

Honolulu, Hawaii

FEB 16 2022

RE: S.B. No. 2833
S.D. 1

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

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 2833 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Waiakea Peninsula Redevelopment District and Planning Committee for the redevelopment of public lands on the Waiakea Peninsula;
- (2) Establish the Waiakea Peninsula Redevelopment District Revolving Fund;
- (3) Make an appropriation; and
- (4) Sunset on June 30, 2032.

Your Committee received testimony in support of this measure from the Mayor of the County of Hawaii, County of Hawaii Planning Department, Hawaii Primary Care Association, and one individual. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources and League of Women Voters of Hawaii. Your Committee received comments on this



measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that the State has a fiduciary duty to manage state lands in the best interests of the public by enhancing state revenues and promoting social, environmental, and economic well-being of Hawaii's people. East Hawaii, including the notable Banyan Drive area, remains as the center of tourism for the island of Hawaii, and many improvements have not been made to infrastructure and key resources that make the region an economic hub. While the East Hawaii area includes several hotels, condominiums, restaurants, and retail buildings that comprise the economic districts, recent financial problems and closures have led to a decline in economic activities and opportunities in the area.

Your Committee also finds that the deterioration of key areas for economic growth and tourism impacts the economic, social, and community opportunities of Hawaii's people. The rejuvenation of public lands located on the Waiakea Peninsula on Hawaii island that have become dilapidated, obsolete, or have deteriorated over time is of statewide importance and constitutes a valid public purpose.

However, your Committee has heard the concerns of the Department of the Attorney General regarding Article XI, Section 5, of the Hawaii State Constitution, that this measure may be construed as special legislation. Additionally, your Committee also heard the concerns of the Department of Land and Natural Resources regarding issues over leases and jurisdiction. As the economic, social, and career opportunities resulting from the redevelopment of the Waiakea Peninsula have great benefits to the State, amendments to this measure are therefore necessary to address the concerns of the Department of the Attorney General and the Department of Land and Natural Resources.

Your Committee has amended this measure by:

- (1) Inserting findings on the Waiakea Peninsula area and how the area provides economic and social opportunities and well-being to Hawaii residents, and its role as a tourism and economic hub in East Hawaii;



- (2) Renaming the "Waiakea Planning Committee" the "Waiakea Redevelopment Planning Committee";
- (3) Limiting the powers and duties of the Planning Committee to planning and advising, and serving as an advisory committee to the Department of Land and Natural Resources;
- (4) Retaining all management of public lands, including leases, within the Waiakea Peninsula under the Department of Land and Natural Resources;
- (5) Deleting language that would have authorized the planning committee to do the following:
 - (A) Lease public lands in the Waiakea Peninsula Redevelopment District and renew or renegotiate leases in connection with any project contained in the redevelopment plan;
 - (B) Reduce or waive the lease rental on any lease of public land for any project in the Waiakea Peninsula Redevelopment District that requires substantial improvements not exceeding one year;
 - (C) Make and execute all contracts necessary for the exercise of the committee's powers and functions relating to the Waiakea Peninsula Redevelopment District;
 - (D) Enter into development agreements with a developer for any project contained in the redevelopment plan with certain provisions regarding the information on land to be developed, uses of the land, the construction timeline, and other terms and conditions; and
 - (E) Be exempt from laws regarding administrative supervision of boards and commissions;
- (6) Deleting language specifying the rental calculation for public takings under the redevelopment plan;




- (7) Requiring the redevelopment plan to be submitted and adopted by the Board of Land and Natural Resources;
- (8) Requiring the Board of Land and Natural Resources to render a decision on any proposals submitted following the adoption of the redevelopment plan within one year of the submission date or proposals shall be deemed approved;
- (9) Requiring the Board of Land and Natural Resources to submit the plan adopted and requests of appropriations and authorizations of bonds necessary to implement the redevelopment plan to the Legislature;
- (10) Deleting lease requirements for leases that would have been issued by the committee;
- (11) Removing the establishment of and appropriations into and out of the Waiakea Redevelopment District Revolving Fund;
- (12) Removing any unnecessary transfer language;
- (13) Inserting a blank appropriation from the general fund for fiscal year 2022-2023 to the Department of Land and Natural Resources for the Waiakea Redevelopment Planning Committee;
- (14) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (15) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Water and Land,


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.:* SB 2833	Committee Referral: WTL, WAM	Date: 2/11/22
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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
INOUE, Lorraine R. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
MISALUCHA, Bennette E.	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt		✓		
TOTAL	4	1		

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Bennette E. Misalucha

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*Only one measure per Record of Votes