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### A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1		PART I
2	SECT	ION 1. The purpose of this Act is to:
3	(1)	Facilitate revitalization of public lands classified
4		as commercial and industrial use; hotel, apartment,
5		and motel use; or resort use, that have fallen into
6		disrepair or obsolescence by:
7		(A) Providing a means to designate public lands in
8		need of revitalization and establish procedures
9		for redevelopment of those lands; and
10		(B) Amending generally applicable lease requirements
11		for public lands to remove barriers to
12		redevelopment; and
13	(2)	Designate certain public lands as the Waiakea
14		peninsula redevelopment district.
15		PART II

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SECTION 2. Chapter 171, Hawaii Revised Statutes, is 1 amended by adding a new part to be appropriately designated and 2 3 to read as follows: 4 "PART . PUBLIC LANDS REDEVELOPMENT **§171-A Findings; purpose.** (a) The legislature finds that 5 6 because of the policies guiding the management of public lands classified as commercial and industrial use; hotel, apartment, 7 and motel use; or resort use, there has been little incentive 8 for lessees to make major improvements to their infrastructure, 9 resulting in the deterioration of infrastructure and facilities. 10 The lack of improvements in many of these areas has resulted in 11 dilapidation, deterioration, or obsolescence of buildings and 12 13 structures.

14 The department of land and natural resources has the 15 responsibility of planning for the disposition of these classes 16 of public lands to determine specific uses, minimum sizes of 17 parcels, required building construction or improvements, and 18 lease terms and requirements.

19 The legislature further finds that the rejuvenation of20 public lands that have become dilapidated or obsolete or have

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1 deteriorated over time is in the public interest and constitutes
2 a valid public purpose.

3 (b) The purpose of this part is to authorize the
4 designation of areas or regions of public lands classified as
5 commercial and industrial use; hotel, apartment, and motel use;
6 or resort use, pursuant to section 171-10, for redevelopment,
7 and to establish and implement guidelines for the redevelopment
8 of the areas or regions that will:

- 9 (1) Modernize policies for the management of public lands
  10 in the designated area or region;
- 11 (2) Establish a plan for the designated area or region,
- 12 including district-wide improvements, that is
- 13 coordinated with state and county land use and
- 14 planning policies; and
- 15 (3) Implement asset and property management concepts that
  16 can optimize income from the properties and evolve in
  17 response to changing principles of property
- 18 administration.
- 19 §171-B Definitions. As used in this part, unless the20 context requires otherwise:

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"Planning committee" or "committee" means the committee
 established for a redevelopment district pursuant to section
 171-D.

4 "Public facilities" includes streets and highways, storm
5 drainage systems, water systems, street lighting systems, off6 street parking facilities, and sanitary sewerage systems.

7 "Redevelopment district" or "designated district" means an
8 area of public lands designated for redevelopment pursuant to
9 section 171-C.

10 \$171-C Designation of redevelopment district; boundaries; 11 transfer to the committee. (a) The legislature shall designate redevelopment districts by law for any area of public lands 12 13 classified as commercial and industrial; hotel, apartment, and motel; or resort use pursuant to section 171-10, if the 14 15 legislature determines that there is a need for planning, 16 development, or redevelopment because the buildings and 17 infrastructure in the area are dilapidated or have deteriorated 18 due to age or obsolescence.

19 (b) The designation shall specify the boundaries of the20 redevelopment district.

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(c) The law designating the redevelopment district shall
 transfer the management of the public lands within the
 designated district to the planning committee for the designated
 district; provided that any lessee or permittee within the
 designated district shall fully comply with the existing lease
 or permit.

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

12 §171-D Planning committee; members; district
13 administrator; repeal. (a) Upon the designation of a
14 redevelopment district pursuant to section 171-C, a planning
15 committee for the designated district shall be established
16 within the department for administrative purposes.

17 (b) The committee shall be an executive committee for the
18 designated district and shall consist of nine voting members, as
19 follows:

20 (1) The chairperson of the board of land and natural
21 resources and the director of planning of the county

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1 in which the designated district is located, or their 2 designated representatives, who shall be ex officio 3 voting members; and Seven voting members of the public appointed by the 4 (2)governor pursuant to section 26-34; provided that of 5 6 the members appointed pursuant to this paragraph: 7 (A) Two members shall be selected from a list of 8 three names for each nomination submitted by the 9 president of the senate and two members shall be 10 selected from a list of three names for each 11 nomination submitted by the speaker of the house 12 of representatives, in collaboration with the 13 legislators from the county in which the 14 designated district is located; provided further 15 that the governor shall select a name no later 16 than sixty days after receipt of each list; 17 Three members shall be appointed by the governor (B) 18 pursuant to section 26-34; provided that: 19 (i) One member shall represent the business 20 sector within the designated district;

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1	(ii) One member shall have experience and
2	expertise in the area of Native Hawaiian
3	cultural practices; and
4	(iii) One member shall be a member of the public
5	and a resident of the county in which the
6	designated district is located;
7	provided further that the governor shall appoint
8	these members no later than sixty days after
9	designation of the redevelopment district; and
10	(C) The seven members of the public shall have
11	expertise in the development of commercial;
12	industrial; resort; and hotel, apartment, or
13	motel lands as well as expertise in at least one
14	of the following areas and shall be selected on
15	the basis of their knowledge, experience, and
16	expertise in:
17	(i) Management of small or large businesses;
18	(ii) Economics, banking, investment, or finance;
19	(iii) Real estate development;
20	(iv) Real estate management;
21	(v) Marketing;

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1 (vi) Native Hawaiian cultural practices; or 2 (vii) Hotel and resort management; provided further that of the seven members of the 3 4 public, three members shall be residents of the county in which the designated district is 5 located, and all members shall be residents of 6 7 the State. 8 (C) The committee shall elect its chairperson from among 9 its members of the public. 10 The members of the committee shall serve without (d) 11 compensation but shall be reimbursed for reasonable expenses, 12 including travel expenses, incurred in the performance of their 13 duties. This subsection shall not be construed to prohibit the 14 ex officio members of the committee from receiving their 15 salaries and wages for their work as public officials. 16 The committee shall appoint a district administrator, (e) 17 who shall be the chief executive officer for the designated

18 district. The district administrator shall have expertise in 19 the development of commercial; industrial; resort; or hotel, 20 apartment, and motel lands as well as expertise in at least one 21 of the following areas and shall be selected on the basis of the

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person's knowledge, experience, and expertise in management of 1 small or large businesses; economics, banking, investment, or 2 finance; real estate development; real estate management; law; 3 marketing; or hotel and resort management. The committee shall 4 set the district administrator's duties, responsibilities, 5 holidays, vacations, leaves, hours of work, and working 6 conditions. The committee shall set the salary of the district 7 administrator, who shall serve at the pleasure of the committee 8 and shall be exempt from chapter 76. 9 The committee shall be dissolved on June 30 of the 10 (f) tenth year following the effective date of the law establishing 11 12 the designated district. \$171-E Planning committee; powers and duties; generally; 13 14 exemption from administrative supervision of boards and 15 commissions. (a) The committee shall have the following powers 16 and duties: 17 (1) Through its district administrator: Appoint staff and employees, prescribe their 18 (A) duties and qualifications, and fix their 19

salaries, without regard to chapter 76;

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1		(B) Allocate space or spaces that are to be occupied	
2		by the committee and appropriate staff; and	
3		(C) Purchase necessary supplies, equipment, or	
4		furniture;	
5	(2)	Prepare a redevelopment plan for the designated	
6		district that shall be submitted to the board for	
7		review and approval;	
8	(3)	Notwithstanding any other law to the contrary, lease	
9		public lands in a designated district and renew or	
10		renegotiate any lease in connection with any project	
11		contained in the redevelopment plan for the designated	
12		district, on terms and conditions consistent with the	
13		redevelopment plan pursuant to section 171-F;	
14	(4)	Prepare or cause to be prepared plans, specifications,	
15		design criteria, landscaping, and estimates of costs	
16		for the development, construction, reconstruction,	
17		improvement, rehabilitation, or repair of any project	
18		contained in the redevelopment plan for the designated	
19		district, and from time to time modify the plans,	
20		specifications, design criteria, landscaping, or	
21		estimates;	

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1 Conduct studies in conjunction with state and county (5) agencies necessary to determine the appropriate 2 3 activities for redevelopment in the designated 4 district; (6) Reduce or waive the lease rental on any lease of 5 public land for any project in the designated district 6 that requires substantial improvements; provided that 7 the reduction or waiver shall not exceed one year; 8 Make and execute all contracts and instruments 9 (7) 10 necessary for the exercise of its powers and functions 11 relating to the designated district, including 12 engaging the services of consultants for rendering of professional and technical assistance and advice; 13 (8) Enter into a development agreement with a developer or 14 15 developers for any project contained in the 16 redevelopment plan; provided that the development 17 agreement shall contain: 18 (A) A description of the location, area, and size of

the parcel to be developed;

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1		(B)	The use or uses to which the parcel shall be put
2			in conformance with the redevelopment plan and
3			applicable state and county laws and ordinances;
4		(C)	The period of time for the construction and
5			completion of the redevelopment; and
6		(D)	Other terms and conditions that the committee
7			deems necessary;
8	(9)	Work	closely and communicate with the county to
9		coor	dinate the execution of the designated district's
10		plan	ning, incremental projects, work schedules, public
11		work	s, and budget; and
12	(10)	Do a	ny and all things necessary to carry out its
13		purp	oses and exercise the powers given and granted in
14		this	part.
15	(b)	Notw	ithstanding any law to the contrary, the committee
16	shall be	exemp	t from section 26-35(a)(1), (4), (5), and (6).
17	§171	-F D	istrict redevelopment plan. (a) The committee
18	shall pre	pare	a redevelopment plan for the designated district,
19	including	dist	rict development policies, the district
20	improveme	ent pr	ogram, necessary public facilities, and the
21	developme	ent gu	idelines and rules for the designated district.

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In carrying out its planning activities, the committee shall 1 2 comply with chapter 205A and applicable county building and 3 zoning ordinances. (b) The committee shall prepare a redevelopment plan for 4 5 the designated district that: 6 Establishes, if applicable, areas principally for: (1)7 (A) Commercial activities; 8 Processing, construction, manufacturing, (B) 9 transportation, wholesaling, storage, and similar 10 industrial activities; 11 (C) Resort and hotel activities, including uses that 12 provide facilities and services for visitors; and 13 (D) Public facilities and recreational facilities, 14 with detailed standards for height, bulk, size, 15 and location of buildings; 16 (2)Includes a district-wide improvement program for 17 necessary district-wide public facilities within the 18 designated district; 19 (3) Includes plans, specifications, design criteria, 20 landscaping, and estimates of costs for the 21 development, construction, reconstruction,

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1		improvement, rehabilitation, or repair of any project
2		in the designated district, and from time to time
3		modify the plans, specifications, design criteria,
4		landscaping, or estimates;
5	(4)	If possible, identifies specific uses for areas in the
6		designated district and the required parceling of land
7		into minimum size areas related to the specific uses;
8	(5)	Determines the lease rental that should be established
9		for the specific uses and the terms and conditions of
10		the leases;
11	(6)	Establishes interim development controls to be
12		implemented during the transition to the execution of
13		the provisions of the redevelopment plan, such as
14		recommending the holdover of a lessee pursuant to
15		section 171-40 or issuance of permits pursuant to
16		section 171-55 to existing lessees upon the expiration
17		of their lease terms; and
18	(7)	Allows the use of land or any building existing on the
19		date on which the redevelopment plan is adopted to
20		continue as a nonconforming use; provided that the

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1 nonconforming building shall not be replaced, 2 expanded, or changed to another nonconforming use. 3 (c) The district redevelopment plan may provide for the 4 withdrawal or taking for public purposes of public land or a 5 portion of public land under a lease. The rental shall be 6 reduced in proportion to the value of the portion of the 7 premises condemned, and the lessee shall be entitled to receive 8 the proportionate value of the permanent improvements legally 9 made to or constructed upon the land by the lessee taken in the 10 proportion that it bears to the unexpired term of the lease. 11 Before adoption, the committee shall hold a public (d) 12 hearing on a proposed redevelopment plan for the designated 13 district and shall consider the comments received and 14 incorporate any revisions to the plan that may be necessary. 15 Two years after the date on which the committee is (e) 16 established, it shall submit a report to the board with the 17 redevelopment plan recommended by the committee with its 18 recommendations for appropriations by the legislature or the 19 authorization of bonds, or both, to implement the redevelopment 20 plan in a timely manner. The board shall review and approve the 21 recommended redevelopment plan and submit the report to the

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1	governor and the legislature, no later than twenty days prior to		
2	the convening of the regular session immediately following the		
3	submission of the plan to the board, with a request for the		
4	required appropriations or bond authorization as applicable.		
5	(f) The designated district redevelopment plan shall		
6	supersede all other inconsistent ordinances and rules relating		
7	to the use, planning, development, and construction on public		
8	land in the designated district.		
9	§171-G Designated redevelopment district revolving fund.		
10	(a) A separate revolving fund shall be established for each		
11	redevelopment district designated pursuant to section 171-C,		
12	into which shall be deposited:		
13	(1) Fifty per cent of the revenues, income, and receipts		
14	of the department from the public lands in the		
15	designated district, notwithstanding section 171-19;		
16	(2) Moneys appropriated by the legislature to the		
17	revolving fund; and		
18	(3) Any gifts, grants, and other funds accepted by the		
19	committee.		
20	Each revolving fund shall bear the name used by the legislature		
21	in designating the redevelopment district.		

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(b) Moneys in each designated redevelopment district 1 revolving fund shall be expended by the committee and used in 2 the designated district for the purposes of this part; provided 3 that no expenditure shall be made from the fund and no 4 5 obligation shall be incurred against the fund in excess of the 6 amount standing to the credit of the fund. 7 (c) After the committee is dissolved, the unencumbered 8 balance remaining in the corresponding redevelopment district 9 revolving fund shall be transferred to the special land and 10 development fund established pursuant to section 171-19." 11 PART III 12 SECTION 3. Section 171-1, Hawaii Revised Statutes, is 13 amended by amending the definition of "public purpose" to read 14 as follows: 15 ""Public purpose", as used in this chapter, unless the 16 context clearly indicates otherwise, includes but shall not be 17 limited to all public uses  $[\tau]$ ; the straightening of boundaries 18 of public lands $[\tau]$ ; acquisition of access to landlocked public 19 lands $[\tau]$ ; the consolidation of the holdings of public lands $[\tau]$ ; 20 development of houselots, farmlots, and industrial parks[-]; and 21 the redevelopment of public lands pursuant to part ."

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1	SECT	ION 4. Section 171-35, Hawaii Revised Statutes, is			
2	amended to read as follows:				
3	"§17	"\$171-35 Lease provisions; generally. Every lease issued			
4	by the bo	ard of land and natural resources shall contain:			
5	(1)	The specific use or uses to which the land is to be			
6		employed;			
7	(2)	The exact commencement and termination dates for the			
8		lease, and the term and type of notice required to			
9		exercise any renewal option, if applicable;			
10	[ <del>-(2)</del> ]	(3) The improvements required; provided that a			
11		minimum reasonable time shall be allowed for the			
12		completion of the improvements;			
13	[ <del>(3)</del> ]	(4) Restrictions against alienation as set forth in			
14		section 171-36;			
15	[ <del>-(4)</del> ]	(5) The rent, as established by the board or at			
16		public auction, which shall be payable [ <del>not</del> ] <u>no</u> more			
17		than one year in advance, in monthly, quarterly,			
18		semiannual, or annual payments;			
19	[ <del>-(5)</del> -]	(6) Where applicable, adequate protection of forests,			
20		watershed areas, game management areas, wildlife			
21		sanctuaries, and public hunting areas $[_{m{ au}}]_{m{ au}}$ reservation			

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1	of rights-of-way and access to other public lands,
2	public hunting areas, game management areas, or public
3	beaches[ $_{ au}$ ]; and prevention of nuisance and waste; and
4	[ <del>(6)</del> ] <u>(7)</u> [ <del>Such</del> ] Any other terms and conditions [ <del>as</del> ] <u>that</u>
5	the board deems advisable to more nearly effectuate
6	the purposes of the state constitution and $[\frac{\partial f}{\partial f}]$ this
7	chapter."
8	SECTION 5. Section 171-36, Hawaii Revised Statutes, is
9	amended as follows:
10	1. By amending subsections (a) through (c) to read:
11	"(a) Except as otherwise provided, the following
12	restrictions shall apply to all leases:
13	[ <del>(1)</del> Options for renewal of terms are prohibited;
14	(2)] (1) No lease shall be for a longer term than sixty-
15	five years, except in the case of a residential
16	leasehold, which may provide for an initial term of
17	fifty-five years with the privilege of extension to
18	meet the requirements of the Federal Housing
19	Administration, Federal National Mortgage Association,
20	Federal Land Bank of Berkeley, Federal Intermediate
21	Credit Bank of Berkeley, Berkeley Bank for

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1		Cooperatives, or Department of Veterans Affairs
2		requirements; [ <del>provided that the aggregate of the</del>
3		initial-term and extension shall in no-event exceed
4		<pre>seventy-five years;</pre>
5	<del>(3)</del>	No lease shall be made for any land under a lease that
6		has more than two years to run;
7	<del>-(4)</del> ]	(2) No lease shall be made to any person who is in
8		arrears in the payment of taxes, rents, or other
9		obligations owed to the State or any county;
10	[ <del>(5)</del> ]	(3) No lease shall be transferable or assignable,
11		except by devise, bequest, or intestate succession;
12		provided that with the approval of the board, the
13		assignment and transfer of a lease or unit thereof may
14		be made in accordance with current industry standards,
15		as determined by the board; provided further that
16		[ <del>prior to</del> ] <u>before</u> the approval of any assignment of
17		lease, the board [ <del>shall have the right to</del> ] <u>may</u> review
18		and approve the consideration to be paid by the
19		assignee and may condition its consent to the
20		assignment of the lease on payment by the lessee of a
21		premium based on the amount by which the consideration

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1 for the assignment, whether by cash, credit, or 2 otherwise, exceeds the depreciated cost of 3 improvements and trade fixtures being transferred to 4 the assignee; provided further that with respect to 5 state agricultural leases, [in the event of] if a 6 foreclosure or sale  $[\tau]$  occurs, the premium, if any, shall be assessed only after the encumbrances of 7 8 record and any other advances made by the holder of a 9 security interest are paid; 10  $\left[\frac{(6)}{(6)}\right]$  (4) The lessee shall not sublet the whole or any part of the demised premises, except with the approval of 11 12 the board; provided that [prior to] before the 13 approval, the board [shall have the right to] may 14 review and approve the rent to be charged to the 15 sublessee; provided further that in the case where the 16 lessee is required to pay rent based on a percentage 17 of its gross receipts, the receipts of the sublessee 18 shall be included as part of the lessee's gross 19 receipts; provided further that the board [shall have 20 the right to] may review and, if necessary, revise the 21 rent of the demised premises based upon the rental

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1 rate charged to the sublessee, including the 2 percentage rent, if applicable [, and]; provided further that the rent may not be revised downward; 3 [(7)] (5) The lease shall be for a specific use or uses and 4 shall not include waste lands, unless it is 5 6 impractical to provide otherwise; 7 [<del>(8)</del>] (6) Mineral and metallic rights and surface and 8 ground water shall be reserved to the State; and 9 [<del>(9)</del>] (7) No lease of public lands, including submerged 10 lands, or any extension of any lease of public lands 11 shall be issued by the State to any person to 12 construct, use, or maintain a sunbathing or swimming 13 pier or to use the lands for those purposes, unless 14 the lease, or any extension thereof, contains 15 provisions permitting the general public to use the 16 pier facilities on the public lands and requiring that 17 a sign or signs be placed on the pier, clearly visible 18 to the public, that indicates the public's right to 19 the use of the pier. The board, at the earliest 20 practicable date, and where legally possible, shall 21 cause all existing leases to be amended to conform to

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1	this paragraph. The term "lease", for the purposes of
2	this paragraph, includes month-to-month rental
3	agreements and similar tenancies.
4	(b) The board, from time to time, upon the issuance or
5	during the term of any intensive agricultural, aquaculture,
6	commercial, mariculture, special livestock, pasture, <u>hotel,</u>
7	apartment, motel, resort, school, or industrial lease, or upon
8	the issuance or during the term of any lease to an eleemosynary
9	organization pursuant to section 171-43.1 or a government entity
10	pursuant to section 171-95, may:
11	(1) Modify or eliminate any of the restrictions specified
12	in subsection (a);
13	(2) Extend or modify the fixed rental period of the
14	lease[ <del>; provided that the aggregate of the initial</del>
15	term and any extension granted shall not exceed-sixty-
16	five years; ] upon approval by the board of a
17	development agreement proposed by the lessee to make
18	substantial improvements to the existing improvements
19	or to construct new improvements; or
20	(3) Extend the term of the lease,

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to the extent necessary to qualify the lease for mortgage 1 lending or quaranty purposes with any federal mortgage lending 2 3 agency, to qualify the lessee for any state or private lending institution loan, private loan guaranteed by the State, or any 4 5 loan in which the State and any private lender participates, or to amortize the cost of substantial improvements to the demised 6 7 premises that are paid for by the lessee without institutional 8 financing.

9 (c) Any extension authorized pursuant to subsection (b) 10 shall be based on the economic life of the improvements as 11 determined by the board or an independent appraiser; provided 12 that the approval of any extension shall be subject to the 13 following:

14 (1) The demised premises have been used substantially for
15 the purpose for which they were originally leased;
16 [-(2) The aggregate of the initial term and any extension
17 granted shall not be for more than sixty-five years;
18 (3)] (2) [In the event of] If a reopening[7] occurs, the
19 rental for any ensuing period shall be the fair market
20 rental at the time of reopening;

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1	[ <del>(4)</del> ] <u>(</u>	3) Any federal or private lending institution shall	
2	b	e qualified to do business in the State;	
3	[ <del>(5)</del> ] <u>(</u>	4) Proceeds of any mortgage or loan shall be used	
4	S	olely for the operations or improvements on the	
5	d	emised premises;	
6	[ <del>(6)</del> ] <u>(</u>	5) Where improvements are financed by the lessee,	
7	t	he lessee shall submit receipts of expenditures	
8	W	ithin a time period specified by the board or else	
9	t	he lease extension shall be canceled; and	
10	[ <del>-(7)</del> -] <u>(</u>	6) The rules of the board setting forth any	
11	a	dditional terms and conditions, which shall ensure	
12	a	nd promote the purposes of the demised lands."	
13	2. By	amending subsections (e) and (f) to read:	
14	"(e)	The board, from time to time during the term of any	
15	agriculture	, intensive agriculture, aquaculture, commercial,	
16	mariculture	, special livestock, pasture, <u>hotel, apartment,</u>	
17	motel, resort, school, or industrial lease, or during the term		
18	of any lease to an eleemosynary organization pursuant to section		
19	171-43.1 or	a government entity pursuant to section 171-95, may	
20	modify or e	liminate any of the restrictions specified in	
21	subsection	(a), extend or modify the fixed rental period of the	

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2 significant economic hardship directly caused by: 3 (1) State disaster, pursuant to chapter 209, including 4 seismic or tidal wave, tsunami, hurricane, volcanic 5 eruption, typhoon, earthquake, flood, or severe 6 drought; or 7 (2) A taking of a portion of the area of the lease by 8 government action by eminent domain, withdrawal, or 9 conservation easement; provided that the portion taken 10 shall not be less than ten per cent of the entire 11 leased area unless otherwise approved by the board; 12 [and] provided <u>further</u> that the board determines that 13 the lease will not be adequately compensated pursuant 14 to the lease provisions. 15 (f) The approval of any extension granted pursuant to 16 subsection (e) shall be subject to the following: 17 (1) The demised premises have been used substantially for 18 the purposes for which they were originally leased; 19 [-(2) The aggregate of the initial term and any extension 20 granted shall not be for more than fifty five years;	1	lease, or extend the	e term of the lease upon a showing of
<ul> <li>seismic or tidal wave, tsunami, hurricane, volcanic</li> <li>eruption, typhoon, earthquake, flood, or severe</li> <li>drought; or</li> <li>(2) A taking of a portion of the area of the lease by</li> <li>government action by eminent domain, withdrawal, or</li> <li>conservation easement; provided that the portion taken</li> <li>shall not be less than ten per cent of the entire</li> <li>leased area unless otherwise approved by the board;</li> <li>[and] provided <u>further</u> that the board determines that</li> <li>the lessee will not be adequately compensated pursuant</li> <li>to the lease provisions.</li> <li>(f) The approval of any extension granted pursuant to</li> <li>subsection (e) shall be subject to the following:</li> <li>(1) The demised premises have been used substantially for</li> <li>the purposes for which they were originally leased;</li> <li>[-(2) The aggregate of the initial term-and any extension</li> </ul>	2	significant economi	c hardship directly caused by:
<ul> <li>s eruption, typhoon, earthquake, flood, or severe</li> <li>drought; or</li> <li>7 (2) A taking of a portion of the area of the lease by</li> <li>government action by eminent domain, withdrawal, or</li> <li>conservation easement; provided that the portion taken</li> <li>shall not be less than ten per cent of the entire</li> <li>leased area unless otherwise approved by the board;</li> <li>[and] provided <u>further</u> that the board determines that</li> <li>the lessee will not be adequately compensated pursuant</li> <li>to the lease provisions.</li> <li>(f) The approval of any extension granted pursuant to</li> <li>subsection (e) shall be subject to the following:</li> <li>(1) The demised premises have been used substantially for</li> <li>the purposes for which they were originally leased;</li> <li>[-(2) The aggregate of the initial term and any extension</li> </ul>	3	(1) State dis	aster, pursuant to chapter 209, including
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18 the purposes for which they were originally leased; 19 [-(2) The aggregate of the initial term-and any extension	16	subsection (e) shal	l be subject to the following:
19 [-{2} The aggregate of the initial term-and any extension	17	(1) The demis	ed premises have been used substantially for
	18	the purpo	oses for which they were originally leased;
20 granted shall not be for more than fifty-five years;	19	[ <del>-(2)</del> <del>The aggre</del>	egate of the initial term-and any extension
	20	<del>granted s</del>	shall not be for more than fifty-five years;
	20	granted s	shall not be for more than fifty-five years;

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1	<del>-(3)</del> -]	(2) The rental shall not be less than the rental for
2		the preceding term;
3	[ <del>(4)</del> ]	(3) The rules of the board setting forth any
4		additional terms and conditions, which shall ensure
5		and promote the purposes of the demised lands; and
6	[ <del>.(5)</del> ]	(4) The length of the extension shall not exceed a
7		reasonable length of time for the purpose of providing
8		relief [ <del>and shall in no case exceed five years</del> ]."
9		PART IV
10	SECT	ION 6. The legislature finds that:
11	(1)	The Waiakea peninsula of the island of Hawaii contains
12		approximately eighty-five per cent of the overnight
13		visitor accommodations in east Hawaii county;
14	(2)	The State owns a large part of the Waiakea peninsula
15		area;
16	(3)	There has been little incentive for the lessees in the
17		area to make major improvements to infrastructure,
18		resulting in the deterioration of the area's
19		infrastructure and facilities;
20	(4)	The State has a responsibility to ensure that the
21		Waiakea peninsula area does not further deteriorate

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1	and have a harmful impact on the economy of the
2	community as a whole; and
3	(5) The public lands in the area present an opportunity
4	for the revitalization and redevelopment of a district
5	where hotel, apartment, or motel; resort; commercial;
6	and public uses may coexist compatibly.
7	SECTION 7. The legislature designates the public lands on
8	the Waiakea peninsula on the island of Hawaii as the Waiakea
9	peninsula redevelopment district.
10	SECTION 8. The Waiakea peninsula redevelopment district
11	shall include the area bounded by the shoreline from the
12	intersection of Lihiwai street and Kamehameha avenue; Kamehameha
13	avenue to its intersection with Kalanianaole avenue;
14	Kalanianaole avenue to its intersection with Banyan way; Banyan
15	way from its intersection with Kalanianaole avenue to its
16	intersection with Banyan drive; from the intersection of Banyan
17	way and Banyan drive to the shoreline; the shoreline around the
18	Waiakea peninsula, including Moku Ola island, to the
19	intersection of Lihiwai street and Kamehameha avenue.
20	SECTION 9. There is established a Waiakea peninsula
21	redevelopment district planning committee. The committee shall

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1	be appointed as provided in section 171-D, Hawaii Revised	
2	Statutes, and shall exercise the powers and duties in the	
3	designated district as authorized by chapter 171, part ,	
4	Hawaii Revised Statutes. Pursuant to section 171-C(c), Hawaii	
5	Revised Statutes, the public lands within the Waiakea peninsula	
6	redevelopment district are transferred to the Waiakea peninsula	
7	redevelopment district planning committee.	
8	SECTION 10. There is established the Waiakea peninsula	
9	redevelopment district revolving fund, into which shall be	
10	deposited:	
11	(1) Fifty per cent of the revenues, income, and receipts	
12	from the public lands in the Waiakea peninsula	
13	redevelopment district;	
14	(2) Moneys appropriated by the legislature to the	
15	revolving fund; and	
16	(3) Any gifts, grants, and other funds accepted by the	
17	Waiakea peninsula redevelopment district planning	
18	committee.	
19	The moneys in the revolving fund shall be used in the	
20	Waiakea peninsula redevelopment district for the purposes	
21	described in chapter 171, part , Hawaii Revised Statutes.	

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1	SECTION 11. There is appropriated out of the general
2	revenues of the State of Hawaii the sum of \$ or so
3	much thereof as may be necessary for fiscal year 2023-2024 to be
4	deposited into Waiakea peninsula redevelopment district
5	revolving fund.
6	SECTION 12. There is appropriated out of the Waiakea
7	peninsula redevelopment district revolving fund the sum of
8	\$ or so much thereof as may be necessary for fiscal
9	year 2023-2024 and the same sum or so much thereof as may be
10	necessary for fiscal year 2024-2025 for the purposes of this
11	part.
12	The sums appropriated shall be expended by the Waiakea
13	peninsula redevelopment district planning committee for the
14	purposes of this part.
15	PART V
16	SECTION 13. In codifying the new part added by section 2
17	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.

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SECTION 14. This Act does not affect rights and duties
 that matured, penalties that were incurred, and proceedings that
 were begun before its effective date.
 SECTION 15. Statutory material to be repealed is bracketed
 and stricken. New statutory material is underscored.
 SECTION 16. This Act shall take effect on June 30, 3000.





#### Report Title:

DLNR; Public Lands; Redevelopment; Revolving Fund; Waiakea Peninsula; Appropriations

#### Description:

Establishes a framework for designating certain public lands for redevelopment. Amends generally applicable lease requirements for public lands to promote redevelopment. Designates the public lands on the Waiakea peninsula on the island of Hawaii as the Waiakea peninsula redevelopment district. Appropriates funds. Effective 6/30/3000. (HD2)

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

