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# A BILL FOR AN ACT

RELATING TO THE WAIAKEA COMMUNITY DEVELOPMENT DISTRICT.

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

1           SECTION 1. Chapter 206E, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4           **"PART       .   WAIAKEA PENINSULA COMMUNITY DEVELOPMENT DISTRICT**

5           **§206E-        Waiakea peninsula community development**

6 **district; findings; purpose.** The legislature finds that:

7           (1) The Waiakea peninsula area in east Hawaii is in need  
8           of renewal, renovation, or improvement to enhance the  
9           economic, cultural, and social value of the area to  
10          the State;

11          (2) The close proximity of the Waiakea peninsula to the  
12          cruise ship terminal and Hilo town makes the area  
13          suitable for revitalization activities that foster  
14          community, promote cultural activities, and support  
15          economic sustainability;



1 (3) Regaining state control over lands in the district in  
2 the near term is essential and necessary in  
3 revitalizing the area;

4 (4) Through the authority, the area can be revitalized in  
5 such a way that hotel, commercial, public, and  
6 cultural uses can coexist;

7 (5) Conditions such as lack of a sense of safety and  
8 security in the district, the condition of the  
9 historic banyan trees, lack of landscaping, poor  
10 lighting, and poor pedestrian experience, along with  
11 other blight conditions, need to be addressed; and

12 (6) Facilities that support residents and visitors,  
13 including recreational, educational, and entertainment  
14 facilities, are needed.

15 **§206E- Definitions.** As used in this part:

16 "District" means the Waiakea peninsula community  
17 development district.

18 "Fund" means the Waiakea peninsula community development  
19 district special fund.

20 **§206E- District established; boundaries.** The Waiakea  
21 peninsula community development district is hereby established.



1 The district shall include all lands makai of the area as  
 2 follows: the western boundary is the Wailoa river; the southern  
 3 boundary begins at the Wailoa river and follows Kamehameha  
 4 avenue to its intersection with Kalaniana'ole street and then  
 5 follows Kalaniana'ole street to Banyan way; the eastern boundary  
 6 is Reeds bay. The district shall also include Moku Ola, also  
 7 known as Coconut island.

8 **§206E- Development guidance policies.** (a) The  
 9 following development guidance policies shall generally govern  
 10 the authority's actions in the district:

- 11 (1) Development shall seek to promote cultural activities,  
 12 provide community facilities, and foster sustainable  
 13 economic growth by encouraging diverse land uses and  
 14 private sector investments;
- 15 (2) Hawaiian archaeological, historic, and cultural sites  
 16 shall be preserved and protected;
- 17 (3) Land use and redevelopment activities within the  
 18 district shall be coordinated with and, to the extent  
 19 possible, complement existing state and county  
 20 policies, plans, and programs affecting the district;



- 1           (4) Public facilities within the district shall be  
2           planned, located, and developed so as to support the  
3           redevelopment policies for the district established by  
4           this chapter and plans and rules adopted pursuant to  
5           this chapter;
- 6           (5) Development shall consider the impacts of climate  
7           change, sea level rise, inundation risk, and  
8           climate-resilient development in the design and siting  
9           of buildings; and
- 10          (6) Development shall consider the inclusion of mobility  
11          solutions.
- 12          (b) As a development guidance policy for the district, the  
13 authority may engage in planning, design, and construction  
14 activities within and outside the district; provided that  
15 activities outside the district relate to infrastructure  
16 development, area-wide drainage improvements, roadway  
17 realignments and improvements, business and industrial  
18 relocation, and any other activities the authority deems  
19 necessary to carry out redevelopment of the district and  
20 implement this chapter. Studies or coordinating activities may  
21 be undertaken by the authority in conjunction with the county



1 and appropriate state agencies and may address, without  
2 limitation, facility systems, industrial relocation, and other  
3 activities.

4       **§206E- Financial aid from the federal government;**  
5 **contracts with the federal government.** (a) The authority may  
6 secure financial aid from the federal government for any  
7 planning, design, development, construction, and maintenance  
8 work that the authority is authorized to undertake pursuant to  
9 this part.

10       (b) In addition, and supplemental to the powers granted to  
11 the authority under section 206E-4, the authority may:

12       (1) Borrow moneys or accept grants from the federal  
13 government in aid of or for any development project  
14 the authority is authorized to undertake pursuant to  
15 this part;

16       (2) Issue bonds or other evidence of indebtedness and  
17 pledge revenues and other assets as security for  
18 indebtedness incurred pursuant to this part;

19       (3) Repay any indebtedness, including any interest  
20 incurred thereon by the authority pursuant to this  
21 part;



1 (4) Procure insurance or loan guarantees from the federal  
2 government for the payment of any debts or parts  
3 thereof secured by mortgages made or held by the  
4 authority;

5 (5) Execute contracts with the federal government in  
6 accordance with this part; and

7 (6) Comply with terms and conditions required by the  
8 federal government in any contract or grant for  
9 federal assistance.

10 (c) It is the purpose and intent of this section to  
11 authorize the authority to do all things necessary to secure the  
12 cooperation of and financial aid from the federal government for  
13 any planning, design, development, construction, and maintenance  
14 work that the authority is authorized to undertake pursuant to  
15 this part.

16 **§206E- Additional powers.** In addition and supplemental  
17 to the powers granted to the authority by law, the authority may  
18 establish a district improvement and maintenance program to  
19 establish a mechanism to improve and maintain the district and  
20 do all things necessary to effectuate the establishment and  
21 operation of the district improvement and maintenance program.



1 The authority may also adopt rules pursuant to chapter 91 to  
2 implement the program.

3       **§206E- Waiakea peninsula community development district**  
4 **special fund.** (a) There is established in the state treasury  
5 the Waiakea peninsula community development district special  
6 fund into which shall be deposited:

- 7       (1) All revenues, income, and receipts of the authority  
8             for the district, notwithstanding any other law to the  
9             contrary, including section 206E-16; provided that  
10            revenues, income, and receipts derived from leases are  
11            paid to the agency that owns or manages the property;
- 12       (2) Moneys directed, allocated, or disbursed to the  
13             district from government agencies or private  
14             individuals or organizations, including grants, gifts,  
15             awards, donations, and assessments and fees from the  
16             district improvement and maintenance program, for  
17             costs to administer and operate the district; and
- 18       (3) Moneys appropriated to the fund by the legislature.

19       (b) Moneys in the fund shall be used only for the purposes  
20 of this part.



1 (c) Investment earnings credited to the assets of the fund  
2 shall become assets of the fund."

3 SECTION 2. Section 206E-3, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The authority shall consist of the director of  
6 finance or the director's designee; the director of  
7 transportation or the director's designee; the director of  
8 business, economic development, and tourism or the director's  
9 designee; the chairperson of the board of land and natural  
10 resources; the director of planning or planning and permitting  
11 of each county in which a community development district is  
12 located or the director's designee; a cultural specialist; an  
13 at-large member nominated by the president of the senate; an at-  
14 large member nominated by the speaker of the house of  
15 representatives; two representatives of the Heeia community  
16 development district, comprising one resident of that district  
17 or the Koolaupoko district, which consists of sections 1 through  
18 9 of zone 4 of the first tax map key division, and one owner of  
19 a small business or one officer or director of a nonprofit  
20 organization in the Heeia community development district or  
21 Koolaupoko district; two representatives of the Kalaeloa



1 community development district, comprising one resident of the  
2 Ewa zone (zone 9, sections 1 through 2) or the Waianae zone  
3 (zone 8, sections 1 through 9) of the first tax map key  
4 division, and one owner of a small business or one officer or  
5 director of a nonprofit organization in the Ewa or Waianae zone;  
6 two representatives of the Kakaako community development  
7 district, comprising one resident of the district and one owner  
8 of a small business or one officer or director of a nonprofit  
9 organization in the district; ~~and~~ two representatives of the  
10 Pulehunui community development district, consisting of one  
11 resident of the island of Maui, and one owner of a small  
12 business or one officer or director of a nonprofit organization  
13 on the island of Maui[-]; and two representatives of the Waiakea  
14 peninsula community development district, consisting of one  
15 resident of the district or the Waiakea ahupua'a (zone 2,  
16 sections 1, 2, or 4 of the third tax map key division), and one  
17 owner of a small business or one officer or director of a  
18 nonprofit organization in the district or the town of Hilo (zone  
19 2, sections 1 through 5 of the third tax map key division).

20 All members except the director of finance, director of  
21 transportation, county directors of planning or planning and



1 permitting, director of business, economic development, and  
2 tourism, chairperson of the board of land and natural resources,  
3 or their respective designees shall be appointed by the governor  
4 pursuant to section 26-34. The two at-large members nominated  
5 by the president of the senate and speaker of the house of  
6 representatives shall each be invited to serve and appointed by  
7 the governor from a list of three nominees submitted for each  
8 position by the nominating authority specified in this  
9 subsection.

10 The president of the senate and the speaker of the house of  
11 representatives shall each submit a list of six nominees for  
12 each district to the governor to fill the two district  
13 representative positions for each community development  
14 district. For each community development district, the governor  
15 shall appoint one member from a list of nominees submitted by  
16 the president of the senate and one member from a list of  
17 nominees submitted by the speaker of the house of  
18 representatives, and of the two appointees, one shall meet the  
19 district residency requirement and one shall meet the district  
20 small business owner or nonprofit organization officer or  
21 director requirement.



1           The authority shall be organized and shall exercise  
2 jurisdiction as follows:

3           (1) For matters affecting the Heeia community development  
4 district, the following members shall be considered in  
5 determining quorum and majority and shall be eligible  
6 to vote:

7           (A) The director of finance or the director's  
8 designee;

9           (B) The director of transportation or the director's  
10 designee;

11           (C) The director of business, economic development,  
12 and tourism or the director's designee;

13           (D) The director of planning and permitting for the  
14 county in which the Heeia community development  
15 district is located or the director's designee;

16           (E) The cultural specialist;

17           (F) The two at-large members; and

18           (G) The two representatives of the Heeia community  
19 development district;

20           (2) For matters affecting the Kalaeloa community  
21 development district, the following members shall be



1           considered in determining quorum and majority and  
2           shall be eligible to vote:  
3           (A)   The director of finance or the director's  
4                 designee;  
5           (B)   The director of transportation or the director's  
6                 designee;  
7           (C)   The director of business, economic development,  
8                 and tourism or the director's designee;  
9           (D)   The director of planning and permitting for the  
10                county in which the Kalaeloa community  
11                development district is located or the director's  
12                designee;  
13           (E)   The cultural specialist;  
14           (F)   The two at-large members; and  
15           (G)   The two representatives of the Kalaeloa community  
16                development district;  
17        (3)   For matters affecting the Kakaako community  
18           development district, the following members shall be  
19           considered in determining quorum and majority and  
20           shall be eligible to vote:



- 1 (A) The director of finance or the director's
- 2 designee;
- 3 (B) The director of transportation or the director's
- 4 designee;
- 5 (C) The director of business, economic development,
- 6 and tourism or the director's designee;
- 7 (D) The director of planning and permitting for the
- 8 county in which the Kakaako community development
- 9 district is located or the director's designee;
- 10 (E) The cultural specialist;
- 11 (F) The two at-large members; and
- 12 (G) The two representatives of the Kakaako community
- 13 development district; [~~and~~]
- 14 (4) For matters affecting the Pulehunui community
- 15 development district, the following members shall be
- 16 considered in determining quorum and majority and
- 17 shall be eligible to vote:
- 18 (A) The director of finance or the director's
- 19 designee;
- 20 (B) The director of transportation or the director's
- 21 designee;



- 1 (C) The director of business, economic development,  
2 and tourism or the director's designee;
- 3 (D) The director of planning for the county in which  
4 the Pulehunui community development district is  
5 located or the director's designee;
- 6 (E) The chairperson of the board of land and natural  
7 resources or the chairperson's designee;
- 8 (F) The cultural specialist;
- 9 (G) The two at-large members; and
- 10 (H) The two representatives of the Pulehunui  
11 community development district[-]; and
- 12 (5) For matters affecting the Waiakea peninsula community  
13 development district, the following members shall be  
14 considered in determining quorum and majority and  
15 shall be eligible to vote:
  - 16 (A) The director of business, economic development,  
17 and tourism or the director's designee;
  - 18 (B) The director of finance or the director's  
19 designee;
  - 20 (C) The chairperson of the board of land and natural  
21 resources or the chairperson's designee;



- 1           (D) The director of transportation or the director's  
2           designee;
- 3           (E) The director of planning for the county in which  
4           the Waiakea peninsula community development  
5           district is located or the director's designee;
- 6           (F) The cultural specialist;
- 7           (G) The two at-large members; and
- 8           (H) The two representatives of the Waiakea peninsula  
9           community development district.

10           In the event of a vacancy, a member shall be appointed to  
11           fill the vacancy in the same manner as the original appointment  
12           within thirty days of the vacancy or within ten days of the  
13           senate's rejection of a previous appointment, as applicable.

14           The terms of the director of finance; director of  
15           transportation; county directors of planning and permitting;  
16           director of business, economic development, and tourism; and  
17           chairperson of the board of land and natural resources; or their  
18           respective designees shall run concurrently with each official's  
19           term of office. The terms of the appointed voting members shall  
20           be for four years, commencing on July 1 and expiring on June 30.  
21           The governor shall provide for staggered terms of the initially



1 appointed voting members so that the initial terms of four  
2 members selected by lot shall be for two years, the initial  
3 terms of four members selected by lot shall be for three years,  
4 and the initial terms of the remaining three members shall be  
5 for four years.

6 The governor may remove or suspend for cause any member  
7 after due notice and public hearing.

8 Notwithstanding section 92-15, a majority of all eligible  
9 voting members as specified in this subsection shall constitute  
10 a quorum to do business, and the concurrence of a majority of  
11 all eligible voting members as specified in this subsection  
12 shall be necessary to make any action of the authority valid.  
13 All members shall continue in office until their respective  
14 successors have been appointed and qualified. Except as herein  
15 provided, no member appointed under this subsection shall be an  
16 officer or employee of the State or its political subdivisions.

17 For purposes of this section, "small business" means a  
18 business that is independently owned and that is not dominant in  
19 its field of operation."

20 SECTION 3. This Act shall be liberally construed in order  
21 to accomplish the purposes set forth herein. If any provision



1 of this Act, or the application thereof to any person or  
2 circumstance is held invalid, the invalidity does not affect  
3 other provisions or applications of the Act that can be given  
4 effect without the invalid provision or application, and to this  
5 end the provisions of this Act are severable.

6 SECTION 4. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

Waiakea Peninsula Community Development District; Establishment;  
Hawaii Community Development Authority; Department of Land and  
Natural Resources; Special Fund

**Description:**

Establishes the Waiakea Peninsula Community Development District  
and the Waiakea Peninsula Community Development District Special  
Fund. Specifies the powers and duties of the Hawaii Community  
Development Authority as it relates to the new development  
district. Effective 7/1/3000. (HD2)

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