
A BILL FOR AN ACT

RELATING TO GOVERNMENT OPERATIONS.

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

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PART I

SECTION 1. The legislature finds that the effective, efficient, and appropriate development and redevelopment of state lands is an important priority, both for the purposes of economic development and for the creation of new facilities that are of benefit to the public. However, at present, expertise with land development is scattered around state government. The office of planning and sustainable development and the Hawaii state energy office are a part of the department of business, economic development, and tourism, and the Hawaii green infrastructure authority is administratively attached to that department. The State's two real estate development agencies, the Hawaii housing finance and development corporation and the Hawaii community development authority are also administratively attached to that department. The director of the office of planning and sustainable development and the executive director of the Hawaii housing finance and development corporation are



1 the co-chairs of the Hawaii interagency council for transit-
2 oriented development. The Hawaii technology development
3 corporation is administratively attached to the department of
4 business, economic development, and tourism and has recently
5 become responsible for the development of the first responders
6 campus on Oahu. The Hawaii tourism authority is also
7 administratively attached to the department of business,
8 economic development, and tourism and is considering
9 redeveloping all or a part of the Hawaii convention center.

10 However, the stadium authority is currently attached to the
11 department of accounting and general services and is responsible
12 for the construction of a new stadium and the development of the
13 area surrounding the stadium, which includes more than seventy
14 acres, is adjacent to the new Honolulu rail line, and is
15 currently used as a parking lot. Similarly, the school facility
16 authority is currently attached to the department of education
17 and is responsible for the development and redevelopment of
18 school facilities and related state lands including potential
19 mixed-use developments.

20 Consolidating the State's land development functions within
21 the department of business, economic development, and tourism



1 would centralize the State's land development expertise and
2 thereby more efficiently use the State's limited financial
3 resources and personnel.

4 Accordingly, the purpose of this Act is to improve the
5 operation of state government by:

6 (1) Restoring the director of business, economic
7 development, and tourism to the board of directors of
8 the Hawaii tourism authority as an ex officio voting
9 member; and

10 (2) Transferring the stadium authority and the school
11 facilities authority to the department of business,
12 economic development, and tourism.

13 PART II

14 SECTION 2. The purpose of this part is to add the director
15 of business, economic development, and tourism to the board of
16 the Hawaii tourism authority as an ex officio voting member.

17 SECTION 3. Section 201B-2, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) The authority shall be headed by a policy-making
20 board of directors that shall consist of twelve members;
21 provided that:



- 1 (1) The members shall be appointed by the governor as
2 provided in section 26-34, except as provided by this
3 section;
- 4 (2) The members shall include at least one representative
5 each from the city and county of Honolulu and the
6 counties of Hawaii, Kauai, and Maui;
- 7 (3) Three members shall be appointed by the governor from
8 a list of three names submitted for each appointment
9 by the president of the senate, and three members
10 shall be appointed by the governor from a list of
11 three names submitted for each appointment by the
12 speaker of the house of representatives; provided that
13 if fewer than three names are submitted for each
14 appointment, the governor may disregard the list;
- 15 (4) At least six members shall have knowledge, experience,
16 and expertise in the area of accommodations,
17 transportation, retail, entertainment, or attractions,
18 and at least one member appointed by the governor
19 shall have knowledge, experience, and expertise in the
20 area of Hawaiian cultural practices; provided that no
21 more than three members shall represent, be employed



1 by, or be under contract to any sector of the industry
2 represented on the board;

3 (5) One member shall be the director of business, economic
4 development, and tourism, or the director's designee,
5 who shall be an ex officio voting member;

6 [~~+5~~] (6) The governor shall make appointments to ensure
7 the fulfillment of all requirements of paragraphs (2)
8 and (4); provided that upon the occurrence of a
9 vacancy subject to paragraph (3), the governor shall
10 notify the president of the senate and the speaker of
11 the house of representatives of any unfulfilled
12 requirements pursuant to paragraphs (2) and (4), and
13 the president of the senate or the speaker of the
14 house of representatives, as appropriate, shall submit
15 nominees who fulfill those requirements; and

16 [~~+6~~] (7) No person who has served as a member of the board
17 of directors of the Hawaii Visitors and Convention
18 Bureau shall be eligible to sit as a member of the
19 board of directors of the Hawaii tourism authority
20 until at least two years have expired between the
21 person's termination from service on the Hawaii



1 Of the eleven members:

2 (1) One member shall be a resident of one of the following
3 areas:

4 (A) Excluding Ford Island, the area beginning at the
5 intersection of the shoreline and Admiral Clarey
6 (Ford Island) Bridge and running:

7 (i) Easterly along said bridge to Salt Lake
8 boulevard;

9 (ii) Southeasterly along said boulevard to
10 Luapele drive;

11 (iii) Westerly along said drive to Fleet place;

12 (iv) Westerly along said place to Ulihi street;

13 (v) Southwesterly along said street to Luapele
14 road;

15 (vi) Westerly along said road to Ulihi road;

16 (vii) Westerly along said road to Makalapa drive;

17 (viii) Southwesterly along said drive to Halawa
18 drive;

19 (ix) Northwesterly along said drive to Kamehameha
20 highway;



- 1 (x) Northerly along said highway to Halawa
- 2 stream;
- 3 (xi) Westerly along said stream to the shoreline;
- 4 and
- 5 (xii) Northerly along said shoreline to its
- 6 intersection with Admiral Clarey (Ford
- 7 Island) Bridge;
- 8 (B) The area beginning at the intersection of Kaonohi
- 9 street and H-1 freeway and running:
- 10 (i) Southeasterly along said freeway to the
- 11 Moanalua freeway - Kamehameha highway
- 12 connector;
- 13 (ii) Northwesterly along said highway connector
- 14 to Kamehameha highway;
- 15 (iii) Northwesterly along said highway to Aiea
- 16 stream;
- 17 (iv) Southerly along said stream to the
- 18 shoreline;
- 19 (v) Northwesterly along said shoreline to
- 20 Kalauao stream;



- 1 (vi) Northeasterly along said stream to
- 2 Kamehameha highway;
- 3 (vii) Northwesterly along said highway to Kaonohi
- 4 street; and
- 5 (viii) Northeasterly along said street to its
- 6 intersection with H-1 freeway; or
- 7 (C) The area beginning at the intersection of Waimalu
- 8 stream and Koolau ridge and running:
- 9 (i) Southeasterly along said ridge to
- 10 Ewa-Honolulu district boundary;
- 11 (ii) Southwesterly along said boundary to Red
- 12 Hill Naval Reservation boundary;
- 13 (iii) Southwesterly along said boundary to Tampa
- 14 drive;
- 15 (iv) Westerly along said drive to the unnamed
- 16 road;
- 17 (v) Northerly along said road to Icarus way;
- 18 (vi) Westerly along said way to the unnamed road;
- 19 (vii) Southwesterly along said road to Moanalua
- 20 freeway (H-201);
- 21 (viii) Westerly along said freeway to H-1 freeway;



- 1 (ix) Northwesterly along said freeway to Kaonohi
2 street;
- 3 (x) Southwesterly along said street to Moanalua
4 road;
- 5 (xi) Westerly along said road to Kaahumanu
6 street;
- 7 (xii) Northerly along said street to Komo Mai
8 drive;
- 9 (xiii) Easterly along said drive to Punanani gulch;
10 (xiv) Northeasterly along said gulch to the
11 powerline;
- 12 (xv) Southeasterly along said powerline to
13 Waimalu stream;
- 14 (xvi) Northeasterly along said stream to Aiea
15 stream;
- 16 (xvii) Easterly along said stream to Waimalu
17 stream; and
- 18 (xviii) Southeasterly along said stream to its
19 intersection with Koolau ridge; and



- 1 (2) One member shall be from the area beginning at the
2 intersection of H-1 freeway and Moanalua freeway
3 (H-201) and running:
- 4 (A) Southeasterly along said freeway to Aliamanu
5 Military Reservation southern boundary;
 - 6 (B) Westerly along said boundary to Wanaka street;
 - 7 (C) Southwesterly along said street to Likini street;
 - 8 (D) Northwesterly along said street to Ukana street;
 - 9 (E) Southwesterly along said street to Keaka drive;
 - 10 (F) Northwesterly along said drive to Manuwa drive;
 - 11 (G) Southeasterly along said drive to Pakini street;
 - 12 (H) Southwesterly along said street to Keaka drive;
 - 13 (I) Southerly along said drive to Puolo drive;
 - 14 (J) Westerly along said drive to Likini street;
 - 15 (K) Southerly along said street to Maluna street;
 - 16 (L) Westerly along said street to Salt Lake
17 boulevard;
 - 18 (M) Southeasterly along said boulevard to the former
19 street entrance to U.S. Naval Reservation;
 - 20 (N) Southwesterly along said feature to Reeves loop;
 - 21 (O) Southwesterly along said loop to Radford drive;



- 1 (P) Westerly along said drive to H-1 freeway; and
2 (Q) Northerly along said freeway to its intersection
3 with Moanalua freeway (H-201).

4 Each public member of the authority shall have been a citizen of
5 the United States and a resident of the State for at least five
6 years next preceding the member's appointment. The eleven
7 members shall include the director of business, economic
8 development, and tourism or the director's designee, who shall
9 be an ex officio voting member. The eleven members shall also
10 include the president of the University of Hawaii, and the
11 superintendent of education, or their designees, who shall be ex
12 officio members of the authority but shall not vote."

13 SECTION 7. Section 206E-221, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[+]§206E-221[+] Stadium development district; purpose;
16 findings. The legislature finds that the aloha stadium and
17 lands under the jurisdiction of the stadium authority and
18 department of [~~accounting and general services~~] business,
19 economic development, and tourism are underutilized. The
20 stadium facility has been in dire need of significant repair and
21 maintenance for many years. The stadium authority has



1 considered repairing, upgrading, and replacing the existing
2 facility to optimize the public's enjoyment and ensure public
3 safety. Redeveloping, renovating, or improving these public
4 lands in a manner that will provide suitable recreational,
5 residential, educational, and commercial areas, where the public
6 can live, congregate, recreate, attend schools, and shop, as
7 part of a thoughtfully integrated experience, is in the best
8 interests of the State and its people.

9 This part establishes the stadium development district to
10 make optimal use of public land for the economic, residential,
11 educational, and social benefit of the people of Hawaii.

12 The legislature finds that the jurisdiction of the
13 authority shall include development within the stadium
14 development district. Any development within the district shall
15 require a permit from the authority."

16 SECTION 8. Section 206E-224, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§206E-224 Development guidance policies.** The following
19 shall be the development guidance policies generally governing
20 the authority's actions in the district:



- 1 (1) Development shall be in accordance with stadium
2 development district development plans [~~or transit-~~
3 ~~oriented development plans~~] adopted by the stadium
4 authority for the development of the district;
5 provided that the plan or plans shall consider any
6 county [~~transit-oriented~~] development plan and allow
7 for public input in the plan's preparation and
8 updates;
- 9 (2) The authority, upon the concurrence of a majority of
10 its voting members, may modify and make changes to a
11 transit-oriented development plan with respect to the
12 district to respond to changing conditions; provided
13 that before amending a transit-oriented development
14 plan, the authority shall conduct a public hearing to
15 inform the public of the proposed changes and receive
16 public input;
- 17 (3) The authority shall seek to promote economic
18 development and employment opportunities by fostering
19 diverse land uses and encouraging private sector
20 investments that use the opportunities presented by
21 the high-capacity transit corridor project consistent



1 with the needs of the public, including mixed-use
2 housing and housing in transit-oriented developments;

3 (4) The authority may engage in planning, design, and
4 construction activities within and outside the
5 district; provided that activities outside the
6 district shall relate to infrastructure development,
7 area-wide drainage improvements, roadway realignments
8 and improvements, business and industrial relocation,
9 and other activities the authority deems necessary to
10 carry out development of the district and implement
11 this part. The authority may undertake studies or
12 coordinate activities in conjunction with the county
13 and appropriate state agencies and may address
14 facility systems, industrial relocation, and other
15 activities;

16 (5) Archaeological, historic, and cultural sites shall be
17 preserved and protected in accordance with chapter 6E;

18 (6) Endangered species of flora and fauna shall be
19 preserved to the extent required by law;

20 (7) Land use and development activities within the
21 district shall be coordinated with and, to the extent



1 possible, complement existing county and state
2 policies, plans, and programs affecting the district;
3 and

4 (8) Public facilities within the district shall be
5 planned, located, and developed to support the
6 development policies established by this chapter for
7 the district and rules adopted pursuant to this
8 chapter."

9 SECTION 9. Section 206E-225, Hawaii Revised Statutes, is
10 amended to read as follows:

11 **"§206E-225 Stadium development district governance;**
12 **memorandum of agreement.** Notwithstanding sections 206E-3 and
13 206E-4.1, the stadium authority established pursuant to section
14 109-1 shall have sole jurisdiction regarding matters affecting
15 the stadium development district; provided that the Hawaii
16 community development authority[~~7~~]; department of [~~accounting~~
17 ~~and general services~~7] business, economic development, and
18 tourism; and stadium authority shall enter into a memorandum of
19 agreement regarding the implementation of responsibilities of
20 the respective agencies."



1 SECTION 10. Act 268, Session Laws of Hawaii 2019,
2 section 6, as amended by section 5 of Act 4, Session Laws of
3 Hawaii 2020, as amended by section 18 of Act 146, Session Laws
4 of Hawaii 2021, is amended to read as follows:

5 "SECTION 6. The director of finance is authorized to issue
6 general obligation bonds in the sum of [~~\$170,000,000~~]
7 \$350,000,000 or so much thereof as may be necessary and the same
8 sum or so much thereof as may be necessary is appropriated for
9 fiscal year 2019-2020 to the stadium authority for the stadium
10 development district; provided that the appropriation made for
11 the capital improvement project authorized by this section shall
12 not lapse at the end of the fiscal year for which the
13 appropriation is made; provided further that all moneys from the
14 appropriation unencumbered as of June 30, 2024, shall lapse as
15 of that date.

16 The sum appropriated shall be expended by the stadium
17 authority for the purposes of this Act."

18 SECTION 11. All rights, powers, functions, and duties of
19 the stadium authority and the department of accounting and
20 general services as they relate to the stadium authority are



1 transferred to the department of business, economic development,
2 and tourism.

3 All officers and employees whose functions are transferred
4 by this part shall be transferred with their functions and shall
5 continue to perform their regular duties upon their transfer,
6 subject to the state personnel laws and this part.

7 No officer or employee of the State having tenure shall
8 suffer any loss of salary, seniority, prior service credit,
9 vacation, sick leave, or other employee benefit or privilege as
10 a consequence of this part, and such officer or employee may be
11 transferred or appointed to a civil service position without the
12 necessity of examination; provided that the officer or employee
13 possesses the minimum qualifications for the position to which
14 transferred or appointed; and provided that subsequent changes
15 in status may be made pursuant to applicable civil service and
16 compensation laws.

17 An officer or employee of the State who does not have
18 tenure and who may be transferred or appointed to a civil
19 service position as a consequence of this part shall become a
20 civil service employee without the loss of salary, seniority,
21 prior service credit, vacation, sick leave, or other employee



1 benefits or privileges and without the necessity of examination;
2 provided that such officer or employee possesses the minimum
3 qualifications for the position to which transferred or
4 appointed.

5 If an office or position held by an officer or employee
6 having tenure is abolished, the officer or employee shall not
7 thereby be separated from public employment, but shall remain in
8 the employment of the State with the same pay and classification
9 and shall be transferred to some other office or position for
10 which the officer or employee is eligible under the personnel
11 laws of the State as determined by the head of the department or
12 the governor.

13 SECTION 12. All rules, policies, procedures, guidelines,
14 and other material adopted or developed by the stadium authority
15 or the department of accounting and general services to
16 implement provisions of the Hawaii Revised Statutes that are
17 reenacted or made applicable to the department of business,
18 economic development, and tourism by this part shall remain in
19 full force and effect until amended or repealed by the
20 department of business, economic development, and tourism
21 pursuant to chapter 91, Hawaii Revised Statutes.



1 In the interim, every reference to the stadium authority,
2 department of accounting and general services, or comptroller in
3 those rules, policies, procedures, guidelines, and other
4 material is amended to refer to the department of business,
5 economic development, and tourism or director of business,
6 economic development, and tourism, as appropriate.

7 SECTION 13. All deeds, leases, contracts, loans,
8 agreements, permits, or other documents executed or entered into
9 by or on behalf of the stadium authority or the department of
10 accounting and general services, pursuant to the provisions of
11 the Hawaii Revised Statutes, that are reenacted or made
12 applicable to the department of business, economic development,
13 and tourism by this part shall remain in full force and effect.
14 Upon the effective date of this part, every reference to the
15 stadium authority, department of accounting and general
16 services, or the comptroller therein shall be construed as a
17 reference to the department of business, economic development,
18 and tourism or the director of business, economic development,
19 and tourism, as appropriate.

20 SECTION 14. All appropriations, records, equipment,
21 machines, files, supplies, contracts, books, papers, documents,



1 maps, and other personal property heretofore made, used,
2 acquired, or held by the stadium authority or the department of
3 accounting and general services relating to the functions
4 transferred to the department of business, economic development,
5 and tourism shall be transferred with the functions to which
6 they relate.

7 PART IV

8 SECTION 15. The purpose of this part is to transfer the
9 school facilities authority from the department of education to
10 the department of business, economic development, and tourism
11 for administrative purposes.

12 SECTION 16. Section 302A-1702, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) There is established the school facilities authority,
15 which shall be a body corporate and a public instrumentality of
16 the State. The authority shall be placed within the department
17 of business, economic development, and tourism for
18 administrative purposes only."

19 SECTION 17. Section 302A-1704, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:



1 "(b) The board shall consist of five voting members. The
2 director of business, economic development, and tourism or the
3 director's designee shall be an ex officio voting member of the
4 board. The remaining four members shall:

- 5 (1) Be appointed by the governor pursuant to section
6 26-34;
- 7 (2) Have an interest in public school facilities;
- 8 (3) Include one member actively or previously engaged in
9 the construction industry for at least five years; and
- 10 (4) Serve without compensation but may be reimbursed for
11 expenses, including travel expenses, necessary for the
12 performance of their duties."

13 SECTION 18. The amendments made to section 302A-1704(b),
14 Hawaii Revised Statutes, shall apply to any vacancy of a school
15 facilities authority board of directors member that occurs on or
16 after the effective date of this Act.

17 SECTION 19. All rights, powers, functions, and duties of
18 the department of education as they relate to the school
19 facilities authority are transferred to the department of
20 business, economic development, and tourism.



1 All officers and employees whose functions are transferred
2 by this part shall be transferred with their functions and shall
3 continue to perform their regular duties upon their transfer,
4 subject to the state personnel laws and this part.

5 No officer or employee of the State having tenure shall
6 suffer any loss of salary, seniority, prior service credit,
7 vacation, sick leave, or other employee benefit or privilege as
8 a consequence of this part, and such officer or employee may be
9 transferred or appointed to a civil service position without the
10 necessity of examination; provided that the officer or employee
11 possesses the minimum qualifications for the position to which
12 transferred or appointed; and provided that subsequent changes
13 in status may be made pursuant to applicable civil service and
14 compensation laws.

15 An officer or employee of the State who does not have
16 tenure and who may be transferred or appointed to a civil
17 service position as a consequence of this part shall become a
18 civil service employee without the loss of salary, seniority,
19 prior service credit, vacation, sick leave, or other employee
20 benefits or privileges and without the necessity of examination;
21 provided that such officer or employee possesses the minimum



1 qualifications for the position to which transferred or
2 appointed.

3 If an office or position held by an officer or employee
4 having tenure is abolished, the officer or employee shall not
5 thereby be separated from public employment, but shall remain in
6 the employment of the State with the same pay and classification
7 and shall be transferred to some other office or position for
8 which the officer or employee is eligible under the personnel
9 laws of the State as determined by the head of the department or
10 the governor.

11 SECTION 20. All rules, policies, procedures, guidelines,
12 and other material adopted or developed by the department of
13 education to implement provisions of the Hawaii Revised Statutes
14 that are reenacted or made applicable to the department of
15 business, economic development, and tourism by this part shall
16 remain in full force and effect until amended or repealed by the
17 department of business, economic development, and tourism
18 pursuant to chapter 91, Hawaii Revised Statutes.

19 In the interim, every reference to the department of
20 education or superintendent in those rules, policies,
21 procedures, guidelines, and other material is amended to refer



1 to the department of business, economic development, and tourism
2 or director of business, economic development, and tourism, as
3 appropriate.

4 SECTION 21. All deeds, leases, contracts, loans,
5 agreements, permits, or other documents executed or entered into
6 by or on behalf of the department of education, pursuant to the
7 provisions of the Hawaii Revised Statutes, that are reenacted or
8 made applicable to the department of business, economic
9 development, and tourism by this part shall remain in full force
10 and effect. Upon the effective date of this part, every
11 reference to the department of education or the superintendent
12 therein shall be construed as a reference to the department of
13 business, economic development, and tourism or the director of
14 business, economic development, and tourism, as appropriate.

15 SECTION 22. All appropriations, records, equipment,
16 machines, files, supplies, contracts, books, papers, documents,
17 maps, and other personal property heretofore made, used,
18 acquired, or held by the department of education relating to the
19 functions transferred to the department of business, economic
20 development, and tourism shall be transferred with the functions
21 to which they relate.



1 PART V

2 SECTION 23. Statutory material to be repealed is bracketed
3 and stricken. New statutory material is underscored.

4 SECTION 24. This Act shall take effect on July 1, 2022.



Report Title:

DBEDT; DAGS; DOE; HTA; Stadium Authority; School Facilities Authority; Transfer

Description:

Establishes the Director of Business, Economic Development, and Tourism, or a designee of the Director, as an ex officio voting board member of the Hawaii Tourism Authority and the School Facilities Authority. Transfers the Stadium Authority and the School Facilities Authority from the Department of Accounting and General Services and Department of Education, respectively, to the Department of Business, Economic Development, and Tourism. Increases the amount of general obligation bonds that may be issued for the Stadium Development District. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

