

STAND. COM. REP. NO. 3503

Honolulu, Hawaii

MAR 24 2022

RE: H.B. No. 1788
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Water and Land and Energy, Economic Development, and Tourism, to which was referred H.B. No. 1788, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WAIAKEA PENINSULA REDEVELOPMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Waiakea Peninsula Redevelopment District and Redevelopment and Planning Committee for the redevelopment of public lands on the Waiakea peninsula;
- (2) Establish the Waiakea Peninsula Redevelopment District Revolving Fund; and
- (3) Appropriate funds.

Your Committees received testimony in support of this measure from the Hawai'i Primary Care Association. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources, League of Women Voters of Hawaii, and three individuals. Your Committees received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.



Your Committees find that the County of Hawaii has faced considerable challenges in diversifying its local economy, despite public lands on the Waiakea Peninsula holding significant potential for reasoned and strategic development due to its close proximity to hotels and sections of Hilo Bay. This measure is intended to promote redevelopment of the Waiakea Peninsula area and would establish a committee to act as the policy-making body for the redevelopment district.

Your Committees note the concerns raised in testimony that this measure, as currently written, adds unnecessary administrative burdens, designates the Waiakea Peninsula Redevelopment District on public lands and excludes important infrastructure components, and complicates the Department of Land and Natural Resources' funding sources regarding lease revenues, among other items. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committees have amended this measure by:

- (1) Substituting the Redevelopment and Planning Committee for the Waiakea Peninsula Redevelopment District with a working group to serve as an advisory body to the Board of Land and Natural Resources and to:
 - (A) Assess the challenges to and desired outcomes for redevelopment; and
 - (B) Make findings and recommendations for proposed redevelopment to the Board of Land and Natural Resources for consideration in an open meeting in accordance with chapter 92, Hawaii Revised Statutes;
- (2) Requiring the working group to consist of the following members:
 - (A) The Chairperson of the Board of Land and Natural Resources, or the Chairperson's designee;



- (B) The Administrator of the Land Division of the Department of Land and Natural Resources, or the Administrator's designee;
 - (C) The Director of the Office of Planning and Sustainability, or the Director's designee;
 - (D) The Chairperson of the Senate Committee on Water and Land, or the Chairperson's designee;
 - (E) The Chairperson of the House of Representatives Committee on Water and Land, or the Chairperson's designee; and
 - (F) The Director of Planning of the County of Hawaii, or the Director's designee;
- (3) Clarifying that the working group shall conduct its work through meetings, informational briefings, and consultation with Department of Land and Natural Resources' lessees, interested community members and organizations, and persons who have expressed an interest in redevelopment projects in the Waiakea Peninsula Redevelopment District;
- (4) Requiring the Department of Land and Natural Resources to provide any necessary administrative support to the working group;
- (5) Deleting language that would have established the powers and duties of the Redevelopment and Planning Committee;
- (6) Clarifying that the working group shall prepare, or cause to be prepared through one or more planning departments or consultants procured through the department, a redevelopment plan for the Waiakea Peninsula Redevelopment District, which may include certain criteria;
- (7) Deleting language that would have required the redevelopment plan to include areas principally for processing, construction, deconstruction, manufacturing, transportation, wholesaling, storage, and similar



industrial activities, and the required parceling of land into minimum size areas related to specific uses;

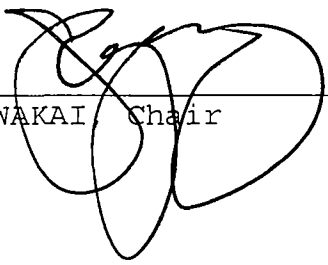
- (8) Clarifying that the Board of Land and Natural Resources may withdraw dormant or underutilized public land under existing public auction or directly negotiated leases for other priority needs or purposes under certain circumstances, which shall apply retroactively to all existing leases;
- (9) Requiring the working group to submit the redevelopment plan to the Board of Land and Natural Resources for approval and requiring the Board, rather than the Redevelopment and Planning Committee, to hold a public hearing on the proposed redevelopment plan;
- (10) Clarifying that the Board of Land and Natural Resources shall submit a preliminary report to the Legislature of its findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the Regular Session of 2024;
- (11) Deleting language that would have regulated leases renewed or reissued by the Redevelopment and Planning Committee;
- (12) Deleting language that would have established the Waiakea Peninsula Redevelopment District Revolving Fund;
- (13) Deleting Sections 3 through 7 of the measure;
- (14) Inserting language appropriating an unspecified amount of general funds to the Department of Land and Natural Resources for the establishment and operations of the Waiakea Peninsula Redevelopment District Working Group;
- (15) Deleting the repeal date of June 30, 2032;
- (16) Amending Section 1 of the measure to reflect its amended purpose; and
- (17) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.




Your Committees further note the questions raised in the hearing on this measure concerning whether the Waiakea Peninsula Redevelopment District Working Group should terminate after a certain date, or continue in perpetuity, and whether the Board of Land and Natural Resources should submit subsequent reports, or a final report in 2026, to the Legislature. Your Committees find that these issues merit further consideration and request that your Committee on Ways and Means examine those issues and concerns further.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1788, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1788, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water and Land
and Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



LORRAINE R. INOUE, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* HB 1788, HD 2	Committee Referral: WTL/EET, WAM	Date: 3/23/22
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
MISALUCHA, Bennette E.	X			
RIVIERE, Gil	X			
FEVELLA, Kurt	X			
TOTAL	5			

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes

The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1788 HD2	WTL/EET, WAM	3/23/22		
<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
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Bennette E. Mendick</div>				
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