
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that among the classes of
3 public lands managed by the department of land and natural
4 resources are commercial, industrial, hotel, and resort lands.
5 The legislature further finds that because of restrictions
6 imposed by various land management policies, there is little
7 incentive for lessees of various parcels to make improvements to
8 the leased parcels. This has resulted in dilapidation,
9 deterioration, and obsolescence of the properties, which reduces
10 the revenue-generating potential of the parcels.

11 The purpose of this part is to identify areas of
12 commercial, industrial, resort, and hotel parcels in need of
13 revitalization and to establish guidelines for the redevelopment
14 of those parcels.

15 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
16 amended by adding a new part to be appropriately designated and
17 to read as follows:



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 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 structure 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) Each member shall possess knowledge, experience,
4 or 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) Each member shall be a resident of the State;

12 provided that four members shall be residents of

13 the county in which the designated district is

14 located.

15 (c) The committee shall elect its chairperson from among

16 its public, voting members.

17 (d) The members of the committee shall serve without

18 compensation but shall be reimbursed for reasonable expenses,

19 including travel expenses, incurred in the performance of their

20 duties.



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

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

13 **§171-E Planning committee; powers and duties; generally.**

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

- 17 (1) Through its district administrator, appoint staff and
18 employees, prescribe their duties and qualifications,
19 and fix their salaries, without regard to chapter 76;
- 20 (2) Through its district administrator, allocate space or
21 spaces that are to be occupied by the committee and



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



1 that requires substantial improvements; provided that
2 the reduction or waiver shall not exceed one year in
3 duration;

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

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

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

16 (B) The use or uses to which the parcel shall be put
17 in conformance with the redevelopment plan, and
18 with applicable state and county laws and
19 ordinances;

20 (C) The period of time for the construction and
21 completion of the redevelopment; and



1 (D) Other terms and conditions that the committee
2 deems necessary;

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

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

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

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

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

21 (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 redevelopment plan, such as recommending the
7 holdover of a lessee pursuant to section 171-40 or
8 issuance of permits pursuant to section 171-55 to
9 existing lessees upon the expiration of their lease
10 terms.

11 (c) The district redevelopment plan shall take into
12 consideration the effects the plan will have on sea level rise
13 and climate change.

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



1 (e) The committee shall hold a public hearing on a
2 proposed redevelopment plan for the designated district and
3 shall consider the comments received and incorporate any
4 revisions to the plan that may be necessary.

5 (f) No later than two years after the date the committee
6 is established, the committee shall submit a report to the board
7 with the redevelopment plan recommended by the committee along
8 with the committee's recommendations for appropriations by the
9 legislature, the authorization of bonds, or both, to implement
10 the redevelopment plan in a timely manner. The board shall
11 submit the report to the governor and the legislature, no later
12 than twenty days prior to the convening of the subsequent
13 regular session, with a request for the required appropriations,
14 bond authorization, or both.

15 **§171-G Designated redevelopment district revolving fund.**

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

19 (1) Fifty per cent of the revenues, income, and receipts
20 of the department from the public lands in the
21 designated district, notwithstanding section 171-19;



1 redevelopment of public lands pursuant to part , and
2 development of houselots, farmlots, and industrial parks."

3 PART III

4 SECTION 4. The legislature finds that:

- 5 (1) The Waiakea peninsula of the island of Hawaii contains
6 approximately eighty-five per cent of the overnight
7 visitor accommodations in east Hawaii county;
- 8 (2) The State owns a large part of the Waiakea peninsula
9 area;
- 10 (3) There has been little incentive for the lessees of the
11 properties in the area to make major investments in
12 improvements to their infrastructure, resulting in the
13 deterioration of the area's infrastructure and
14 facilities; and
- 15 (4) The State has a responsibility to ensure that the
16 Waiakea peninsula area does not deteriorate or have a
17 harmful impact on the economy of the community.

18 The public lands in the area present an opportunity for the
19 revitalization and redevelopment of a district where hotel and
20 resort, commercial, and public uses may compatibly coexist.



1 SECTION 5. The legislature designates the public lands on
2 the Waiakea peninsula on the island of Hawaii as the Waiakea
3 peninsula redevelopment district.

4 SECTION 6. The Waiakea peninsula redevelopment district
5 shall include the area bounded by the shoreline from the
6 intersection of Lihiwai street and Kamehameha avenue; Kamehameha
7 avenue to its intersection with Kalaniana'ole avenue;
8 Kalaniana'ole avenue to its intersection with Banyan way; Banyan
9 way from its intersection with Kalaniana'ole avenue to its
10 intersection with Banyan drive; from the intersection of Banyan
11 way and Banyan drive to the shoreline; the shoreline around the
12 Waiakea peninsula, including Mokuola island, to the intersection
13 of Lihiwai street and Kamehameha avenue.

14 SECTION 7. There is established a Waiakea peninsula
15 redevelopment district planning committee. The committee shall
16 be appointed as provided in part of chapter 171, Hawaii
17 Revised Statutes, established by part I of this Act, and shall
18 exercise the powers and duties in the designated district as
19 authorized therein.



1 SECTION 8. There is established the Waiakea peninsula
2 redevelopment district revolving fund, into which shall be
3 deposited:

4 (1) Fifty per cent of the revenues, income, and receipts
5 from the public lands in the Waiakea peninsula
6 redevelopment district;

7 (2) Moneys appropriated by the legislature to the
8 revolving fund; and

9 (3) Any gifts, grants, and other funds accepted by the
10 department of land and natural resources on behalf of
11 the Waiakea peninsula redevelopment district planning
12 committee.

13 The moneys in the revolving fund shall be used in the
14 Waiakea peninsula redevelopment district for the purposes
15 described in part of chapter 171, Hawaii Revised Statutes,
16 established by part I of this Act.

17 SECTION 9. Upon the repeal of this part, all leases,
18 contracts, agreements, permits, or other documents executed or
19 entered into, by or on behalf of the Waiakea peninsula
20 redevelopment district planning committee shall remain in full



1 force and effect and shall be administered by the department of
2 land and natural resources.

3 SECTION 10. Upon the repeal of this part, all
4 appropriations, records, equipment, machines, files, supplies,
5 contracts, books, papers, documents, maps, and other personal
6 property held by the Waiakea peninsula redevelopment district
7 planning committee shall be transferred to the department of
8 land and natural resources, and moneys remaining in the Waiakea
9 peninsula redevelopment district revolving fund shall be
10 transferred to the special land and development fund established
11 pursuant to section 171-19, Hawaii Revised Statutes.

12 PART IV

13 SECTION 11. In codifying the new part added by section 2
14 of this Act, the revisor of statutes shall substitute
15 appropriate section numbers for the letters used in designating
16 the new sections in this Act.

17 SECTION 12. If any provision of this Act, or the
18 application thereof to any person or circumstance, is held
19 invalid, the invalidity does not affect other provisions or
20 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 13. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 14. This Act shall take effect on July 1, 2050;
6 provided that part III shall be repealed June 30, 2028.



Report Title:

Public Lands; Redevelopment; Redevelopment Districts; Boundaries; Planning Committees; Powers and Duties; District Redevelopment Plans; Designated Redevelopment District Revolving Funds; Establishment; Lease Restrictions; Special Land and Development Fund; Waiakea Peninsula Redevelopment District; Appropriation

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. Appropriates funds. Establishes the Waiakea peninsula redevelopment district, planning committee, and revolving fund until 6/30/2028. Effective 7/1/2050. (SD2)

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