

STAND. COM. REP. NO. 2561

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 682
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Water, Land, and Housing and Judiciary and Labor, to which was referred S.B. No. 682 entitled:

"A BILL FOR AN ACT RELATING TO KAKAAKO,"

beg leave to report as follows:

The purpose and intent of this measure is to increase the reserved housing requirement for developments in the mauka area of the Kakaako Community Development District.

Prior to the hearing, your Committees posted a proposed S.D. 1 of this measure that deletes the language relating to reserved housing requirements for developments in the mauka area of the Kakaako Community Development District and adds language that removes the residential development restriction from two lots in the makai area of the Kakaako Community Development District; provided that at least twenty percent of the units are designated for residents in low- or moderate- income ranges. The proposed S.D. 1 also exempts those two lots from public facilities fees.

Your Committees received testimony in support of the proposed S.D. 1 from the Governor, Attorney General, and the Office of Hawaiian Affairs. Testimony in opposition to the proposed S.D. 1 was received from the Outdoor Circle and Friends of Kewalos.

Your Committees have concerns whether the transfer of approximately \$200,000,000 worth of land located in Kakaako makai to the Office of Hawaiian Affairs constitutes a reasonable settlement to the Office of Hawaiian Affairs' longstanding claims



to income and proceeds from the ceded lands. For example, your Committees note that the appraised values represented are not current and that the settlement compromises the Office of Hawaiian Affairs' self-determination by requiring the Office of Hawaiian Affairs to comply with Hawaii Community Development Authority rules, covenants, and restrictions. Your Committees further recognize that extensive soil mitigation and remediation is necessary at the former Kakaako landfill site.

Your Committees recognize the value of these properties and believe that the properties' values could be enhanced by certain entitlements that are specifically provided for in this measure. In addition, your Committees acknowledge the concerns regarding residential development in the makai area; however, are assured that the two lots are located on the mauka edge of the district and will not impact access to the ocean in any way.

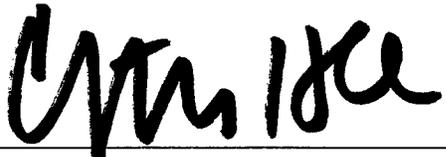
Your Committees find that a resolution of the decades-long dispute that has plagued state government and the Office of Hawaiian Affairs will have a positive impact on the Office of Hawaiian Affairs' beneficiaries and state government. The amendments in this measure will provide the Office of Hawaiian Affairs with the option to develop two parcels as residential properties and produce a steady revenue stream to fund the Office of Hawaiian Affairs' services to its beneficiaries, while creating much needed rental housing and jobs in the near future.

Your Committees are also aware that the two lots are pending legislative approval for conveyance to the Office of Hawaiian Affairs through S.B. No. 2783. Accordingly, your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by making the measure effective upon conveyance of the two lots to the Office of Hawaiian Affairs.

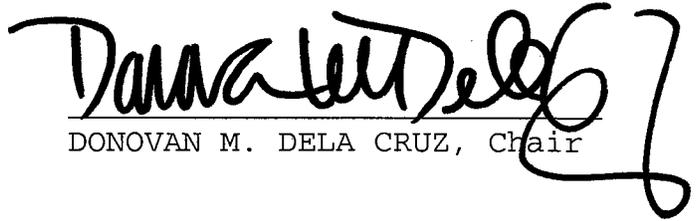
As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 682, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 682, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committees on Water, Land, and
Housing and Judiciary and
Labor,



CLAYTON HEE, Chair

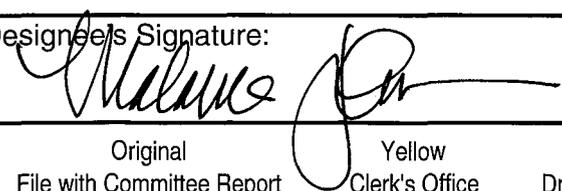


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB682 ADH	WLH/JDL	3/1/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)	✓			
FUKUNAGA, Carol			✓	
RYAN, Pohai	✓			
SHIMABUKURO, Maile	✓			
TOKUDA, Jill N.				✓
SLOM, Sam			✓	
TOTAL	4		2	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

