
A BILL FOR AN ACT

RELATING TO WAIAKEA PENINSULA REDEVELOPMENT.

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

1 SECTION 1. The legislature finds that the infrastructure
2 and facilities on public lands in East Hawaii have been
3 deteriorating for years. To incentivize lessees of public lands
4 to make major investments in infrastructural improvements and
5 ensure the long-term maintenance of facilities on the land, the
6 legislature established the Hilo community economic district
7 under Act 149, Session Laws of Hawaii 2018 (Act 149). Act 149
8 specifically established a ten-year pilot project to authorize
9 the board of land and natural resources to extend leases of
10 public land in an area designated as the Hilo community economic
11 district to facilitate efficient and effective improvement and
12 economic opportunity in the area for lessees who commit to
13 making substantial improvements to existing improvements or
14 constructing new substantial improvements. Although Act 149 is
15 important tool for incentivizing lessees of public lands to make
16 necessary improvements to infrastructure and facilities, it does
17 not provide for an overarching redevelopment plan for a special



1 and unique area of the Hilo community economic district known as
2 the Waiakea peninsula.

3 The legislature further finds that the Waiakea peninsula
4 serves an important function in supporting the island of
5 Hawaii's tourism industry. Approximately eighty-five per cent
6 of overnight visitor accommodations in east Hawaii county are
7 located in the Waiakea peninsula. Given the competitive tourism
8 market, ensuring that the Waiakea peninsula is well-maintained
9 and appealing for visitors is critical for the tourism industry
10 on the island of Hawaii. Since the State owns a large part of
11 the Waiakea peninsula, it has the primary responsibility to
12 oversee the redevelopment of the area to ensure that it does not
13 deteriorate further and detrimentally impact the economy of the
14 community as a whole. Accordingly, the legislature finds that
15 the rejuvenation of dilapidated, obsolete, and deteriorated
16 public lands located on the Waiakea peninsula on the island of
17 Hawaii is in the best interest of the public and constitutes a
18 valid public purpose.

19 The purpose of this Act is to establish the Waiakea
20 peninsula redevelopment district and redevelopment and planning



1 committee for the redevelopment of public lands on the Waiakea
2 peninsula.

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

6 **"PART . WAIAKEA PENINSULA PUBLIC LANDS REDEVELOPMENT**

7 **§171-A Definitions.** As used in this part, unless the
8 context requires otherwise:

9 "Premises" means the property that is being leased or
10 rented in the Waiakea peninsula redevelopment district.

11 "Public facilities" includes streets and highways, storm
12 drainage systems, water systems, street lighting systems, off-
13 street parking facilities, and sanitary sewerage systems.

14 "Waiakea peninsula redevelopment district" means the area
15 of public lands designated for redevelopment pursuant to section
16 171-B.

17 "Waiakea redevelopment and planning committee" or
18 "committee" means the redevelopment and planning committee
19 established for the Waiakea peninsula redevelopment district
20 pursuant to section 171-C.



1 **§171-B Waiakea peninsula redevelopment district;**
2 **boundaries.** (a) The legislature designates the public lands on
3 the Waiakea peninsula on the island of Hawaii classified as
4 commercial and industrial; hotel, apartment, and motel; or
5 resort use pursuant to section 171-10 as the Waiakea peninsula
6 redevelopment district.

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

17 (c) All rules, policies, procedures, guidelines, leases,
18 contracts, loans, agreements, permits, and other materials and
19 documents adopted or developed by the department to implement
20 applicable state laws shall remain in full force and effect
21 until amended or repealed by the committee.



1 **§171-C Waiakea redevelopment and planning committee;**
 2 **members; district administrator; repeal.** (a) A redevelopment
 3 and planning committee for the Waiakea peninsula redevelopment
 4 district shall be established within the department for
 5 administrative purposes.

6 (b) The committee shall consist of nine voting members.

7 The committee shall consist of:

8 (1) The chairperson of the board of land and natural
 9 resources and the director of planning of the county
 10 of Hawaii, or their designated representatives, who
 11 shall be ex officio, voting members; and

12 (2) Seven members of the public appointed by the governor
 13 pursuant to section 26-34; provided that:

14 (A) Two of the members shall be selected from a list
 15 of three names for each nomination submitted by
 16 the president of the senate, in collaboration
 17 with the senate legislators from the county of
 18 Hawaii; and two of the members shall be selected
 19 from a list of three names for each nomination
 20 submitted by the speaker of the house of



- 1 representatives, in collaboration with the house
2 legislators from the county of Hawaii;
- 3 (B) All members shall be residents of the State, and
4 three of the members shall be residents of the
5 county of Hawaii;
- 6 (C) One of the members shall represent the business
7 sector of the county of Hawaii;
- 8 (D) One of the members shall have experience and
9 expertise in the area of Hawaiian cultural
10 practices; and
- 11 (E) All members shall be selected on the basis of
12 their knowledge, experience, and expertise in one
13 of the following areas:
- 14 (i) Management of small or large businesses;
15 (ii) Economics, banking, investment, or finance;
16 (iii) Real estate development;
17 (iv) Marketing;
18 (v) Regenerative tourism practices;
19 (vi) Hawaiian cultural practices; or
20 (vii) Hotel and resort management;



1 provided further that the governor shall select the
2 members nominated under subparagraph (A) no later than
3 days after receipt of each list and shall appoint
4 all other members no later than days after the
5 effective date of this Act.

6 (c) The committee shall elect its chairperson from among
7 its members of the public.

8 (d) The members of the committee shall serve without
9 compensation but shall be reimbursed for reasonable expenses,
10 including travel expenses, incurred in the performance of their
11 duties. This subsection shall not be construed to prohibit the
12 ex officio members of the committee from receiving their
13 salaries and wages for their work as public officials.

14 (e) The committee shall appoint a district administrator,
15 who shall be the chief executive officer for the Waiakea
16 peninsula redevelopment district. The district administrator
17 shall have expertise in engineering, planning, architecture,
18 real estate, or law. The committee shall set the district
19 administrator's duties, responsibilities, holidays, vacations,
20 leaves, hours of work, and working conditions. The committee
21 shall set the salary of the district administrator, who shall



1 serve at the pleasure of the committee and shall be exempt from
2 chapter 76.

3 (f) The committee shall be dissolved upon the completion
4 of the redevelopment project.

5 **§171-D Powers and duties; generally; exemption from**
6 **administrative supervision of boards and commissions.** (a) The
7 committee shall have the following powers and duties:

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

11 (2) Through its district administrator:
12 (A) Allocate space or spaces that are to be occupied
13 by the committee and appropriate staff; and
14 (B) Purchase necessary supplies, equipment, or
15 furniture;

16 (3) Prepare a redevelopment plan for the Waiakea peninsula
17 redevelopment district;

18 (4) Notwithstanding any other law to the contrary, renew
19 or renegotiate any lease in connection with any
20 project contained in the redevelopment plan for the



- 1 designated district, on terms and conditions as the
2 committee deems advisable;
- 3 (5) Prepare or cause to be prepared plans, design
4 criteria, landscaping, and estimates of costs for the
5 construction, rehabilitation, repair, or destruction
6 of any project contained in the redevelopment plan,
7 and from time to time modify the plans or estimates;
- 8 (6) Conduct studies in conjunction with county and state
9 agencies necessary to determine the appropriate
10 activities for redevelopment in the Waiakea peninsula
11 redevelopment district;
- 12 (7) Reduce or waive the lease rental on any lease of
13 public land for any project in the Waiakea peninsula
14 redevelopment district that requires substantial
15 improvements; provided that the duration of the
16 reduction or waiver shall not exceed one year;
- 17 (8) Make and execute all contracts and instruments
18 necessary for the exercise of its powers and functions
19 relating to the Waiakea peninsula redevelopment
20 district, including engaging the services of



- 1 consultants for rendering of professional and
2 technical assistance and advice;
- 3 (9) Enter into a development agreement with a developer or
4 developers for any project contained in the
5 redevelopment plan; provided that the development
6 agreement shall contain:
- 7 (A) A description of the location, area, and size of
8 the parcel to be developed;
- 9 (B) The use or uses to which the parcel shall be put
10 in conformance with the redevelopment plan and
11 with applicable state and county laws and
12 ordinances;
- 13 (C) The period of time for the construction and
14 completion of the redevelopment; and
- 15 (D) Other terms and conditions that the committee
16 deems necessary;
- 17 (10) Work closely and communicate with the county to
18 coordinate the execution of the Waiakea peninsula
19 redevelopment district's planning, incremental
20 projects, work schedules, public works, and budget;
- 21 (11) Sue or be sued;



1 (12) Adopt a seal and alter the same at its pleasure; and

2 (13) Do any and all things necessary to carry out its
3 purposes and exercise the powers given and granted in
4 this part.

5 (b) Notwithstanding any law to the contrary, the committee
6 shall be exempt from section 26-35(a)(1), (4), (5), and (6).

7 **§171-E District redevelopment plan.** (a) The committee
8 shall prepare a redevelopment plan for the Waiakea peninsula
9 redevelopment district, including district development policies,
10 the district improvement program, necessary public facilities,
11 and the development guidelines and rules for the Waiakea
12 peninsula redevelopment district. In carrying out its planning
13 activities, the committee shall comply with chapter 205A and
14 applicable county building and zoning ordinances.

15 (b) In preparing a redevelopment plan for the Waiakea
16 peninsula redevelopment district, the following guidelines shall
17 govern the committee's actions:

18 (1) Development of a community according to design
19 policies that promote the appropriate mixture of uses
20 that respond to the social, economic, and physical



1 needs of the residents of the county of Hawaii and the
2 district's businesses; and

3 (2) Recognition of the visitor industry as the primary
4 commercial use of the district and promotion of
5 development and design concepts that preserve
6 environmental elements such as view planes; enhance
7 historical and cultural assets; and are sensitive to
8 the impact on adjacent residential, commercial,
9 industrial, and other uses.

10 (c) The committee shall prepare a redevelopment plan for
11 the Waiakea peninsula redevelopment district that:

12 (1) Establishes, if applicable, areas principally for:
13 (A) Commercial activities;
14 (B) Processing, construction, deconstruction,
15 manufacturing, transportation, wholesaling,
16 storage, and similar industrial activities;
17 (C) Resort and hotel activities, including uses that
18 provide facilities and services for visitors; and
19 (D) Public facilities and recreational facilities,
20 with detailed standards for height, bulk, size,
21 and location of buildings;



- 1 (2) Includes a district-wide improvement program for
2 necessary district-wide public facilities within the
3 Waiakea peninsula redevelopment district;
- 4 (3) Includes plans, specifications, and estimates of the
5 costs for the development, construction,
6 deconstruction, reconstruction, or improvement of any
7 project in the Waiakea peninsula redevelopment
8 district, and from time to time modify the plans,
9 specifications, or estimates;
- 10 (4) If possible, identifies specific uses for areas in the
11 Waiakea peninsula redevelopment district and the
12 required parceling of land into minimum size areas
13 related to the specific uses;
- 14 (5) Determines the lease rental that should be established
15 for the specific uses and the terms and conditions of
16 the leases;
- 17 (6) Establishes interim development controls to be
18 implemented during the transition to the execution of
19 the provisions of the redevelopment plan, such as
20 recommending the holdover of a lessee pursuant to
21 section 171-40 or issuance of permits pursuant to



1 section 171-55 to existing lessees upon the expiration
2 of their lease terms; and

3 (7) Allows the use of land or any building existing on the
4 date the redevelopment plan is adopted to continue as
5 a nonconforming use; provided that the nonconforming
6 building shall not be replaced, expanded, or changed
7 to another nonconforming use.

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

16 (e) Before adoption, the committee shall hold a public
17 hearing on a proposed redevelopment plan for the Waiakea
18 peninsula redevelopment district and shall consider the comments
19 received and incorporate any revisions to the plan that may be
20 necessary.



1 (f) No later than after the effective date of
2 this Act, the committee shall submit a report to the board of
3 the redevelopment plan adopted by the committee with its
4 recommendations for appropriations by the legislature or the
5 authorization of bonds, or both, to implement the redevelopment
6 plan in a timely manner. The board shall review the
7 redevelopment plan to approve, disapprove, or modify the plan
8 and provide such recommendation in its report and submit the
9 report to the governor and the legislature with a request for
10 any necessary appropriations or bond authorizations.

11 **§171-F Leases.** All leases renewed or reissued by the
12 committee may contain:

- 13 (1) The lessee's name, telephone number, address, and
14 electronic mail address;
- 15 (2) A description of the premises being leased;
- 16 (3) The specific use or uses to which the premises shall
17 be limited; provided that no other uses shall be
18 permitted without the prior written consent of the
19 committee;



- 1 (4) The exact commencement and termination dates of the
2 lease, and the specific term and type of notice
3 required to exercise any renewal option;
- 4 (5) The rent payable not more than one year in advance or
5 in installments in monthly, quarterly, semiannual, or
6 annual payments;
- 7 (6) When rent is based on a percentage of sales, the rent
8 shall be a percentage of the gross sales sold from the
9 premises; or a minimum or base rent, plus a percentage
10 of sales over an amount established by negotiation;
- 11 (7) A rent adjustment clause tied to an inflation-based
12 index, such as the consumer price index, to allow an
13 annual rent adjustment, downward or upward, based on
14 the index;
- 15 (8) The repairs and maintenance that are the
16 responsibility of the lessee and the systems and
17 components that are the responsibility of the
18 committee; provided that all modifications and
19 improvements shall be done in compliance with
20 applicable building codes and zoning ordinances;



- 1 (9) Insurance coverage, at a minimum, for fire, liability,
2 and property damage;
- 3 (10) Prohibition of assignment or subletting of the lease
4 without the written consent of the committee;
- 5 (11) Criteria for lessee default, including:
 - 6 (A) Failure to pay any installment of rent or other
7 payment within an agreed to number of days after
8 the due date;
 - 9 (B) Failure to perform or observe any covenant, term,
10 or condition under the lease; or
 - 11 (C) Failure to continue a business, or vacating or
12 abandoning the premises; and
- 13 (12) Remedies for lessee default, including:
 - 14 (A) Failure to perform as required by the lease;
 - 15 (B) Termination of the lease and suing for damages;
16 and
 - 17 (C) Dispossessing the lessee and suing for damages.

18 **§171-G Waiakea peninsula redevelopment district revolving**
19 **fund.** (a) There is established the Waiakea peninsula
20 redevelopment district revolving fund into which shall be
21 deposited:



1 (1) The revenues, income, and receipts from the public
2 lands in the Waiakea peninsula redevelopment district
3 that is established by the committee;

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 committee.

8 (b) Moneys in the revolving fund shall be expended by the
9 committee and used in the Waiakea peninsula redevelopment
10 district for the purposes of this part; provided that no
11 expenditure shall be made from the fund and no obligation shall
12 be incurred against the fund in excess of the amount standing to
13 the credit of the fund.

14 (c) After the committee is dissolved, the unencumbered
15 balance remaining in the revolving fund shall be transferred to
16 the special land and development fund established pursuant to
17 section 171-19."

18 SECTION 3. (a) All deeds, leases, contract, loans,
19 agreements, permits, or other documents executed or entered into
20 by or on behalf of the department of land and natural resources,
21 pursuant to the provisions of the Hawaii Revised Statutes that



1 are enacted, transferred, or made applicable to the Waiakea
2 peninsula redevelopment district redevelopment and planning
3 committee by this Act shall remain in full force and effect.

4 (b) Effective July 1, , every reference to the
5 department of land and natural resources or the chairperson of
6 the board of land and natural resources to all deeds, leases,
7 contract, loans, agreements, permits, or other documents
8 enacted, transferred, or made applicable to the Waiakea
9 peninsula redevelopment district redevelopment and planning
10 committee pursuant to subsection (a) shall be construed as a
11 reference to the Waiakea peninsula redevelopment district
12 redevelopment and planning committee or the district
13 administrator, as appropriate.

14 SECTION 4. Upon repeal of this Act, all leases, contract,
15 agreements, permits, or other documents executed or entered into
16 by or on behalf of the Waiakea peninsula redevelopment district
17 redevelopment and planning committee shall remain in full force
18 and effect and shall be administered by the department of land
19 and natural resources.

20 SECTION 5. Upon repeal of this Act, all appropriations,
21 records, equipment, machines, files, supplies, contracts, books,



1 papers, documents, maps, and other personal property held by the
2 Waiakea peninsula redevelopment district redevelopment and
3 planning committee shall be transferred to the department of
4 land and natural resources.

5 SECTION 6. 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 2022-2023 to be
8 deposited into the Waiakea peninsula redevelopment district
9 revolving fund.

10 SECTION 7. There is appropriated out of the Waiakea
11 peninsula redevelopment district revolving fund the sum of
12 \$ or so much thereof as may be necessary for fiscal
13 year 2022-2023 for the purposes of this Act.

14 The sum appropriated shall be expended by the department of
15 land and natural resources for the purposes of this Act.

16 SECTION 8. The revisor of statutes shall insert the
17 effective date of this Act in the appropriate location in
18 section 2 of this Act.

19 SECTION 9. In codifying the new sections added by section
20 2 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 10. This Act does not affect rights and duties
4 that matured, penalties that were incurred, and proceedings that
5 were begun before its effective date.

6 SECTION 11. If any provision of this Act, or the
7 application thereof to any person or circumstance, is held
8 invalid, the invalidity does not affect other provisions or
9 applications of the Act that can be given effect without the
10 invalid provision or application, and to this end the provisions
11 of this Act are severable.

12 SECTION 12. This Act shall take effect on July 1, 2050,
13 and shall be repealed on June 30, 2032.

14



H.B. NO. 1788 H.D. 2

Report Title:

Waiakea Peninsula; Redevelopment; Revolving Fund; Appropriation

Description:

Establishes the Waiakea peninsula redevelopment district and redevelopment and planning committee for the redevelopment of public lands on the Waiakea peninsula. Establishes the Waiakea peninsula redevelopment district revolving fund. Appropriates funds. Sunsets 6/30/2032. Effective 7/1/2050. (HD2)

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