has been collecting impact fees for state highway projects in Ewa, and we believe the partnership has been a successful one. The added language confirms our assessment of the impact fee program.

However, we are concerned that Section 3 of this bill makes optional the prerequisites under Section 46-143 for supporting an impact fee program, and would not withstand judicial scrutiny.

Finally, Section 4 of the bill should be deleted. The purpose of amending the current provision for recoupment of fees is unclear, and the proposed new subsection 5 is unnecessary.

The Honorable David Ige, Chair
and Members
Committee on Intergovernmental Affairs
February 7, 2006
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Thank you for allowing our Department the opportunity to testify about our concerns on Senate Bill No. 3039.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a large, sweeping flourish extending to the right.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:
Sb2397-k.doc