H.B. NO. <sup>1788</sup> H.D. 2 S.D. 1

# 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 State has a 2 fiduciary duty to manage state lands in the best interests of 3 the public by enhancing state revenues and promoting the social, 4 environmental, and economic well-being of Hawaii's people. East 5 Hawaii county, including the notable Banyan drive area, remains 6 the center of tourism for Hawaii island, and many improvements to infrastructure and key resources are needed to revitalize the 7 region as an economic hub. While the Banyan drive area includes 8 several hotels, condominiums, restaurants, and retail buildings 9 that comprise the economic district, several closures have led 10 11 to a decline in the economic activities and opportunities in the 12 area.

13 The legislature also finds that the deterioration and 14 decline of key areas for economic growth and tourism impacts the 15 economic, social, and community opportunities for the entire 16 State. The rejuvenation of public lands located on the Waiakea

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1 peninsula on the island of Hawaii is in the best interest of the 2 general public and constitutes a valid public purpose. 3 The legislature further finds that the board of land and 4 natural resources should have the authority to withdraw dormant 5 or underutilized public land under existing leases for other 6 higher priority state needs or purposes. 7 Therefore, the purpose of this Act is to establish the Waiakea peninsula on the island of Hawaii as a redevelopment 8 9 district and to establish: 10 (1) Policies for the management of lands in the 11 redevelopment district; 12 A plan for the district, including district-wide (2) 13 improvements, to be coordinated with state and county 14 land use and planning policies; 15 (3) Asset and property management concepts to optimize income from the properties that are adaptable in 16 17 response to changing principles of property 18 administration; and 19 (4) A working group to assess the challenges to, and desired outcomes for, redevelopment and to submit a 20

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1 report of its findings and recommendations to the 2 board of land and natural resources. 3 SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and 4 to read as follows: 5 "PART . WAIAKEA PENINSULA PUBLIC LANDS REDEVELOPMENT 6 7 §171-A Definitions. As used in this part, unless the context requires otherwise: 8 9 "Premises" means the property that is being leased or 10 rented in the Waiakea peninsula redevelopment district. "Public facilities" includes streets and highways, storm 11 12 drainage systems, water systems, street lighting systems, offstreet parking facilities, and sanitary sewerage systems. 13 14 "Waiakea peninsula redevelopment district" means the area of public lands designated for redevelopment pursuant to section 15 16 171-B. "Working group" means the Waiakea peninsula redevelopment 17 18 district working group established pursuant to section 171-C. §171-B Waiakea peninsula redevelopment district; 19 boundaries. (a) The legislature designates the public lands on 20 the Waiakea peninsula on the island of Hawaii classified as 21

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commercial and industrial; hotel, apartment, and motel; or
 resort use pursuant to section 171-10 as the Waiakea peninsula
 redevelopment district.

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

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

19 §171-C Waiakea peninsula redevelopment district working
20 group; members; repeal. (a) There is established a Waiakea
21 peninsula redevelopment district working group to:



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1	(1)	Assess the challenges to and desired outcomes for
2		redevelopment; and
3	(2)	Make findings and recommendations for proposed
4		redevelopment to the board for consideration in an
5		opening meeting in accordance with chapter 92.
6	(b)	The working group shall be an advisory body to the
7	board and	shall consist of the following members:
8	(1)	The chairperson of the board, or the chairperson's
9		designee;
10	(2)	The administrator of the department's land division,
11		or the administrator's designee;
12	(3)	The director of the office of planning and
13		sustainability, or the director's designee;
14	(4)	The chairperson of the senate committee on water and
15		land, or the chairperson's designee;
16	(5)	The chairperson of the house of representatives
17		committee on water and land, or the chairperson's
18		designee; and
19	(6)	The director of planning of the county of Hawaii, or
20		the director's designee.

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(c) The working group shall conduct its work through
 meetings, informational briefings, and consultation with the
 department's lessees, interested community members and
 organizations, and persons who have expressed an interest in
 undertaking development projects in the Waiakea peninsula
 redevelopment district.

7 (d) The department shall provide any necessary8 administrative support to the working group.

9 (e) The working group shall be dissolved upon the10 completion of the redevelopment project.

11 §171-D District redevelopment plan. (a) The working group shall prepare, or cause to be prepared through one or more 12 13 planning departments or consultants procured through the 14 department, a redevelopment plan for the Waiakea peninsula 15 redevelopment district, including district development policies, 16 the district improvement program, necessary public facilities, and the development guidelines and rules for the Waiakea 17 18 peninsula redevelopment district. In carrying out its planning 19 activities, the working group and the department's consultants shall comply with chapter 205A and applicable county building 20 21 and zoning ordinances.





1	(b)	In preparing a redevelopment plan for the Waiakea
2	peninsula	redevelopment district, the following guidelines shall
3	govern the	e working group's actions:
4	(1)	Development of a community according to design
5		policies that promote the appropriate mixture of uses
6		that respond to the social, economic, and physical
7		needs of the residents of the county of Hawaii and the
8		district's businesses; and
9	(2)	Recognition of the visitor industry as the primary
10		commercial use of the district and promotion of
11		development and design concepts that preserve
12		environmental elements such as view planes; enhance
13		historical and cultural assets; and are sensitive to
14		the impact on adjacent residential, commercial,
15		industrial, and other uses.
16	(c)	The working group, with the assistance of one or more
17	planning o	or other consultants procured through the department,
18	shall pre	pare a redevelopment plan for the Waiakea peninsula
19	redevelop	ment district that may include:
20	(1)	Areas principally for:
21		(A) Commercial activities;





1		(B) Resort and hotel activities, including uses that
2		provide facilities and services for visitors; and
3		(C) Public facilities and recreational facilities,
4		with detailed standards for height, bulk, size,
5		and location of buildings;
6	(2)	A district-wide improvement program for necessary
7		district-wide public facilities within the Waiakea
8		peninsula redevelopment district;
9	(3)	Plans, specifications, and estimates of the costs for
10		the development, construction, deconstruction,
11		reconstruction, or improvement of any project in the
12		Waiakea peninsula redevelopment district, and from
13		time to time, the modification of plans,
14		specifications, or estimates;
15	(4)	Determination of the lease rental that should be
16		established for the specific uses and the terms and
17		conditions of the leases;
18	(5)	Establishes interim development controls to be
19		implemented during the transition to the execution of
20		the provisions of the redevelopment plan, such as
21		recommending the holdover of a lessee pursuant to

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1 section 171-40 or issuance of permits pursuant to 2 section 171-55 to existing lessees upon the expiration 3 of their lease terms; and Allowing the use of land or any building existing on 4 (6) the date the redevelopment plan is adopted to continue 5 as a nonconforming use; provided that the 6 7 nonconforming building shall not be replaced, expanded, or changed to another nonconforming use. 8 9 Notwithstanding any law or court decision to the (d) contrary, upon a finding that it is in the public interest to do 10 so, the board may withdraw dormant or underutilized public land 11 12 under existing public auction or directly negotiated leases for 13 other priority needs or purposes. This authority to withdraw 14 shall apply retroactively to all existing leases. (e) The working group shall submit the redevelopment plan 15 to the board for approval. The board shall review the 16 17 redevelopment plan to approve, disapprove, or modify the plan as

18 necessary. Upon approval by the board, the board shall act to 19 implement the redevelopment plan in a timely manner.

20 (f) Prior to submission of the board for adoption, the21 working group shall hold a public hearing on a proposed





1 redevelopment plan for the Waiakea peninsula redevelopment 2 district and shall consider comments received and incorporate any revisions to the plan as may be necessary. 3 The board shall submit a preliminary report of its 4 (q) 5 findings and recommendations, including any proposed 6 legislation, to the legislature no later than twenty days prior 7 to the convening of the regular session of 2024." SECTION 3. There is appropriated out of the general 8 9 revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2022-2023 for 10 11 the establishment and operations of the Waiakea peninsula redevelopment district working group established pursuant to 12 section 2 of this Act, including the procurement of planning and 13 14 consultant services. The sum appropriated shall be expended by the department of 15 land and natural resources for the purposes of this Act. 16 SECTION 4. In codifying the new sections added by section 17 2 of this Act, the revisor of statutes shall substitute 18 appropriate section numbers for the letters used in designating 19 the new sections in this Act. 20

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1	SECTION 5. This Act does not affect rights and duties that
2	matured, penalties that were incurred, and proceedings that were
3	begun before its effective date.
4	SECTION 6. If any provision of this Act, or the
5	application thereof to any person or circumstance, is held
6	invalid, the invalidity does not affect other provisions or
7	applications of the Act that can be given effect without the
8	invalid provision or application, and to this end the provisions
9	of this Act are severable.

10

SECTION 7. This Act shall take effect on July 1, 2050.





#### Report Title:

Waiakea Peninsula; Redevelopment; Working Group; Appropriation

#### Description:

Establishes the Waiakea Peninsula Redevelopment District and the Redevelopment District Working Group for the redevelopment of public lands on the Waiakea Peninsula. Appropriates funds. Effective 7/1/2050. (SD1)

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