HOUSE CONCURRENT RESOLUTION

REQUESTING A COST-BENEFIT STUDY TO DETERMINE WHETHER LEASING INCOME CAN BE MAXIMIZED FROM AIRPORT AND HARBOR SPACE THROUGH THE USE OF RETAIL LEASING AGENTS.

WHEREAS, House Concurrent Resolution No. 76, S.D. 1, 2009, established a Task Force on Reinventing Government to examine the current operations and organization of state government and make recommendations on making state government more efficient; and

WHEREAS, the Task Force on Reinventing Government organized a Department of Transportation/Transportation Subcommittee (Subcommittee) to examine issues germane to transportation in the State; and

WHEREAS, among the recommendations of the Subcommittee was to maximize leasing income from airport space and/or harbor space with the possible help of retail leasing agents; and

WHEREAS, the finding of the Subcommittee, as included in the Report of the Task Force on Reinventing Government, stated:

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"The Subcommittee finds that while the DOT [Department of Transportation] recently has taken a more proactive stance in this regard than in the past, there may be further opportunities to improve rental revenues from retail spaces at airports and harbors. By applying expertise from retail developers, and considering how operations might be modified to enhance the value of retail space (without compromising operating objectives), more rental revenues may be achieved. In some cases presently, rents are structured in ways that encourage counterproductive outcomes. To obtain more specialized expertise and sensibility with respect to retail

leasing, the DOT should explore engaging an outside leasing agent to handle the leasing of certain spaces."; and

WHEREAS, the Legislature believes that the Department of Transportation should maximize leasing income from airport space and/or harbor space with the possible help of retail leasing agents, in accordance with the recommendations of the Subcommittee; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2010, the Senate concurring, that the Legislative Reference Bureau is requested to conduct a cost-benefit study, with the assistance of the Department of Transportation, to determine whether leasing income can be maximized from its airport and harbor space through the use of retail leasing agents, as recommended by the Subcommittee; and

BE IT FURTHER RESOLVED that the study include but not be limited to:

 A determination of how airport and harbor space is currently being leased;

(2) An identification of the current resources and costs, such as personnel, support facilities, and marketing, among other things, that are being used for or are dedicated to leasing airport and harbor space; and

(3) An estimate of the amount of costs and savings if the leasing function of airport or harbor space, or both, were to be undertaken by leasing agents on contracted with the Department of Transportation for that purpose; and

 BE IT FURTHER RESOLVED the Legislative Reference Bureau report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of the

Legislative Reference Bureau, the Department of Transportation, and the Chair of the Task Force on Reinventing Government.

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OFFERED BY:

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