

1 "PART . PUBLIC LANDS REDEVELOPMENT

2 §171-A Findings; purpose. (a) The legislature finds
3 that:

4 (1) Because of the policies guiding the management of
5 public lands with commercial, industrial, hotel, and
6 resort uses, there has been little incentive for the
7 lessees of those properties to make major investments
8 in improvements to their infrastructure, resulting in
9 the deterioration of infrastructure and facilities;

10 (2) The lack of improvement to property in many of these
11 areas has resulted in dilapidation, deterioration,
12 age, or obsolescence of the buildings and structures
13 in those areas; and

14 (3) The department has the responsibility of planning for
15 the disposition of commercial, industrial, hotel, and
16 resort classes of public lands to determine:

- 17 (A) Specific use or uses;
- 18 (B) Minimum size of parcels;
- 19 (C) Required building construction or improvements;

20 and

21 (D) Lease terms and requirements.



1 (b) The purpose of this part is to authorize the
2 designation of areas or regions of public lands classified as
3 commercial, industrial, hotel, and resort, and the establishment
4 and implementation of guidelines for the redevelopment of the
5 areas or regions that will:

6 (1) Define the policies for the management of public lands
7 in the designated area;

8 (2) Establish a plan for the designated area, including
9 district-wide improvements, that is coordinated with
10 state and county land use and planning policies; and

11 (3) Implement asset and property management concepts that
12 can optimize income from the properties and evolve in
13 response to changing principles of property
14 administration.

15 (c) The legislature finds that the rejuvenation of areas
16 of public lands that have become dilapidated, obsolete, or have
17 deteriorated over time is in the public interest and constitutes
18 a valid public purpose.

19 **§171-B Definitions.** As used in this part:



1 "Planning committee" or "committee" means the policy-making
2 committee established for a redevelopment district pursuant to
3 section 171-D.

4 "Public facilities" include streets and highways, storm
5 drainage systems, water systems, street lighting systems, off-
6 street parking facilities, and sanitary sewerage systems.

7 "Redevelopment district" or "designated district" means an
8 area of public lands designated for redevelopment pursuant to
9 section 171-C.

10 **§171-C Designation of redevelopment district; boundaries.**

11 (a) The legislature shall designate redevelopment districts by
12 statute for any area of public lands designated as an industrial
13 park pursuant to section 171-132 or classified as commercial,
14 industrial, hotel, or resort use pursuant to section 171-10 if
15 the legislature determines that there is a need for planning,
16 development, or redevelopment because the buildings and infra-
17 structures in the area are dilapidated or have deteriorated due
18 to age or obsolescence.

19 (b) The designation shall describe the boundaries of the
20 redevelopment district.



1 §171-D Planning committee; district administrator; repeal.

2 (a) Upon the designation of a redevelopment district pursuant
3 to section 171-C, a planning committee for the designated
4 district shall be established and placed in the department for
5 administrative purposes.

6 (b) The committee shall be a policy-making committee for
7 the designated district and shall consist of nine members. The
8 members shall consist of:

9 (1) The chairperson of the board of land and natural
10 resources and the director of planning of the county
11 in which the designated district is located, or their
12 designated representatives, who shall be ex officio,
13 voting members of the committee; and

14 (2) Seven public, voting members appointed by the governor
15 pursuant to section 26-34; provided that of the
16 members appointed pursuant to this paragraph:

17 (A) Three members shall be selected from a list of
18 six names submitted by the president of the
19 senate and speaker of the house of
20 representatives in collaboration with the



- 1 legislators from the county in which the
2 designated district is located;
- 3 (B) Seven members shall be selected on the basis of
4 their knowledge, experience, and expertise in:
- 5 (i) Management of small or large businesses;
6 (ii) Economics, banking, investment, or finance;
7 (iii) Real estate development;
8 (iv) Real estate management;
9 (v) Marketing; or
10 (vi) Hotel and resort management; and
- 11 (C) Four members shall be residents of the county in
12 which the designated district is located, and
13 three members shall be residents of the State.
- 14 (c) The committee shall elect its chairperson from among
15 its public, voting members.
- 16 (d) The members of the committee shall serve without
17 compensation but shall be reimbursed for reasonable expenses,
18 including travel expenses, incurred in the performance of their
19 duties.
- 20 (e) The committee shall appoint a district administrator,
21 who shall be the chief executive officer for the designated



1 district. The district administrator shall have experience and
2 expertise in engineering, planning, architecture, real estate,
3 or law. The committee shall set the district administrator's
4 duties, responsibilities, holidays, vacations, leaves, hours of
5 work, and working conditions. The committee shall set the
6 salary of the district administrator, who shall serve at the
7 pleasure of the committee and shall be exempt from chapter 76.

8 (f) The committee shall be dissolved on June 30 of the
9 tenth year following the effective date of the Act establishing
10 the designated district.

11 **§171-E Planning committee; powers and duties; generally.**

12 The committee shall have the powers and duties related to its
13 functions in the designated district that are delegated to the
14 committee by the board. In addition, the committee may:

15 (1) Through its district administrator, appoint staff and
16 employees, prescribe their duties and qualifications,
17 and fix their salaries, without regard to chapter 76;

18 (2) Through its district administrator, allocate space or
19 spaces that are to be occupied by the committee and
20 appropriate staff, and purchase necessary supplies,
21 equipment, or furniture;



- 1 (3) Prepare a redevelopment plan for the designated
2 district;
- 3 (4) Notwithstanding any other law to the contrary, renew
4 or renegotiate any lease in connection with any
5 project contained in the redevelopment plan for the
6 designated district, on terms and conditions as the
7 committee deems advisable;
- 8 (5) Prepare or cause to be prepared plans, design
9 criteria, landscaping, and estimates of costs for the
10 construction, rehabilitation, or repair of any project
11 contained in the redevelopment plan for the designated
12 district, and from time to time modify the plans or
13 estimates;
- 14 (6) Conduct studies in conjunction with county and state
15 agencies necessary to determine the appropriate
16 activities for redevelopment in the designated
17 district;
- 18 (7) Reduce or waive the lease rental on any lease of
19 public land for any project in the designated district
20 that requires substantial improvements; provided that



1 the reduction or waiver shall not exceed one year in
2 duration;

3 (8) Make and execute all contracts and instruments that
4 are necessary for the exercise of the committee's
5 powers and functions relating to the designated
6 district, including the engaging of the services of
7 consultants for the rendering of professional and
8 technical assistance and advice;

9 (9) Enter into a redevelopment agreement with a developer
10 or developers for any project contained in the
11 redevelopment plan; provided that the redevelopment
12 agreement shall contain:

13 (A) The location, area, and size of the parcel to be
14 redeveloped;

15 (B) The use or uses of the parcel in conformance with
16 the redevelopment plan and applicable state and
17 county laws and ordinances;

18 (C) The period of time for the construction and
19 completion of the redevelopment; and

20 (D) Other terms and conditions that the committee
21 deems necessary;



1 (10) Work closely and communicate with the county
2 government to coordinate the execution of the
3 designated district's planning, incremental projects,
4 work schedules, public works, and budget; and

5 (11) Do any and all things necessary to carry out the
6 committee's purposes and exercise the powers
7 established pursuant to this part.

8 **§171-F District redevelopment plan.** (a) The committee
9 shall prepare a redevelopment plan for the designated district,
10 including district development policies, the district
11 improvement program, necessary public facilities, and the
12 development guidelines and rules for the designated district.
13 In carrying out its planning activities, the committee shall
14 comply with applicable state and county statutes, ordinances,
15 and rules.

16 (b) The committee shall prepare a redevelopment plan for
17 the designated district that:

18 (1) Establishes, if applicable, areas principally for:

19 (A) Commercial activities;



- 1 (B) Processing, construction, manufacturing,
2 transportation, wholesaling, storage and similar
3 industrial activities;
- 4 (C) Resort and hotel activities, including uses that
5 provide facilities and services for visitors; or
- 6 (D) Public facilities and recreational facilities;
7 with detailed standards for height, bulk, size,
8 and location of buildings;
- 9 (2) Includes a district-wide improvement program for
10 necessary district-wide public facilities within the
11 designated district;
- 12 (3) Includes plans, specifications, and estimates of the
13 costs for the development, construction,
14 reconstruction, or improvement of any project in the
15 designated district; provided that the committee may
16 from time to time modify the plans, specifications, or
17 estimates;
- 18 (4) If possible, identifies specific uses for areas in the
19 designated district and the required parceling of land
20 into minimum size areas related to the specific uses;



1 (5) Determines the lease rental that should be established
2 for the specific uses and the terms and conditions of
3 the leases; and

4 (6) Establishes interim development controls to be
5 implemented during the transition to the execution of
6 the provisions of the redevelopment plan, such as
7 recommending the holdover of a lessee pursuant to
8 section 171-40 or issuance of permits pursuant to
9 section 171-55 to existing lessees upon the expiration
10 of their lease terms.

11 (c) The district redevelopment plan may provide for the
12 withdrawal or taking for public purposes of the public land or
13 portion of the public land under a lease. The rental shall be
14 reduced in proportion to the value of the portion of the
15 premises condemned, and the lessee shall be entitled to receive
16 the proportionate value of the permanent improvements legally
17 made to or constructed upon the land by the lessee taken in the
18 proportion that it bears to the unexpired term of the lease.

19 (d) The committee shall hold a public hearing on a
20 proposed redevelopment plan for the designated district, and



1 shall consider the comments received and incorporate any
2 revisions to the plan that may be necessary.

3 (e) Two years after the date it is established, the
4 committee shall submit a report to the board with the
5 redevelopment plan recommended by the committee along with
6 recommendations for appropriations by the legislature, the
7 authorization of bonds, or both, to implement the redevelopment
8 plan in a timely manner. The board shall submit the report to
9 the governor and the legislature, not later than twenty days
10 prior to the convening of the 2020 regular session, with a
11 request for the required appropriations, bond authorization, or
12 both.

13 (f) The designated district redevelopment plan shall
14 supersede all other inconsistent ordinances and rules relating
15 to the use, planning, development, and construction on public
16 land in the designated district.

17 **§171-G Designated redevelopment district revolving fund.**

18 (a) A separate revolving fund shall be established for each
19 redevelopment district designated pursuant to section 171-C,
20 into which shall be deposited:



- 1 (1) Fifty per cent of the revenues, income, and receipts
- 2 of the department from the public lands in the
- 3 designated district, notwithstanding section 171-19;
- 4 (2) Moneys appropriated by the legislature to the
- 5 revolving fund; and
- 6 (3) Any gifts, grants, and other funds accepted by the
- 7 department.

8 Each revolving fund shall bear the name used by the legislature
9 in designating the redevelopment district.

10 (b) Moneys in the designated redevelopment district
11 revolving fund shall be used in the designated district for the
12 purposes of this part; provided that no expenditure shall be
13 made from the fund and no obligation shall be incurred against
14 the fund in excess of the amount standing to the credit of the
15 fund."

16 SECTION 3. Section 171-1, Hawaii Revised Statutes, is
17 amended by amending the definition of "public purpose" to read
18 as follows:

19 ""Public purpose", as used in this chapter, unless the
20 context clearly indicates otherwise, includes but shall not be
21 limited to all public uses, the straightening of boundaries of



1 public lands, acquisition of access to landlocked public lands,
2 the consolidation of the holdings of public lands, development
3 of houselots, farmlots, [~~and~~] industrial parks[-], and the
4 redevelopment of public lands pursuant to part ."

5 SECTION 4. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2017-2018 and
8 the same sum or so much thereof as may be necessary for fiscal
9 year 2018-2019 to carry out the purposes of this part.

10 The sums appropriated shall be expended by the department
11 of land and natural resources for the purposes of this part.

12 **PART II**

13 SECTION 5. The legislature finds that:

- 14 (1) The Waiakea peninsula of the island of Hawaii contains
15 approximately eighty-five per cent of the overnight
16 visitor accommodations in east Hawaii county;
- 17 (2) The State owns a large part of the Waiakea peninsula
18 area;
- 19 (3) There has been little incentive for the lessees of the
20 properties in the area to make major investments in
21 improvements to their infrastructure, resulting in the



1 deterioration of the area's infrastructure and
2 facilities; and

3 (4) The State has a responsibility to ensure that the
4 Waiakea peninsula area does not deteriorate and have a
5 harmful impact on the economy of the community as a
6 whole.

7 The public lands in the area present an opportunity for the
8 revitalization and redevelopment of a district where hotel and
9 resort, commercial, and public uses may coexist compatibly
10 within the same area.

11 SECTION 6. The legislature designates the public lands on
12 the Waiakea peninsula on the island of Hawaii as the Waiakea
13 peninsula redevelopment district.

14 SECTION 7. The Waiakea peninsula redevelopment district
15 shall include the area bounded by the shoreline from the
16 intersection of Lihiwai street and Kamehameha avenue; Kamehameha
17 avenue to its intersection with Kalaniana'ole avenue;
18 Kalaniana'ole avenue to its intersection with Banyan way; Banyan
19 way from its intersection with Kalaniana'ole avenue to its
20 intersection with Banyan drive; from the intersection of Banyan
21 way and Banyan drive to the shoreline; the shoreline around the



1 Waiakea peninsula, including Mokuola island, to the intersection
2 of Lihikai street and Kamehameha avenue.

3 SECTION 8. There is established a Waiakea peninsula
4 redevelopment district planning committee. The committee shall
5 be appointed as provided in section 171-D, Hawaii Revised
6 Statutes, established by part I of this Act, and shall exercise
7 the powers and duties in the designated district as authorized
8 by chapter 171, part , Hawaii Revised Statutes, established
9 by part I of this Act.

10 SECTION 9. There is established the Waiakea peninsula
11 redevelopment district revolving fund, into which shall be
12 deposited:

- 13 (1) Fifty per cent of the revenues, income, and receipts
14 from the public lands in the Waiakea peninsula
15 redevelopment district;
- 16 (2) Moneys appropriated by the legislature to the
17 revolving fund; and
- 18 (3) Any gifts, grants, and other funds accepted by the
19 Waiakea peninsula redevelopment district planning
20 committee.



1 The moneys in the revolving fund shall be used in the
2 Waiakea peninsula redevelopment district for the purposes
3 described in chapter 171, part , Hawaii Revised Statutes,
4 established by part I of this Act.

5 SECTION 10. Upon the repeal of this part, all leases,
6 contracts, agreements, permits, or other documents executed or
7 entered into, by or on behalf of the Waiakea peninsula
8 redevelopment district planning committee shall remain in full
9 force and effect and shall be administered by the department of
10 land and natural resources.

11 SECTION 11. Upon the repeal of this part, all
12 appropriations, records, equipment, machines, files, supplies,
13 contracts, books, papers, documents, maps, and other personal
14 property held by the Waiakea peninsula redevelopment district
15 planning committee shall be transferred to the department of
16 land and natural resources, and moneys remaining in the Waiakea
17 peninsula redevelopment district revolving fund shall be
18 transferred to the special land and development fund.

19 SECTION 12. In codifying the new part added by section 2
20 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 13. If any provision of this Act, or the
4 application thereof to any person or circumstance, is held
5 invalid, the invalidity does not affect other provisions or
6 applications of the Act that can be given effect without the
7 invalid provision or application, and to this end the provisions
8 of this Act are severable.

9 SECTION 14. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 **PART III**

12 SECTION 15. This Act shall take effect on July 1, 2117;
13 provided that part II shall be repealed on June 30, 2027.

14



Report Title:

Public Lands; Redevelopment; Redevelopment Districts; Boundaries; Planning Committees; Powers and Duties; District Redevelopment Plans; Designated Redevelopment District Revolving Funds; Establishment; Lease Restrictions; Appropriations; Waiakea Peninsula Redevelopment District, Planning Committee and Revolving Fund

Description:

Establishes procedures for designating public land redevelopment districts, planning committees, district redevelopment plans, and designated redevelopment district revolving funds. Establishes powers and duties of planning committees. Modifies public land lease restrictions. Appropriates funds. Establishes the Waiakea Peninsula Redevelopment District, Planning Committee, and Revolving Fund until 6/30/2027. Effective 7/1/2117. (SD1)

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