
A BILL FOR AN ACT

RELATING TO DEVELOPMENT.

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

1 PART I

2 SECTION 1. The legislature finds that the stadium
3 development district was established in 2019 within the Hawaii
4 community development authority pursuant to part IX of
5 chapter 206E, Hawaii Revised Statutes.

6 Subsequently, in 2022, the legislature created a
7 transit-oriented development infrastructure improvement program
8 within the Hawaii community development authority, pursuant to
9 part X of chapter 206E, Hawaii Revised Statutes. In
10 establishing this program, the legislature found that the
11 "construction, installation, and improvement of certain
12 infrastructure is necessary and desirable to facilitate renewal
13 and redevelopment of areas designated by the State and the
14 counties for transit-oriented development".

15 The legislature finds that one area designated by the city
16 and county of Honolulu for transit-oriented development is the
17 Halawa area transit-oriented development neighborhood, which



1 surrounds the Halawa/Aloha stadium rail station. The State,
2 through the stadium authority and the department of accounting
3 and general services, is currently working with a developer to
4 construct a new Aloha stadium in this transit-oriented
5 development neighborhood.

6 The legislature finds that it is in the best interests of
7 the State to redesignate the stadium development district as the
8 Halawa community development district and to establish the
9 Hawaii community development authority as the zoning and
10 entitlement agency for the district, given the State's interest
11 in developing both:

- 12 (1) The new Aloha stadium, including the land surrounding
13 the new stadium; and
14 (2) Infrastructure within the Halawa transit-oriented
15 development neighborhood surrounding the Halawa/Aloha
16 stadium rail station.

17 The legislature also finds that it would be in the best
18 interests of the State for the Hawaii community development
19 authority's zoning and entitlement powers to supersede the
20 zoning and entitlement powers of the city and county of Honolulu
21 for the area constituting the district upon the adoption of



1 necessary plans and rules by the Hawaii community development
2 authority.

3 Through the normal process of overseeing the Halawa
4 community development district, the Hawaii community development
5 authority may assess and impose regulatory and service fees and
6 assessments upon beneficiaries of the district, including permit
7 review fees and other fees necessary to cover the Hawaii
8 community development authority's costs of maintaining,
9 regulating, and providing services to beneficiaries of and for
10 the district. As the Hawaii community development authority's
11 responsibilities and obligations for the district would be
12 ongoing, and the costs to maintain, regulate, and provide
13 services may vary from year to year, the general fund
14 appropriation process may not be sufficient to successfully
15 implement the goals of the district. Accordingly, the
16 legislature finds that the establishment of a special fund that
17 satisfies the requirements of section 37-52.3, Hawaii Revised
18 Statutes, is appropriate and necessary to ensure that the
19 district is appropriately developed and maintained.

20 Accordingly, the purpose of this part is to:



- 1 (1) Redesignate the stadium development district as the
- 2 Halawa community development district;
- 3 (2) Amend the respective responsibilities of the stadium
- 4 authority and Hawaii community development authority;
- 5 (3) Clarify the Hawaii community development authority's
- 6 consultation and permitting powers with respect to
- 7 public projects within community development
- 8 districts;
- 9 (4) Establish the Halawa community development district
- 10 special fund; and
- 11 (5) Appropriate moneys.

12 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is
 13 amended by adding a new section to part IX to be appropriately
 14 designated and to read as follows:

15 **"§206E- Halawa community development district special**
 16 **fund.** (a) There is established in the state treasury the
 17 Halawa community development district special fund.
 18 Notwithstanding section 206E-16 or any other law to the
 19 contrary, the following shall be deposited into the special
 20 fund:



1 (1) All revenues, income, and receipts of the authority
2 derived from activities within and outside the
3 district, except for revenues designated for deposit
4 into the stadium development special fund in
5 section 109-3.5;

6 (2) Moneys directed, allocated, or disbursed to the
7 district from government agencies or private
8 individuals or organizations, including grants, gifts,
9 awards, donations, and assessments of landowners for
10 costs to administer and operate the district; and

11 (3) Moneys appropriated to the fund by the legislature.

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

14 (c) Investment earnings credited to the assets of the fund
15 shall become part of the fund."

16 SECTION 3. Section 109-1, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) There shall be within the department of business,
19 economic development, and tourism for administrative purposes
20 only, a stadium authority whose responsibility shall be to
21 maintain, operate, and manage the stadium [~~development~~



1 ~~district.]~~, facilities attached to the stadium, and real
2 property held by the stadium authority, including facilitating
3 the planning, design, development, and construction of a new
4 stadium and the area surrounding the new stadium, consistent
5 with the memorandum of agreement pursuant to section 206E-225.
6 The authority shall consist of eleven members. Eight members
7 shall be appointed by the governor in the manner prescribed by
8 section 26-34.

9 Of the eight public members:

10 (1) One member shall be designated as the Aiea community
11 representative and be a resident of one of the
12 following areas:

13 (A) Excluding Ford Island, the area beginning at the
14 intersection of the shoreline and Admiral Clarey
15 (Ford Island) Bridge and running:

16 (i) Easterly along said bridge to Salt Lake
17 boulevard;

18 (ii) Southeasterly along said boulevard to
19 Luapele drive;

20 (iii) Westerly along said drive to Fleet place;

21 (iv) Westerly along said place to Ulithi street;



- 1 (v) Southwesterly along said street to Luapele
- 2 road;
- 3 (vi) Westerly along said road to Ulihi road;
- 4 (vii) Westerly along said road to Makalapa drive;
- 5 (viii) Southwesterly along said drive to Halawa
- 6 drive;
- 7 (ix) Northwesterly along said drive to Kamehameha
- 8 highway;
- 9 (x) Northerly along said highway to Halawa
- 10 stream;
- 11 (xi) Westerly along said stream to the shoreline;
- 12 and
- 13 (xii) Northerly along said shoreline to its
- 14 intersection with Admiral Clarey (Ford
- 15 Island) Bridge;
- 16 (B) The area beginning at the intersection of Kaonohi
- 17 street and H-1 freeway and running:
- 18 (i) Southeasterly along said freeway to the
- 19 Moanalua freeway - Kamehameha highway
- 20 connector;



- 1 (ii) Northwesterly along said highway connector
2 to Kamehameha highway;
- 3 (iii) Northwesterly along said highway to Aiea
4 stream;
- 5 (iv) Southerly along said stream to the
6 shoreline;
- 7 (v) Northwesterly along said shoreline to
8 Kalauao stream;
- 9 (vi) Northeasterly along said stream to
10 Kamehameha highway;
- 11 (vii) Northwesterly along said highway to Kaonohi
12 street; and
- 13 (viii) Northeasterly along said street to its
14 intersection with H-1 freeway; or
- 15 (C) The area beginning at the intersection of Waimalu
16 stream and Koolau ridge and running:
- 17 (i) Southeasterly along said ridge to
18 Ewa-Honolulu district boundary;
- 19 (ii) Southwesterly along said boundary to Red
20 Hill Naval Reservation boundary;



- 1 (iii) Southwesterly along said boundary to Tampa
- 2 drive;
- 3 (iv) Westerly along said drive to the unnamed
- 4 road;
- 5 (v) Northerly along said road to Icarus way;
- 6 (vi) Westerly along said way to the unnamed road;
- 7 (vii) Southwesterly along said road to Moanalua
- 8 freeway (H-201);
- 9 (viii) Westerly along said freeway to H-1 freeway;
- 10 (ix) Northwesterly along said freeway to Kaonohi
- 11 street;
- 12 (x) Southwesterly along said street to Moanalua
- 13 road;
- 14 (xi) Westerly along said road to Kaahumanu
- 15 street;
- 16 (xii) Northerly along said street to Komo Mai
- 17 drive;
- 18 (xiii) Easterly along said drive to Punanani gulch;
- 19 (xiv) Northeasterly along said gulch to the
- 20 powerline;



- 1 (xv) Southeasterly along said powerline to
- 2 Waimalu stream;
- 3 (xvi) Northeasterly along said stream to Aiea
- 4 stream;
- 5 (xvii) Easterly along said stream to Waimalu
- 6 stream; and
- 7 (xviii) Southeasterly along said stream to its
- 8 intersection with Koolau ridge; and
- 9 (2) One member shall be designated as the west Honolulu
- 10 community representative and be a resident of the area
- 11 beginning at the intersection of H-1 freeway and
- 12 Moanalua freeway (H-201) and running:
- 13 (A) Southeasterly along said freeway to Aliamanu
- 14 Military Reservation southern boundary;
- 15 (B) Westerly along said boundary to Wanaka street;
- 16 (C) Southwesterly along said street to Likini street;
- 17 (D) Northwesterly along said street to Ukana street;
- 18 (E) Southwesterly along said street to Keaka drive;
- 19 (F) Northwesterly along said drive to Manuwa drive;
- 20 (G) Southeasterly along said drive to Pakini street;
- 21 (H) Southwesterly along said street to Keaka drive;



- 1 (I) Southerly along said drive to Puolo drive;
- 2 (J) Westerly along said drive to Likini street;
- 3 (K) Southerly along said street to Maluna street;
- 4 (L) Westerly along said street to Salt Lake
- 5 boulevard;
- 6 (M) Southeasterly along said boulevard to the former
- 7 street entrance to U.S. Naval Reservation;
- 8 (N) Southwesterly along said feature to Reeves loop;
- 9 (O) Southwesterly along said loop to Radford drive;
- 10 (P) Westerly along said drive to H-1 freeway; and
- 11 (Q) Northerly along said freeway to its intersection
- 12 with Moanalua freeway (H-201).
- 13 Each public member of the authority shall have been a citizen of
- 14 the United States and a resident of the State for at least five
- 15 years next preceding the member's appointment. The remaining
- 16 three members shall include the director of business, economic
- 17 development, and tourism or the director's designee, who shall
- 18 be an ex officio voting member, and the president of the
- 19 [University] university of Hawaii and superintendent of
- 20 education, or their designees, who shall be ex officio nonvoting
- 21 members of the authority."



1 SECTION 4. Section 109-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§109-2 Stadium authority; powers and duties.** The powers
4 and duties of the stadium authority shall be as follows:

5 (1) To repair, maintain, and operate the stadium and
6 related facilities [~~and the stadium development~~
7 ~~district~~], including:

8 (A) Repairs, maintenance, operations, and demolition
9 of existing stadium facilities;

10 (B) [~~Operations and maintenance~~] Repairs,
11 maintenance, and operations of a new stadium[+] and related facilities; and
12

13 (C) Contractual payments to developers, contractors,
14 or management contractors engaged by the stadium
15 authority;

16 (2) To coordinate in planning, design, and construction
17 activities, including on-site repairs, within [~~the~~
18 ~~stadium development district,~~] real property held by
19 the stadium authority;

20 (3) To acquire and hold title to real property;



- 1 (4) To prescribe and collect rents, fees, and charges for
2 the use or enjoyment of the stadium, facilities
3 related to the stadium, and real property held by the
4 stadium authority, including entering into leases,
5 contracts, sponsorship and advertising agreements,
6 food and beverage agreements, concession agreements,
7 parking agreements, or other development and use
8 agreements that may apply; [~~provided that leases shall~~
9 ~~not exceed a term of ninety-nine years;~~]
- 10 (5) To make and execute contracts and other instruments
11 necessary or convenient to exercise its powers under
12 this chapter and subject to any limitations in this
13 chapter, to exercise all powers necessary, incidental,
14 or convenient to carry out and effectuate the purposes
15 and provisions of this chapter;
- 16 (6) To adopt, amend, and repeal, in accordance with
17 chapter 91, rules it may deem necessary to effectuate
18 this chapter and in connection with its projects,
19 operations, and facilities;
- 20 (7) To appoint officers, agents, and employees, prescribe
21 their duties and qualifications, and fix their



- 1 salaries, without regard to chapters 76 and 89, to
2 manage the stadium[~~, the stadium development~~
3 ~~district,~~] and related facilities, real property held
4 by the stadium authority, and its contractors; [and]
- 5 (8) To plan, promote, and market the stadium and related
6 facilities[~~-~~]; and
- 7 (9) To be the sole agency responsible for overseeing and
8 facilitating the planning, design, development, and
9 construction of the:
- 10 (A) New stadium and related facilities; and
11 (B) Area surrounding the new stadium."

12 SECTION 5. Section 109-3.5, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[~~§~~§109-3.5[~~]~~] **Stadium development special fund;**

15 **established.** (a) There is established in the state treasury
16 the stadium development special fund, into which funds collected
17 by the stadium authority shall be deposited, including:

- 18 (1) All revenues from [~~the stadium development district,~~]
19 real property held by the stadium authority, including
20 but not limited to agreements or actions generating
21 revenue related to stadium operations, lease or rental



1 of facilities or land, concessions, food and beverage,
2 parking, sponsorship and advertising, utilities and
3 infrastructure, and development;

4 (2) All gifts or grants awarded in any form from any
5 public agency or any other source for purposes of the
6 stadium [~~development district;~~] authority;

7 (3) All proceeds from revenue bonds issued for the purpose
8 of the stadium [~~development district;~~] authority; and

9 (4) Appropriations made by the legislature to the fund.

10 (b) Moneys in the stadium development special fund shall
11 be used by the stadium authority for the payment of expenses
12 arising from any and all use, operation, repair, maintenance,
13 alteration, improvement, development, or any unforeseen or
14 unplanned repairs of the [~~stadium development district;~~] real
15 property and improvements thereon held by the stadium authority,
16 including without limitation:

17 (1) The development, operation, repair, and maintenance of
18 a new stadium;

19 (2) Food and beverage service and parking service provided
20 at the stadium facility; the sale of souvenirs, logo
21 items, or other items; any future major repair,



1 maintenance, and improvement of the stadium facility
2 as a commercial enterprise or as a world-class
3 facility for athletic events, entertainment, or public
4 events; and marketing the facility pursuant to section
5 109-2(4) and (8); and

- 6 (3) Contractual payments to developers or contractors
7 engaged by the stadium authority for the purpose of
8 redeveloping the site and related on- and off-site
9 infrastructure that benefits the [~~stadium district and~~
10 ~~its development guidance policies.~~] real property held
11 by the stadium authority."

12 SECTION 6. Section 206E-3, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) The authority shall consist of the director of
15 finance or the director's designee; the director of
16 transportation or the director's designee; the director of
17 business, economic development, and tourism or the director's
18 designee; the chairperson of the board of land and natural
19 resources; the director of planning or planning and permitting
20 of each county in which a community development district is
21 located or the director's designee; a cultural specialist; an



1 at-large member nominated by the president of the senate; an
2 at-large member nominated by the speaker of the house of
3 representatives; two representatives of the Heeia community
4 development district, comprising one resident of that district
5 or the Koolaupoko district, which consists of sections 1 through
6 9 of zone 4 of the first tax map key division, and one owner of
7 a small business or one officer or director of a nonprofit
8 organization in the Heeia community development district or
9 Koolaupoko district; two representatives of the Kalaeloa
10 community development district, comprising one resident of the
11 Ewa zone (zone 9, sections 1 through 2) or the Waianae zone
12 (zone 8, sections 1 through 9) of the first tax map key
13 division, and one owner of a small business or one officer or
14 director of a nonprofit organization in the Ewa or Waianae zone;
15 two representatives of the Kakaako community development
16 district, comprising one resident of the district and one owner
17 of a small business or one officer or director of a nonprofit
18 organization in the district; two representatives of the
19 Pulehunui community development district, consisting of one
20 resident of the island of Maui, and one owner of a small
21 business or one officer or director of a nonprofit organization



1 on the island of Maui; [~~and, for the purposes of part X of this~~
2 ~~chapter only,~~] two experts on transit-oriented development, to
3 be appointed one each by the president of the senate and the
4 speaker of the house of representatives; [~~and~~] the following ex
5 officio, nonvoting members: the chairpersons of the respective
6 senate and house of representatives standing committees having
7 jurisdiction over transportation, and the chairpersons of the
8 respective senate and house of representatives standing
9 committees having jurisdiction over housing[-]; and two
10 representatives of the Halawa community development district,
11 consisting of one resident of the district, and one owner of a
12 small business or officer or director of a nonprofit
13 organization selected from the areas represented by the
14 following Oahu tax map key numbers, as currently defined and as
15 may be amended by the city and county of Honolulu real property
16 assessment division: 1-1-010 to 1-1-011, 1-1-023 to 1-1-024,
17 9-8-001 to 9-8-002, 9-8-008, 9-8-011 to 9-8-019, 9-8-025 to
18 9-8-046, 9-8-053 to 9-8-054, 9-8-056 to 9-8-058, 9-8-60 to
19 9-8-073, 9-9-002 to 9-9-012, and 9-9-014 to 9-9-078.

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 the two experts on transit-oriented development appointed by the
4 president of the senate and speaker of the house of
5 representatives, respectively; the chairpersons of the
6 respective senate and house of representatives standing
7 committees having jurisdiction over transportation; the
8 chairpersons of the respective senate and house of
9 representatives standing committees having jurisdiction over
10 housing; or, where relevant, their respective designees shall be
11 appointed by the governor pursuant to section 26-34. The two
12 at-large members nominated by the president of the senate and
13 speaker of the house of representatives shall each be invited to
14 serve and appointed by the governor from a list of three
15 nominees submitted for each position by the nominating authority
16 specified in this subsection.

17 The president of the senate and the speaker of the house of
18 representatives shall each submit a list of six nominees for
19 each district to the governor to fill the two district
20 representative positions for each community development
21 district. For each community development district, the governor



1 shall appoint one member from a list of nominees submitted by
2 the president of the senate and one member from a list of
3 nominees submitted by the speaker of the house of
4 representatives, and of the two appointees, one shall meet the
5 district residency requirement and one shall meet the district
6 small business owner or nonprofit organization officer or
7 director requirement.

8 The president of the senate and the speaker of the house of
9 representatives shall each appoint a member having expertise and
10 experience in urban planning and community development to fill
11 the two positions designated for experts on transit-oriented
12 development.

13 The authority shall be organized and shall exercise
14 jurisdiction as follows:

15 (1) For matters affecting the Heeia community development
16 district, the following members shall be considered in
17 determining quorum and majority and shall be eligible
18 to vote:

19 (A) The director of finance or the director's
20 designee;



- 1 (B) The director of transportation or the director's
- 2 designee;
- 3 (C) The director of business, economic development,
- 4 and tourism or the director's designee;
- 5 (D) The director of planning and permitting for the
- 6 county in which the Heeia community development
- 7 district is located or the director's designee;
- 8 (E) The cultural specialist;
- 9 (F) The two at-large members; and
- 10 (G) The two representatives of the Heeia community
- 11 development district;
- 12 (2) For matters affecting the Kalaeloa 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 finance or the director's
- 17 designee;
- 18 (B) The director of transportation or the director's
- 19 designee;
- 20 (C) The director of business, economic development,
- 21 and tourism or the director's designee;



1 (D) The director of planning and permitting for the
2 county in which the Kalaeloa community
3 development district is located or the director's
4 designee;

5 (E) The cultural specialist;

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

7 (G) The two representatives of the Kalaeloa community
8 development district;

9 (3) For matters affecting the Kakaako community
10 development district, the following members shall be
11 considered in determining quorum and majority and
12 shall be eligible to vote:

13 (A) The director of finance or the director's
14 designee;

15 (B) The director of transportation or the director's
16 designee;

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

19 (D) The director of planning and permitting for the
20 county in which the Kakaako community development
21 district is located or the director's designee;



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



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



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

5 (A) The director of finance or the director's
6 designee;

7 (B) The director of transportation or the director's
8 designee;

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

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

14 (E) The cultural specialist;

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

16 (G) The two representatives of the Halawa community
17 development district.

18 ~~[In the event of]~~ If a vacancy~~[r]~~ occurs, a member shall be
19 appointed to fill the vacancy in the same manner as the original
20 appointment within thirty days of the vacancy or within ten days



1 of the senate's rejection of a previous appointment, as
2 applicable.

3 The terms of the director of finance; director of
4 transportation; county directors of planning and permitting;
5 director of business, economic development, and tourism; and
6 chairperson of the board of land and natural resources; or their
7 respective designees shall run concurrently with each official's
8 term of office. The terms of the appointed voting members shall
9 be for four years, commencing on July 1 and expiring on June 30.
10 The governor shall provide for staggered terms of the initially
11 appointed voting members so that the initial terms of four
12 members selected by lot shall be for two years, the initial
13 terms of four members selected by lot shall be for three years,
14 and the initial terms of the remaining three members shall be
15 for four years. The terms on the authority of the chairpersons
16 of the senate and house of representatives standing committees
17 having jurisdiction over housing and the chairpersons of the
18 senate and house of representatives standing committees having
19 jurisdiction over transportation shall run concurrently with
20 that respective legislator's term as the chairperson of that
21 respective committee.



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

3 Notwithstanding section 92-15, a majority of all eligible
4 voting members as specified in this subsection shall constitute
5 a quorum to do business, and the concurrence of a majority of
6 all eligible voting members as specified in this subsection
7 shall be necessary to make any action of the authority valid.
8 All members shall continue in office until their respective
9 successors have been appointed and qualified. Except as
10 [~~herein~~] provided[~~7~~] in this section, no member appointed under
11 this subsection shall be an officer or employee of the State or
12 its political subdivisions.

13 For the purposes of this section, "small business" means a
14 business that is independently owned and that is not dominant in
15 its field of operation."

16 SECTION 7. Section 206E-13, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[~~+~~]**S206E-13**[~~+~~] **Public projects.** Any project or activity
19 [~~e~~] undertaken solely by, or through an independent contractor
20 on behalf of, any county or agency of the State in a designated
21 district shall be constructed, renovated, or improved in



1 consultation with the authority. As part of the consultation
2 requirement, the authority shall provide its discretionary
3 recommendation to the county or agency of the State before the
4 project or activity proceeding; provided that the county or
5 agency of the State shall not be required to obtain permits from
6 the authority; provided further that any project or activity
7 undertaken by any county or agency of the State in a designated
8 district as a joint venture or in partnership with a private
9 party, or as otherwise provided in rules adopted by the
10 authority under chapter 91, shall be constructed, renovated, or
11 improved only after obtaining the necessary permits from the
12 authority."

13 SECTION 8. Section 206E-14, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) The authority [~~may~~], without recourse to public
16 auction, may sell, or lease for a term not exceeding sixty-five
17 years, all or any portion of the real or personal property
18 constituting a redevelopment project to any person, upon [~~such~~]
19 terms and conditions [~~as may be~~] approved by the authority, if
20 the authority finds that the sale or lease is in conformity with
21 the community development plan.



1 ~~[For the stadium development district, leases shall not~~
2 ~~exceed a term of ninety-nine years.]"~~

3 SECTION 9. Chapter 206E, part IX, Hawaii Revised Statutes,
4 is amended to read as follows:

5 "~~[+]PART IX. [+] [STADIUM] HALAWA COMMUNITY DEVELOPMENT DISTRICT~~

6 §206E-221 ~~[Stadium] Halawa community development district;~~

7 **purpose; findings.** The legislature finds that the aloha stadium
8 and lands ~~[under the jurisdiction of]~~ held by the stadium
9 authority ~~[and]~~, within the department of business, economic
10 development, and tourism for administrative purposes only, are
11 underutilized. The stadium facility has been in dire need of
12 significant repair and maintenance for many years. The stadium
13 authority has considered repairing, upgrading, and replacing the
14 existing facility to optimize the public's enjoyment and ensure
15 public safety. Redeveloping, renovating, or improving these
16 public lands in a manner that will provide suitable
17 recreational, residential, educational, and commercial areas,
18 where the public can live, congregate, recreate, attend schools,
19 and shop, as part of a thoughtfully integrated experience, is in
20 the best interests of the State and its people.



1 This part establishes the [~~stadium~~] Halawa community
2 development district to make optimal use of public land for the
3 economic, residential, educational, and social benefit of the
4 people of [~~Hawaii.~~] the State.

5 The legislature finds that the jurisdiction of the
6 authority shall include development within the [~~stadium~~] Halawa
7 community development district. Any development within the
8 district shall require a permit from the authority.

9 **§206E-222 Definitions.** As used in this part, unless the
10 context otherwise requires:

11 "Authority" [~~or "stadium authority"~~] means the [~~stadium~~
12 ~~authority established pursuant to section 109-1.~~] Hawaii
13 community development authority.

14 "District" means the [~~stadium~~] Halawa community development
15 district established by this part.

16 **§206E-223 District; established; boundaries.** (a) The
17 [~~stadium~~] Halawa community development district is established
18 and shall be composed of [~~all real property under the~~
19 ~~jurisdiction of the stadium authority established pursuant to~~
20 ~~section 109-1.~~ The stadium authority shall have sole
21 ~~jurisdiction over the development of the stadium development~~



1 ~~district.]~~ the following parcels of land, identified by Oahu tax
2 map key number: 9-9-003:055, 9-9-003:061, 9-9-003:070, and
3 9-9-003:071.

4 (b) The authority shall [~~facilitate the development of all~~
5 ~~property belonging to the State within the district;~~] prepare a
6 community development plan pursuant to section 206E-5 and
7 community development rules pursuant to section 206E-7 to
8 regulate the development of all property belonging to the State
9 within the district; provided that development [~~is carried out~~
10 ~~in accordance with]~~ plans shall consider any county transit-
11 oriented development plans for lands surrounding the district.

12 In addition to any other duties that the authority may have
13 pursuant to this chapter, the authority's duties shall include[+]

14 (1) ~~Coordinating with the federal government regarding the~~
15 ~~ownership and use of, or restrictions on, properties~~
16 ~~within the district that were previously owned or are~~
17 ~~currently owned by the federal government;~~

18 (2) ~~Coordinating with other state entities during the~~
19 ~~conveyance of properties and conducting remediation~~
20 ~~activities for the property belonging to the State~~
21 ~~within the district;~~



1 ~~(3) Developing~~ developing the infrastructure and public
2 facilities necessary to support the development of all
3 property belonging to the State within the district[~~+~~
4 and

5 ~~(4) Providing, to the extent feasible, maximum opportunity~~
6 ~~for the reuse of property belonging to the State~~
7 ~~within the district by private enterprise or state and~~
8 ~~county government.],~~ consistent with the memorandum of
9 agreement pursuant to section 206E-225.

10 **§206E-224 Development guidance policies.** The following
11 shall be the development guidance policies generally governing
12 the authority's actions in the district:

13 (1) Development shall be in accordance with [~~stadium~~
14 ~~development district~~] community development plans
15 adopted [~~by the stadium authority~~] under section
16 206E-5 and community development rules adopted under
17 section 206E-7 for the development of the district;
18 provided that the plan [~~or plans~~] shall consider any
19 county development plan and other plans developed for
20 the district and shall allow for public input in the
21 plan's preparation and updates;



- 1 (2) The authority, upon the concurrence of a majority of
2 its voting members, may modify and make changes to a
3 transit-oriented development plan with respect to the
4 district to respond to changing conditions; provided
5 that before amending a transit-oriented development
6 plan, the authority shall conduct a public hearing to
7 inform the public of the proposed changes and receive
8 public input;
- 9 (3) The authority shall seek to promote economic
10 development and employment opportunities by fostering
11 diverse land uses and encouraging private sector
12 investments that use the opportunities presented by
13 the high-capacity transit corridor project consistent
14 with the needs of the public, including mixed-use
15 housing and housing in transit-oriented developments;
- 16 (4) The authority may engage in planning, design, and
17 construction activities within and outside the
18 district; provided that activities outside the
19 district shall relate to infrastructure development,
20 area-wide drainage improvements, roadway realignments
21 and improvements, business and industrial relocation,



1 and other activities the authority deems necessary to
2 carry out development of the district and implement
3 this part. The authority may undertake studies or
4 coordinate activities in conjunction with the county
5 and appropriate state agencies and may address
6 facility systems, industrial relocation, and other
7 activities;

8 (5) Archaeological, historic, and cultural sites shall be
9 preserved and protected in accordance with chapter 6E;

10 (6) Endangered species of flora and fauna shall be
11 preserved to the extent required by law;

12 (7) Land use and development activities within the
13 district shall be coordinated with and, to the extent
14 possible, complement existing county and state
15 policies, plans, and programs affecting the district;

16 [~~and~~]

17 (8) Public facilities within the district shall be
18 planned, located, and developed to support the
19 development policies established by this chapter for
20 the district and rules adopted pursuant to this
21 chapter[~~-~~]; and



1 (9) Development shall consider the cultural, social,
 2 ecological, and environmental impacts of climate
 3 change and sea level rise to inform holistically
 4 resilient development in the design and siting of
 5 buildings and infrastructure.

6 **§206E-225 [Stadium] Halawa community development district**
 7 **governance; memorandum of agreement.** [~~Notwithstanding sections~~
 8 ~~206E-3 and 206E-4.1, the stadium authority established pursuant~~
 9 ~~to section 109-1 shall have sole jurisdiction regarding matters~~
 10 ~~affecting the stadium development district; provided that the]~~
 11 The Hawaii community development authority; department of
 12 business, economic development, and tourism; and stadium
 13 authority shall enter into a memorandum of agreement regarding
 14 the implementation of responsibilities of the respective
 15 agencies[-]; provided that the memorandum of agreement shall
 16 specify that the:

17 (1) Hawaii community development authority's role is
 18 limited to:

19 (A) Regulating land use within the district through
 20 its zoning and entitlement powers; and



1 (B) Financing, planning, designing, and building
2 infrastructure and public facilities for the
3 district; and

4 (2) Stadium authority is the sole agency responsible for
5 overseeing the plan, design, development, and
6 construction of the:

7 (A) New stadium and related facilities; and

8 (B) Area surrounding the new stadium.

9 **[+]§206E-226[+]** **Annual comprehensive report.** Not less
10 than twenty days prior to the convening of each regular session
11 of the legislature, the authority shall submit to the
12 legislature an annual comprehensive status report on the
13 progress of development within the [~~stadium~~] Halawa community
14 development district."

15 SECTION 10. Sections 171-2, 201H-191.5(d)(3), and
16 206E-21.5(a)(1), Hawaii Revised Statutes, are amended by
17 substituting the words "Halawa community development district"
18 wherever the words "stadium development district" appear, as the
19 context requires.

20 SECTION 11. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$4,000,000 or so much



1 thereof as may be necessary for fiscal year 2026-2027 for the
2 purposes of this part.

3 The sum appropriated shall be expended by the Hawaii
4 community development authority for the purposes of this part.

5 PART II

6 SECTION 12. Chapter 206E, Hawaii Revised Statutes, is
7 amended by adding a new part to be appropriately designated and
8 to read as follows:

9 "PART . BANYAN DRIVE COMMUNITY DEVELOPMENT DISTRICT

10 §206E- Banyan Drive community development district;

11 **findings; purpose.** The legislature finds that the Waiakea
12 peninsula area in east Hawaii island, which includes Banyan
13 Drive, is underutilized. The area lacks a sense of safety and
14 security due to a lack of landscaping, the conditions of the
15 banyan trees, the poor lighting, and other blight conditions
16 that make for an unpleasant pedestrian experience. In addition,
17 the area is deficient in basic public facilities that support
18 residents and visitors, including recreational, educational, and
19 entertainment facilities. Despite the current condition, the
20 area has exceptional potential for revitalization. The close
21 proximity to the cruise ship terminal, Merrie Monarch Festival



1 sites, and Hilo town makes the area suitable for economic and
2 tourism development activities that foster community, promote
3 cultural activities, and support economic sustainability.
4 Regaining state control over lands in the district in the near
5 term is essential and necessary to revitalize the area. Through
6 the Hawaii community development authority, the area can be
7 revitalized in such a way that hotel, commercial, public, and
8 cultural uses can coexist while providing value to the island of
9 Hawaii and the State.

10 **§206E- Definitions.** As used in this part:

11 "District" means the Banyan Drive community development
12 district.

13 "Fund" means the Banyan Drive community development
14 district special fund.

15 **§206E- District established; boundaries.** The Banyan
16 Drive community development district is established. The
17 district shall include the area bounded by the Wailoa river on
18 the west; Kamehameha avenue, inclusive, from its intersection
19 with the Wailoa river to Kalaniana'ole street on the south;
20 Kalaniana'ole street, inclusive, from Kamehameha avenue to its
21 intersection with Banyan way on the southeast; Banyan way,



1 inclusive, from Kalaniana'ole street to Reeds bay on the east;
2 and all lands from any parcel in those boundaries makai to the
3 ocean in addition to Moku Ola, also known as Coconut island, on
4 the north.

5 **§206E- Banyan Drive redevelopment agency; chairperson;**

6 **established.** (a) The Banyan Drive redevelopment agency is
7 established. The Banyan Drive redevelopment agency shall be an
8 entity of the authority and responsible for implementing this
9 part.

10 (b) The Banyan Drive redevelopment agency shall be headed
11 by a chairperson to be known as the chairperson of the Banyan
12 Drive redevelopment agency. The chairperson of the Banyan Drive
13 redevelopment agency shall be appointed by and shall serve at
14 the pleasure of the authority.

15 **§206E- Development guidance policies.** (a) The

16 following development guidance policies shall generally govern
17 the authority's actions in the district:

- 18 (1) Development shall seek to promote cultural activities,
19 provide community facilities, and foster sustainable
20 economic growth by encouraging diverse land uses and
21 private sector investments;



- 1 (2) Hawaiian archaeological, historic, and cultural sites
2 shall be preserved and protected;
- 3 (3) Land use and redevelopment activities within the
4 district shall be coordinated with and, to the extent
5 possible, complement existing state and county
6 policies, plans, and programs affecting the district;
- 7 (4) Public facilities within the district shall be
8 planned, located, and developed so as to support their
9 development policies for the district established by
10 this part and plans and rules adopted pursuant to this
11 part;
- 12 (5) The design and siting of buildings shall consider the
13 impacts of climate change, sea level rise, inundation
14 risk, and climate-resilient development; and
- 15 (6) Development shall consider the inclusion of mobility
16 solutions.
- 17 (b) The authority may engage in planning, design, and
18 construction activities within and outside the district;
19 provided that activities outside the district relate to
20 infrastructure development, area-wide drainage improvements,
21 roadway realignments and improvements, business and industrial



1 relocation, and any other activities the authority deems
2 necessary to carry out redevelopment of the district and
3 implement this part. Studies or coordinating activities may be
4 undertaken by the authority in conjunction with the county and
5 appropriate state agencies and may address, without limitation,
6 facility systems, industrial relocation, and other activities.

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

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

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

19 (2) Issue bonds or other evidence of indebtedness and
20 pledge revenues and other assets as security for
21 indebtedness incurred pursuant to this part;



1 (3) Repay any indebtedness, including any interest
2 incurred thereon by the authority pursuant to this
3 part;

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

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

10 (6) Comply with terms and conditions required by the
11 federal government in any contract or grant for
12 federal assistance.

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

19 **§206E- Additional powers.** In addition, and supplemental
20 to the powers granted to the authority by law, the authority may
21 establish a district improvement and maintenance program to



1 establish a mechanism to improve and maintain the district and
2 do all things necessary to effectuate the establishment and
3 operation of the district improvement and maintenance program,
4 including but not limited to determining and assessing a service
5 or regulatory fee in accordance with applicable law. The
6 authority may also adopt rules pursuant to chapter 91 to
7 implement the program.

8 **§206E- Banyan Drive community development district**
9 **special fund.** (a) There is established in the state treasury
10 the Banyan Drive community development district special fund
11 into which shall be deposited:

- 12 (1) All revenues, income, and receipts of the authority
13 for the district, notwithstanding any other law to the
14 contrary, including section 206E-16; provided that
15 revenues, income, and receipts derived from leases are
16 paid to the agency that owns or manages the property;
- 17 (2) Moneys directed, allocated, or disbursed to the
18 district from government agencies or private
19 individuals or organizations, including grants, gifts,
20 awards, donations, and moneys collected from the



1 district improvement and maintenance program, for
2 costs to administer and operate the district; and

3 (3) Moneys appropriated to the fund by the legislature.

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

6 (c) Investment earnings credited to the assets of the fund
7 shall become assets of the fund."

8 SECTION 13. Section 206E-3, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) The authority shall consist of the director of
11 finance or the director's designee; the director of
12 transportation or the director's designee; the director of
13 business, economic development, and tourism or the director's
14 designee; the chairperson of the board of land and natural
15 resources; the director of planning or planning and permitting
16 of each county in which a community development district is
17 located or the director's designee; the chairperson of the
18 Banyan Drive redevelopment agency; a cultural specialist; an
19 at-large member nominated by the president of the senate; an
20 at-large member nominated by the speaker of the house of
21 representatives; two representatives of the Heeia community



1 development district, comprising one resident of that district
2 or the Koolaupoko district, which consists of sections 1 through
3 9 of zone 4 of the first tax map key division, and one owner of
4 a small business or one officer or director of a nonprofit
5 organization in the Heeia community development district or
6 Koolaupoko district; two representatives of the Kalaeloa
7 community development district, comprising one resident of the
8 Ewa zone (zone 9, sections 1 through 2) or the Waianae zone
9 (zone 8, sections 1 through 9) of the first tax map key
10 division, and one owner of a small business or one officer or
11 director of a nonprofit organization in the Ewa or Waianae zone;
12 two representatives of the Kakaako community development
13 district, comprising one resident of the district and one owner
14 of a small business or one officer or director of a nonprofit
15 organization in the district; two representatives of the
16 Pulehunui community development district, consisting of one
17 resident of the island of Maui, and one owner of a small
18 business or one officer or director of a nonprofit organization
19 on the island of Maui; ~~and,~~ two representatives of the Banyan
20 Drive community development district, consisting of one resident
21 of the Waiakea ahupuaa (zone 2, sections 1, 2, or 4 of the third



1 tax map key division) and one owner of a small business or an
2 officer or director of a nonprofit organization located in the
3 town of Hilo (zone 2, sections 1 through 5 of the third tax map
4 key division); and, for the purposes of part X of this chapter
5 only, two experts on transit-oriented development, to be
6 appointed one each by the president of the senate and the
7 speaker of the house of representatives; and the following ex
8 officio, nonvoting members: the chairpersons of the respective
9 senate and house of representatives standing committees having
10 jurisdiction over transportation, and the chairpersons of the
11 respective senate and house of representatives standing
12 committees having jurisdiction over housing.

13 All members except the director of finance; director of
14 transportation; county directors of planning or planning and
15 permitting; director of business, economic development, and
16 tourism; chairperson of the board of land and natural resources;
17 the two experts on transit-oriented development appointed by the
18 president of the senate and speaker of the house of
19 representatives, respectively; the chairpersons of the
20 respective senate and house of representatives standing
21 committees having jurisdiction over transportation; the



1 chairpersons of the respective senate and house of
2 representatives standing committees having jurisdiction over
3 housing; or, where relevant, their respective designees; and the
4 chairperson of the Banyan Drive redevelopment agency, shall be
5 appointed by the governor pursuant to section 26-34. The two
6 at-large members nominated by the president of the senate and
7 speaker of the house of representatives shall each be invited to
8 serve and appointed by the governor from a list of three
9 nominees submitted for each position by the nominating authority
10 specified in this subsection.

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



1 small business owner or nonprofit organization officer or
2 director requirement.

3 The president of the senate and the speaker of the house of
4 representatives shall each appoint a member having expertise and
5 experience in urban planning and community development to fill
6 the two positions designated for experts on transit-oriented
7 development.

8 The authority shall be organized and shall exercise
9 jurisdiction as follows:

10 (1) For matters affecting the Heeia community development
11 district, the following members shall be considered in
12 determining quorum and majority and shall be eligible
13 to vote:

14 (A) The director of finance or the director's
15 designee;

16 (B) The director of transportation or the director's
17 designee;

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



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



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



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



- 1 (5) For matters affecting part X of this chapter only, the
2 following members shall be considered in determining
3 quorum and majority and shall be eligible to vote:
- 4 (A) The director of finance or the director's
5 designee;
 - 6 (B) The director of transportation or the director's
7 designee;
 - 8 (C) The director of business, economic development,
9 and tourism or the director's designee;
 - 10 (D) The chairperson of the board of land and natural
11 resources or the chairperson's designee;
 - 12 (E) The director of planning for the county in which
13 the program area is located or the director's
14 designee;
 - 15 (F) The cultural specialist;
 - 16 (G) The two at-large members; and
 - 17 (H) The two experts on transit-oriented development
18 appointed by the president of the senate and the
19 speaker of the house of representatives[-]; and
- 20 (6) For matters affecting the Banyan Drive 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 business, economic development,
4 and tourism or the director's designee;
- 5 (B) The director of finance or the director's
6 designee;
- 7 (C) The chairperson of the board of land and natural
8 resources or the chairperson's designee;
- 9 (D) The director of transportation or the director's
10 designee;
- 11 (E) The director of planning for the county in which
12 the Banyan Drive community development district
13 is located or the director's designee;
- 14 (F) The chairperson of the Banyan Drive redevelopment
15 agency;
- 16 (G) The cultural specialist;
- 17 (H) The two at-large members; and
- 18 (I) The two representatives of the Banyan Drive
19 community development district;
- 20 provided that for all matters involving the
21 appointment or termination of the chairperson of the



1 Banyan Drive Hawaii redevelopment agency, the member
2 under subparagraph (F) shall not be considered a
3 member.

4 ~~[In the event of]~~ If a vacancy~~[7]~~ occurs, a member shall be
5 appointed to fill the vacancy in the same manner as the original
6 appointment within thirty days of the vacancy or within ten days
7 of the senate's rejection of a previous appointment, as
8 applicable.

9 The terms of the director of finance; director of
10 transportation; county directors of planning and permitting;
11 director of business, economic development, and tourism; ~~and~~
12 chairperson of the board of land and natural resources; or their
13 respective designees; and the chairperson of the Banyan Drive
14 redevelopment agency, shall run concurrently with each
15 official's term of office. The terms of the appointed voting
16 members shall be for four years, commencing on July 1 and
17 expiring on June 30. The governor shall provide for staggered
18 terms of the initially appointed voting members so that the
19 initial terms of four members selected by lot shall be for two
20 years, the initial terms of four members selected by lot shall
21 be for three years, and the initial terms of the remaining three



1 members shall be for four years. The terms on the authority of
2 the chairpersons of the senate and house of representatives
3 standing committees having jurisdiction over housing and the
4 chairpersons of the senate and house of representatives standing
5 committees having jurisdiction over transportation shall run
6 concurrently with that respective legislator's term as the
7 chairperson of that respective committee.

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

10 Notwithstanding section 92-15, a majority of all eligible
11 voting members as specified in this subsection shall constitute
12 a quorum to do business, and the concurrence of a majority of
13 all eligible voting members as specified in this subsection
14 shall be necessary to make any action of the authority valid.

15 All members shall continue in office until their respective
16 successors have been appointed and qualified. Except as herein
17 provided, no member appointed under this subsection shall be an
18 officer or employee of the State or its political subdivisions.

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



1 SECTION 14. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$2,000,000 or so much
3 thereof as may be necessary for fiscal year 2026-2027 for the
4 Hawaii community development authority to implement this part
5 and to:

6 (1) Adopt rules under chapter 91, Hawaii Revised Statutes,
7 for purposes of this part; and

8 (2) Prepare an environmental assessment or environmental
9 impact statement under chapter 343, Hawaii Revised
10 Statutes, for any property within the Banyan Drive
11 community development district.

12 The sum appropriated shall be expended by the Hawaii
13 community development authority for the purposes of this part.

14 SECTION 15. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so much
16 thereof as may be necessary for fiscal year 2026-2027 for
17 deposit into the Banyan Drive community development district
18 special fund.

19 SECTION 16. There is appropriated out of the Banyan Drive
20 community development district special fund the sum of
21 \$ or so much thereof as may be necessary for fiscal



1 year 2026-2027 for the establishment of one full-time equivalent
2 (1.0 FTE) position within the Hawaii community development
3 authority.

4 The sum appropriated shall be expended the Hawaii community
5 development authority for the purposes of this part.

6 SECTION 17. This part shall be liberally construed in
7 order to accomplish the purposes set forth herein.

8 PART III

9 SECTION 18. The legislature finds that the stadium
10 development district comprises approximately ninety-eight acres
11 of state public land. The redevelopment of this district
12 involves not only the replacement of the stadium facility but
13 also the long-term disposition and transformation of public
14 lands into a mixed-use, transit-oriented community.

15 The legislature finds that the Hawaii community development
16 authority is the State's designated redevelopment agency,
17 established to join the strengths of private enterprise and
18 public regulation. While the stadium authority holds title to
19 the district, chapter 206E, Hawaii Revised Statutes, requires
20 the Hawaii community development authority to facilitate the
21 development of the district.



1 The legislature further finds that section 206E-224, Hawaii
2 Revised Statutes, establishes development guidance policies that
3 the Hawaii community development authority must facilitate.
4 Specifically, section 206E-224(3), Hawaii Revised Statutes,
5 mandates the promotion of economic development through
6 "mixed-use housing and housing in transit-oriented
7 developments[,] " and section 206E-224(1), Hawaii Revised
8 Statutes, requires that district plans "shall consider any
9 county development plan".

10 The legislature recognizes that the district master
11 development agreement and shared infrastructure agreement,
12 whether pending or executed, will govern the district, utility
13 dedications, and the alienation of state lands for up to
14 ninety-nine years. To ensure the integrity of the State's
15 public land assets, the legislature declares that the Hawaii
16 community development authority must be legally integrated into
17 these agreements to ensure adherence to the statutory mandates
18 for mixed-use housing and transit-oriented development required
19 by chapter 206E, Hawaii Revised Statutes.

20 Accordingly, the purpose of this part is to condition the
21 increase of the expenditure ceiling for the stadium development



1 special fund upon compliance with state planning, land use, and
2 financing statutes.

3 SECTION 19. (a) Notwithstanding any other law to the
4 contrary, including section 206E-225, Hawaii Revised Statutes,
5 no moneys appropriated under this part shall be allotted,
6 encumbered, or expended until the stadium authority submits a
7 district land use and project readiness report pursuant to
8 subsection (b).

9 (b) The stadium authority shall submit a district land use
10 and project readiness report to the president of the senate and
11 speaker of the house of representatives that includes the
12 following:

13 (1) Documentation verifying that the Hawaii community
14 development authority has formal written approval
15 authority over any ground lease, sublease, or
16 development parcel agreement entered into or becoming
17 effective on or after July 1, 2026; provided that this
18 requirement shall apply notwithstanding the execution
19 date of the district master development agreement. If
20 the district master development agreement is executed
21 before the effective date of this Act, the stadium



1 authority shall verify that a binding amendment,
2 supplemental agreement, or memorandum of understanding
3 has been executed to explicitly grant the Hawaii
4 community development authority approval power over
5 the issuance of the leases. This documentation shall
6 verify that the disposition of state lands strictly
7 adheres to the development guidance policies under
8 section 206E-224, Hawaii Revised Statutes, and that
9 the community planning standards of the Hawaii
10 community development authority shall not be bypassed;

11 (2) A status report on the shared infrastructure and
12 reciprocal easement agreement verifying that the
13 Hawaii community development authority is directly
14 involved in drafting provisions for district
15 infrastructure, including roads, drainage, and
16 utilities, to ensure it meets applicable state and
17 city and county of Honolulu standards before
18 dedication or transfer;

19 (3) A definitive plan to utilize the revenue bond
20 authority established by Act 252, Session Laws of
21 Hawaii 2025, including drafts of any memorandum of



1 agreement with the city and county of Honolulu. This
2 plan shall detail:

3 (A) The administration of community facilities
4 districts under section 46-80.1, Hawaii Revised
5 Statutes, including the methodology for the levy
6 and collection of special taxes or user fees to
7 secure the bonds; and

8 (B) The specific engineering standards required for
9 the dedication of district roadways, drainage,
10 and sewer infrastructure to the city and county
11 of Honolulu, ensuring compliance with the
12 Honolulu complete streets design manual;

13 (4) A copy of the governance memorandum of agreement
14 executed pursuant to section 206E-225, Hawaii Revised
15 Statutes, accompanied by a compliance matrix detailing
16 the operational coordination between agencies. This
17 matrix shall verify:

18 (A) The department of accounting and general
19 services' continued role in providing technical
20 engineering oversight and procurement management
21 independent of the private developer;



1 (B) The Hawaii community development authority's
2 specific contributions as the district
3 facilitator regarding district planning
4 integration; and

5 (C) The stadium authority's adherence to the
6 consultation processes established in the
7 memorandum, ensuring that its exercise of sole
8 jurisdiction under section 206E-225, Hawaii
9 Revised Statutes, does not contravene the
10 cooperative requirements of the memorandum;

11 (5) Documentation verifying that the stadium authority has
12 exercised its powers under section 109-2(7), Hawaii
13 Revised Statutes, to retain and employ a qualified
14 professional services firm or designate specific
15 construction management personnel possessing
16 demonstrated experience in the full-time, on-site
17 management of professional or National Collegiate
18 Athletic Association stadium and arena projects in the
19 United States. This documentation shall verify that
20 the persons providing oversight are actively engaged



1 in monitoring the dismantling and vertical
2 construction phases currently underway; and
3 (6) An updated organizational plan identifying the
4 specific state personnel responsible for managing the
5 active dismantling, site remediation, and construction
6 of the new stadium, including a verification of the
7 role of the department of accounting and general
8 services public works division, acting through its
9 special projects branch, in providing independent
10 technical oversight, procurement management, and
11 quality control throughout the delivery phase.

12 SECTION 20. There is appropriated out of the stadium
13 development special fund the sum of \$49,500,000 or so much
14 thereof as may be necessary for fiscal year 2026-2027 for the
15 planning, design, and development of the stadium development
16 district.

17 The sum appropriated shall be expended by the stadium
18 authority for the purposes of this part.

19 PART IV

20 SECTION 21. The legislature finds that Act 252, Session
21 Laws of Hawaii 2025 (Act 252), equipped the Hawaii community



1 development authority with additional financing tools and
2 enhanced authority to advance and improve development planning
3 and projects. Act 252 also modernized the authority's
4 development model to reduce the cost of housing construction and
5 improve critical community infrastructure, public spaces, and
6 amenities that support a lower cost of living and a higher
7 quality of life.

8 The legislature further finds that the Hawaii community
9 development authority's traditional development strategy relies
10 heavily on requiring private developers to finance public
11 infrastructure through negotiation and compromise. This
12 approach frequently results in inadequate or substandard public
13 improvements that diminish community quality of life. It also
14 increases housing costs and reduces the availability of
15 affordable housing units. By contrast, modern development
16 strategies used elsewhere shift much of the responsibility for
17 financing public infrastructure away from developers and toward
18 a mix of innovative revenue sources. These approaches enable
19 the creation of complete communities with stronger public
20 infrastructure and amenities, while lowering housing and overall
21 living costs for residents.



1 The purpose of this part is to provide statutory updates to
2 ensure that the Hawaii community development authority can fully
3 modernize its development strategy and adopt best practices that
4 have been successfully implemented for decades in jurisdictions
5 across the United States and around the world.

6 SECTION 22. Section 206E-6, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§206E-6 District-wide improvement program.** (a) The
9 authority shall develop a district-wide improvement program to
10 identify necessary district-wide public facilities within a
11 community development district.

12 (b) Whenever the authority determines to undertake, or
13 causes to be undertaken, planning and development to include
14 housing in a district or community, the authority shall endeavor
15 to plan for complete communities that include, to the maximum
16 extent appropriate:

17 (1) Infrastructure for utilities, including sewer, water,
18 power, and similar needs;

19 (2) Affordable housing and related infrastructure;

20 (3) Public and private commercial spaces;

21 (4) Public spaces of meaningful scale that shall include:



- 1 (A) Public parks and gathering spaces;
- 2 (B) Public spaces for hosting markets and events;
- 3 (C) Natural areas with open green space and water for
4 passive relaxation;
- 5 (D) Public spaces for active recreation; and
- 6 (E) Public spaces for pets and animals;
- 7 (5) Facilities for public arts and culture that include:
- 8 (A) Public libraries;
- 9 (B) Public works of art;
- 10 (C) Spaces for public performances and events;
- 11 (D) Accessible educational and narrative exhibits on
12 the history, culture, and people of the area; and
- 13 (E) Flexible spaces and infrastructure for seasonal,
14 rotating, and evolving programming and
15 engagement;
- 16 (6) Public spaces for local economic development and
17 community empowerment; provided that the primary focus
18 shall be assisting local residents, entrepreneurs, and
19 brands, including:
- 20 (A) Community-based economic development hubs and
21 cooperative spaces such as public commercial



1 kitchens, processing facilities, or similar work
2 hubs available to the community and small
3 businesses;

4 (B) Cooperative commercial and retail locations
5 capable of supporting and aggregating products
6 and services from numerous small businesses;

7 (C) Spaces for hosting micro-businesses such as food
8 trucks, market stalls, and similar temporary
9 business fronts;

10 (D) Spaces for hosting growing small businesses in
11 permanent micro or small commercial locations or
12 rotating pop-up locations; and

13 (E) Spaces for hosting larger, maturing businesses in
14 regular food, retail, and commercial locations;

15 (7) Commuting infrastructure; provided that the
16 infrastructure shall be designed to have the capacity
17 to enable at least seventy per cent of all daily
18 commutes to, from, and within the area to be safely
19 and comfortably made by walking, biking, using
20 micro-mobility devices, or using public transit,
21 between common destinations, as well as for



1 long-distance daily commuting without interruption
2 pursuant to section 264-142 and shall include
3 amenities such as rest stops, secure bicycle and
4 micro-mobility device parking, and emergency support
5 stations with tools and other resources as may be
6 appropriate; and
7 (8) Public parking hubs of meaningful capacity, including
8 charging for electric vehicles, a reasonable distance
9 from which minimum requirements for parking stalls
10 that are not designated as parking spaces reserved for
11 persons with disabilities as defined in section 291-51
12 shall be prohibited; provided that of the parking
13 stalls developed as part of the public parking hubs
14 pursuant to this paragraph, twenty-five per cent shall
15 be electric vehicle-ready.
16 (c) Public properties, public commercial facilities, and
17 other relevant infrastructure shall be planned with the capacity
18 to provide meaningful revenue generation from appropriate
19 facilities, leases, programs, or other means as may be
20 appropriate to help finance the infrastructure projects
21 identified in this section, fund public community programs in



1 the area, or financially sustain the community within the
2 district.

3 ~~(b)~~ (d) Whenever the authority shall determine to
4 undertake, or cause to be undertaken, any public facility as
5 part of the district-wide improvement program, the cost of
6 providing the public facilities shall be assessed against the
7 real property in the community development district specially
8 benefiting from ~~such~~ the public facilities~~[-]~~, the revenue
9 generated under subsection (c), or other revenue generated by
10 any financing mechanism available to the authority under this
11 chapter. The authority shall determine the areas of the
12 community development district ~~which~~ that will benefit from
13 the public facilities to be undertaken and, if less than the
14 entire community development district benefits, the authority
15 may establish assessment areas within the community development
16 district. The authority may issue and sell bonds in ~~such~~ the
17 amounts as may be authorized by the legislature to provide funds
18 to finance ~~such~~ public facilities. The authority shall fix
19 the assessments against real property specially benefited. All
20 assessments made pursuant to this section shall be a statutory
21 lien against each lot or parcel of land assessed from the date



1 of the notice declaring the assessment until paid and [~~such~~] the
2 lien shall have priority over all other liens except the lien of
3 property taxes. As between liens of assessments, the earlier
4 lien shall be superior to the later lien.

5 [~~(e)~~] (e) Bonds issued to provide funds to finance public
6 facilities shall be secured solely by the real properties
7 benefited or improved, the assessments thereon, or by the
8 revenues derived from the program for which the bonds are
9 issued, including reserve accounts and earnings thereon,
10 insurance proceeds, and other revenues, or any combination
11 thereof. The bonds may be additionally secured by the pledge or
12 assignment of loans and other agreements or any note or other
13 undertaking, obligation, or property held by the authority.
14 Bonds issued pursuant to this section and the income therefrom
15 shall be exempt from all state and county taxation, except
16 transfer and estate taxes. The bonds shall be issued according
17 and subject to the provisions of the rules adopted pursuant to
18 this section.

19 [~~(d)~~] (f) Any other law to the contrary notwithstanding,
20 in assessing real property for public facilities, the authority
21 shall assess the real property within an assessment area



1 according to the special benefits conferred upon the real
2 property by the public facilities. These methods may include
3 assessment on a frontage basis or according to the area of real
4 property within an assessment area or any other assessment
5 method [~~which~~] that assesses the real property according to the
6 special benefit conferred, or any combination thereof. No
7 [~~such~~] assessment levied against real property specially
8 benefited as provided by this chapter shall constitute a tax on
9 real property within the meanings of any constitutional or
10 statutory provisions.

11 [~~(e)~~] (g) The authority shall adopt rules pursuant to
12 chapter 91, and may amend the rules from time to time, providing
13 for the method of undertaking and financing public facilities in
14 an assessment area or an entire community development district.
15 The rules adopted pursuant to this section shall include[~~7~~] but
16 are not limited to[~~7~~] the following: methods by which the
17 authority shall establish assessment areas; the method of
18 assessment of real properties specially benefited; the costs to
19 be borne by the authority, the county in which the public
20 facilities are situated, and the property owners; the procedures
21 before the authority relating to the creation of the assessment



1 areas by the owners of real property therein, including
2 provisions for petitions, bids, contracts, bonds, and notices;
3 provisions relating to assessments; provisions relating to
4 financing, such as bonds, special funds, advances from available
5 funds, special funds for payment of bonds, payment of principal
6 and interest, and sale and use of bonds; provisions relating to
7 funds and refunding of outstanding debts; [~~and~~] provisions
8 relating to limitations on time to sue[~~7~~]; and other related
9 provisions.

10 [~~(f)~~] (h) Any provisions to the contrary notwithstanding,
11 the authority [~~may~~], in its discretion, may enter into any
12 agreement with the county in which the public facilities are
13 located, to implement all or part of the purposes of this
14 section.

15 [~~(g)~~] (i) All sums collected under this section shall be
16 deposited in the Hawaii community development special fund
17 established by section 206E-16; [~~except~~] provided that,
18 notwithstanding section 206E-16, all moneys collected on account
19 of assessments and interest thereon for any specific public
20 facilities financed by the issuance of bonds shall be set apart
21 in a separate special fund and applied solely to the payment of



1 the principal and interest on these bonds[~~τ~~]; the cost of
2 administering, operating, and maintaining the program[~~τ~~]; the
3 establishment of reserves[~~τ~~]; and other purposes as may be
4 authorized in the proceedings providing for the issuance of the
5 bonds. If any surplus remains in any special fund after the
6 payment of the bonds chargeable against that fund, it shall be
7 credited to and become a part of the Hawaii community
8 development special fund. Moneys in the Hawaii community
9 development special fund may be used to make up any deficiencies
10 in the special fund.

11 [~~(h)~~] (j) If the public facilities to be financed through
12 bonds issued by the authority may be dedicated to the county in
13 which the public facilities are to be located, the authority
14 shall ensure that the public facilities are designed and
15 constructed to meet county requirements.

16 [~~(i)~~] (k) Notwithstanding any law to the contrary,
17 whenever as part of a district-wide improvement program it
18 becomes necessary to remove, relocate, replace, or reconstruct
19 public utility facilities, the authority shall establish by rule
20 the allocation of cost between the authority, the affected
21 public utilities, and properties that may specially benefit from



1 [~~such~~] the improvement, if any. In determining the allocation
2 of cost, the authority shall consider the cost allocation
3 policies for improvement districts established by the county in
4 which the removal, relocation, replacement, or reconstruction is
5 to take place."

6 PART V

7 SECTION 23. If any provision of this Act, or the
8 application thereof to any person or circumstance, is held
9 invalid, the invalidity does not affect other provisions or
10 applications of the Act that can be given effect without the
11 invalid provision or application, and to this end the provisions
12 of this Act are severable.

13 SECTION 24. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 25. This Act shall take effect on July 1, 2050.



Report Title:

HCDA; Stadium Development District; Halawa Community Development District; Aloha Stadium; Stadium Authority; Public Projects; Banyan Drive; Establishment of the Banyan Drive Community Development District; Special Fund; Public Lands; Housing; Community Planning and Development; Quality of Life; Appropriation

Description:

PART I: Redesignates the Stadium Development District as the Halawa Community Development District. Amends the composition of the Hawaii Community Development Authority for purposes of the Halawa Community Development District. Amends the duties and powers of the Hawaii Community Development Authority and Stadium Authority as they relate to activities within the Halawa Community Development District. Clarifies the Hawaii Community Development Authority's permitting and consultation powers regarding public projects within community development districts. Establishes the Halawa Community Development District Special Fund. Appropriates funds. PART II: Establishes the Banyan Drive Community Development District and the Banyan Drive Community Development District Special Fund. Specifies the powers and duties of the Hawaii Community Development Authority as it relates to the new development district. PART III: Appropriates funds. Appropriates moneys from the Stadium Development Special Fund for the planning, design, and development of the Stadium Development District by the Hawaii Community Development Authority, contingent upon the Stadium Authority submitting a report that includes various documentation types, statuses, reports, plans, and agreements regarding the new stadium project. PART IV: Requires the Hawaii Community Development Authority, when planning and developing housing, to plan for complete communities that include various aspects supporting quality of life. Effective 7/1/2050. (SD1)

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