THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2599 S.D. 1

A BILL FOR AN ACT

RELATING TO DEVELOPMENT.

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

PART I

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

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

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

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

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

(1) The new Aloha stadium, including the land surrounding the new stadium; and

(2) Infrastructure within the Halawa transit-oriented development neighborhood surrounding the Halawa/Aloha stadium rail station.

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

necessary plans and rules by the Hawaii community development authority.

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

Accordingly, the purpose of this part is to:

(1) Redesignate the stadium development district as the Halawa community development district;

(2) Amend the respective responsibilities of the stadium authority and Hawaii community development authority;

(3) Clarify the Hawaii community development authority's consultation and permitting powers with respect to public projects within community development districts;

(4) Establish the Halawa community development district special fund; and

(5) Appropriate moneys.

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

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

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

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

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

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

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

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

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

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

Of the eight public members:

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

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

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

(ii) Southeasterly along said boulevard to Luapele drive;

(iii) Westerly along said drive to Fleet place;

(iv) Westerly along said place to Ulithi street;

(v) Southwesterly along said street to Luapele road;

(vi) Westerly along said road to Ulihi road;

(vii) Westerly along said road to Makalapa drive;

(viii) Southwesterly along said drive to Halawa drive;

(ix) Northwesterly along said drive to Kamehameha highway;

(x) Northerly along said highway to Halawa stream;

(xi) Westerly along said stream to the shoreline; and

(xii) Northerly along said shoreline to its intersection with Admiral Clarey (Ford Island) Bridge;

(B) The area beginning at the intersection of Kaonohi street and H-1 freeway and running:

(i) Southeasterly along said freeway to the Moanalua freeway - Kamehameha highway connector;

(ii) Northwesterly along said highway connector to Kamehameha highway;

(iii) Northwesterly along said highway to Aiea stream;

(iv) Southerly along said stream to the shoreline;

(v) Northwesterly along said shoreline to Kalauao stream;

(vi) Northeasterly along said stream to Kamehameha highway;

(vii) Northwesterly along said highway to Kaonohi street; and

(viii) Northeasterly along said street to its intersection with H-1 freeway; or

(C) The area beginning at the intersection of Waimalu stream and Koolau ridge and running:

(i) Southeasterly along said ridge to Ewa-Honolulu district boundary;

(ii) Southwesterly along said boundary to Red Hill Naval Reservation boundary;

(iii) Southwesterly along said boundary to Tampa drive;

(iv) Westerly along said drive to the unnamed road;

(v) Northerly along said road to Icarus way;

(vi) Westerly along said way to the unnamed road;

(vii) Southwesterly along said road to Moanalua freeway (H-201);

(viii) Westerly along said freeway to H-1 freeway;

(ix) Northwesterly along said freeway to Kaonohi street;

(x) Southwesterly along said street to Moanalua road;

(xi) Westerly along said road to Kaahumanu street;

(xii) Northerly along said street to Komo Mai drive;

(xiii) Easterly along said drive to Punanani gulch;

(xiv) Northeasterly along said gulch to the powerline;

(xv) Southeasterly along said powerline to Waimalu stream;

(xvi) Northeasterly along said stream to Aiea stream;

(xvii) Easterly along said stream to Waimalu stream; and

(xviii) Southeasterly along said stream to its intersection with Koolau ridge; and

(2) One member shall be designated as the west Honolulu community representative and be a resident of the area beginning at the intersection of H-1 freeway and Moanalua freeway (H-201) and running:

(A) Southeasterly along said freeway to Aliamanu Military Reservation southern boundary;

(B) Westerly along said boundary to Wanaka street;

(C) Southwesterly along said street to Likini street;

(D) Northwesterly along said street to Ukana street;

(E) Southwesterly along said street to Keaka drive;

(F) Northwesterly along said drive to Manuwa drive;

(G) Southeasterly along said drive to Pakini street;

(H) Southwesterly along said street to Keaka drive;

(I) Southerly along said drive to Puolo drive;

(J) Westerly along said drive to Likini street;

(K) Southerly along said street to Maluna street;

(L) Westerly along said street to Salt Lake boulevard;

(M) Southeasterly along said boulevard to the former street entrance to U.S. Naval Reservation;

(N) Southwesterly along said feature to Reeves loop;

(O) Southwesterly along said loop to Radford drive;

(P) Westerly along said drive to H-1 freeway; and

(Q) Northerly along said freeway to its intersection with Moanalua freeway (H-201).

Each public member of the authority shall have been a citizen of the United States and a resident of the State for at least five years next preceding the member's appointment. The remaining three members shall include the director of business, economic development, and tourism or the director's designee, who shall be an ex officio voting member, and the president of the [~~University~~] university of Hawaii and superintendent of education, or their designees, who shall be ex officio nonvoting members of the authority."

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

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

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

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

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

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

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

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

(4) To prescribe and collect rents, fees, and charges for the use or enjoyment of the stadium, facilities related to the stadium, and real property held by the stadium authority, including entering into leases, contracts, sponsorship and advertising agreements, food and beverage agreements, concession agreements, parking agreements, or other development and use agreements that may apply; [~~provided that leases shall not exceed a term of ninety-nine years;~~]

(5) To make and execute contracts and other instruments necessary or convenient to exercise its powers under this chapter and subject to any limitations in this chapter, to exercise all powers necessary, incidental, or convenient to carry out and effectuate the purposes and provisions of this chapter;

(6) To adopt, amend, and repeal, in accordance with chapter 91, rules it may deem necessary to effectuate this chapter and in connection with its projects, operations, and facilities;

(7) To appoint officers, agents, and employees, prescribe their duties and qualifications, and fix their

salaries, without regard to chapters 76 and 89, to manage the stadium[~~, the stadium development district,~~] and related facilities, real property held by the stadium authority, and its contractors; [~~and~~]

(8) To plan, promote, and market the stadium and related facilities[~~.~~]; and

(9) To be the sole agency responsible for overseeing and facilitating the planning, design, development, and construction of the:

(A) New stadium and related facilities; and

(B) Area surrounding the new stadium."

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

"**[~~†~~]§109-3.5[~~†~~] Stadium development special fund; established.** (a) There is established in the state treasury the stadium development special fund, into which funds collected by the stadium authority shall be deposited, including:

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

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

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

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

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

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

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

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

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

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

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

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

at-large member nominated by the president of the senate; an at-large member nominated by the speaker of the house of representatives; two representatives of the Heeia community development district, comprising one resident of that district or the Koolaupoko district, which consists of sections 1 through 9 of zone 4 of the first tax map key division, and one owner of a small business or one officer or director of a nonprofit organization in the Heeia community development district or Koolaupoko district; two representatives of the Kalaeloa community development district, comprising one resident of the Ewa zone (zone 9, sections 1 through 2) or the Waianae zone (zone 8, sections 1 through 9) of the first tax map key division, and one owner of a small business or one officer or director of a nonprofit organization in the Ewa or Waianae zone; two representatives of the Kakaako community development district, comprising one resident of the district and one owner of a small business or one officer or director of a nonprofit organization in the district; two representatives of the Pulehunui community development district, consisting of one resident of the island of Maui, and one owner of a small business or one officer or director of a nonprofit organization

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

All members except the director of finance; director of transportation; county directors of planning or planning and

permitting; director of business, economic development, and tourism; chairperson of the board of land and natural resources; the two experts on transit-oriented development appointed by the president of the senate and speaker of the house of representatives, respectively; the chairpersons of the respective senate and house of representatives standing committees having jurisdiction over transportation; the chairpersons of the respective senate and house of representatives standing committees having jurisdiction over housing; or, where relevant, their respective designees shall be appointed by the governor pursuant to section 26-34. The two at-large members nominated by the president of the senate and speaker of the house of representatives shall each be invited to serve and appointed by the governor from a list of three nominees submitted for each position by the nominating authority specified in this subsection.

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

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

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

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

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

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

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

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

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

(G) The two representatives of the Kakaako community development district;

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

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

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

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

(D) The director of planning for the county in which the Pulehunui community development district is located or the director's designee;

(E) The chairperson of the board of land and natural resources or the chairperson's designee;

(F) The cultural specialist;

(G) The two at-large members; and

(H) The two representatives of the Pulehunui community development district; [~~and~~]

(5) For matters affecting part X of this chapter only, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

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

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

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

(D) The chairperson of the board of land and natural resources or the chairperson's designee;

(E) The director of planning for the county in which the program area is located or the director's designee;

(F) The cultural specialist;

(G) The two at-large members; and

(H) The two experts on transit-oriented development appointed by the president of the senate and the speaker of the house of representatives[~~.~~]; and

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

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

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

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

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

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

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

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

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

"**[~~§~~]§206E-13[~~§~~] Public projects.** Any project or activity [~~of~~] undertaken solely by, or through an independent contractor on behalf of, any county or agency of the State in a designated district shall be constructed, renovated, or improved in

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

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

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

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

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

"**[~~I~~]PART IX.[~~I~~] [~~STADIUM~~] HALAWA COMMUNITY DEVELOPMENT DISTRICT**

§206E-221 [~~Stadium~~] Halawa community development district; purpose; findings. The legislature finds that the aloha stadium and lands [~~under the jurisdiction of~~] held by the stadium authority [~~and~~], within the department of business, economic development, and tourism for administrative purposes only, are underutilized. The stadium facility has been in dire need of significant repair and maintenance for many years. The stadium authority has considered repairing, upgrading, and replacing the existing facility to optimize the public's enjoyment and ensure public safety. Redeveloping, renovating, or improving these public lands in a manner that will provide suitable recreational, residential, educational, and commercial areas, where the public can live, congregate, recreate, attend schools, and shop, as part of a thoughtfully integrated experience, is in the best interests of the State and its people.

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

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

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

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

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

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

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

(b) The authority shall [~~facilitate the development of all property belonging to the State within the district;~~] prepare a community development plan pursuant to section 206E-5 and community development rules pursuant to section 206E-7 to regulate the development of all property belonging to the State within the district; provided that development [~~is carried out in accordance with~~] plans shall consider any county transit-oriented development plans for lands surrounding the district. In addition to any other duties that the authority may have pursuant to this chapter, the authority's duties shall include[~~:~~

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

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

~~(3)~~ ~~Developing~~] developing the infrastructure and public facilities necessary to support the development of all property belonging to the State within the district[~~;~~ ~~and~~

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

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

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

(2) The authority, upon the concurrence of a majority of its voting members, may modify and make changes to a transit-oriented development plan with respect to the district to respond to changing conditions; provided that before amending a transit-oriented development plan, the authority shall conduct a public hearing to inform the public of the proposed changes and receive public input;

(3) The authority shall seek to promote economic development and employment opportunities by fostering diverse land uses and encouraging private sector investments that use the opportunities presented by the high-capacity transit corridor project consistent with the needs of the public, including mixed-use housing and housing in transit-oriented developments;

(4) The authority may engage in planning, design, and construction activities within and outside the district; provided that activities outside the district shall relate to infrastructure development, area-wide drainage improvements, roadway realignments and improvements, business and industrial relocation,

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

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

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

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

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

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

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

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

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

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

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

(A) New stadium and related facilities; and

(B) Area surrounding the new stadium.

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

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

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

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

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

PART II

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

"**PART . BANYAN DRIVE COMMUNITY DEVELOPMENT DISTRICT**

§206E- Banyan Drive community development district; findings; purpose. The legislature finds that the Waiakea peninsula area in east Hawaii island, which includes Banyan Drive, is underutilized. The area lacks a sense of safety and security due to a lack of landscaping, the conditions of the banyan trees, the poor lighting, and other blight conditions that make for an unpleasant pedestrian experience. In addition, the area is deficient in basic public facilities that support residents and visitors, including recreational, educational, and entertainment facilities. Despite the current condition, the area has exceptional potential for revitalization. The close proximity to the cruise ship terminal, Merrie Monarch Festival

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

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

"District" means the Banyan Drive community development district.

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

§206E- District established; boundaries. The Banyan Drive community development district is established. The district shall include the area bounded by the Wailoa river on the west; Kamehameha avenue, inclusive, from its intersection with the Wailoa river to Kalanianaole street on the south; Kalanianaole street, inclusive, from Kamehameha avenue to its intersection with Banyan way on the southeast; Banyan way,

inclusive, from Kalanianaole street to Reeds bay on the east; and all lands from any parcel in those boundaries makai to the ocean in addition to Moku Ola, also known as Coconut island, on the north.

§206E- Banyan Drive redevelopment agency; chairperson; established. (a) The Banyan Drive redevelopment agency is established. The Banyan Drive redevelopment agency shall be an entity of the authority and responsible for implementing this part.

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

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

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

(2) Hawaiian archaeological, historic, and cultural sites shall be preserved and protected;

(3) Land use and redevelopment activities within the district shall be coordinated with and, to the extent possible, complement existing state and county policies, plans, and programs affecting the district;

(4) Public facilities within the district shall be planned, located, and developed so as to support their development policies for the district established by this part and plans and rules adopted pursuant to this part;

(5) The design and siting of buildings shall consider the impacts of climate change, sea level rise, inundation risk, and climate-resilient development; and

(6) Development shall consider the inclusion of mobility solutions.

(b) The authority may engage in planning, design, and construction activities within and outside the district; provided that activities outside the district relate to infrastructure development, area-wide drainage improvements, roadway realignments and improvements, business and industrial

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) All revenues, income, and receipts of the authority for the district, notwithstanding any other law to the contrary, including section 206E-16; provided that revenues, income, and receipts derived from leases are paid to the agency that owns or manages the property;

(2) Moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and moneys collected from the

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

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

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

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

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

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

development district, comprising one resident of that district or the Koolaupoko district, which consists of sections 1 through 9 of zone 4 of the first tax map key division, and one owner of a small business or one officer or director of a nonprofit organization in the Heeia community development district or Koolaupoko district; two representatives of the Kalaeloa community development district, comprising one resident of the Ewa zone (zone 9, sections 1 through 2) or the Waianae zone (zone 8, sections 1 through 9) of the first tax map key division, and one owner of a small business or one officer or director of a nonprofit organization in the Ewa or Waianae zone; two representatives of the Kakaako community development district, comprising one resident of the district and one owner of a small business or one officer or director of a nonprofit organization in the district; two representatives of the Pulehunui community development district, consisting of one resident of the island of Maui, and one owner of a small business or one officer or director of a nonprofit organization on the island of Maui; [~~and,~~] two representatives of the Banyan Drive community development district, consisting of one resident of the Waiakea ahupuaa (zone 2, sections 1, 2, or 4 of the third

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

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

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

The president of the senate and the speaker of the house of representatives shall each submit a list of six nominees for each district to the governor to fill the two district representative positions for each community development district. For each community development district, the governor shall appoint one member from a list of nominees submitted by the president of the senate and one member from a list of nominees submitted by the speaker of the house of representatives, and of the two appointees, one shall meet the district residency requirement and one shall meet the district

small business owner or nonprofit organization officer or director requirement.

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

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

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

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

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

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

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

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

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

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

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

(E) The cultural specialist;

(F) The two at-large members; and

(G) The two representatives of the Kakaako community development district;

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

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

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

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

(D) The director of planning for the county in which the Pulehunui community development district is located or the director's designee;

(E) The chairperson of the board of land and natural resources or the chairperson's designee;

(F) The cultural specialist;

(G) The two at-large members; and

(H) The two representatives of the Pulehunui community development district; [~~and~~]

(5) For matters affecting part X of this chapter only, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

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

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

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

(D) The chairperson of the board of land and natural resources or the chairperson's designee;

(E) The director of planning for the county in which the program area is located or the director's designee;

(F) The cultural specialist;

(G) The two at-large members; and

(H) The two experts on transit-oriented development appointed by the president of the senate and the speaker of the house of representatives[~~.~~]; and

(6) For matters affecting the Banyan Drive community development district, the following members shall be

considered in determining quorum and majority and shall be eligible to vote:

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

(B) The director of finance or the director's designee;

(C) The chairperson of the board of land and natural resources or the chairperson's designee;

(D) The director of transportation or the director's designee;

(E) The director of planning for the county in which the Banyan Drive community development district is located or the director's designee;

(F) The chairperson of the Banyan Drive redevelopment agency;

(G) The cultural specialist;

(H) The two at-large members; and

(I) The two representatives of the Banyan Drive community development district;

provided that for all matters involving the appointment or termination of the chairperson of the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART III

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

in monitoring the dismantling and vertical construction phases currently underway; and

(6) An updated organizational plan identifying the specific state personnel responsible for managing the active dismantling, site remediation, and construction of the new stadium, including a verification of the role of the department of accounting and general services public works division, acting through its special projects branch, in providing independent technical oversight, procurement management, and quality control throughout the delivery phase.

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

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

PART IV

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

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

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

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

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

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

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

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

(2) Affordable housing and related infrastructure;

(3) Public and private commercial spaces;

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

(A) Public parks and gathering spaces;

(B) Public spaces for hosting markets and events;

(C) Natural areas with open green space and water for passive relaxation;

(D) Public spaces for active recreation; and

(E) Public spaces for pets and animals;

(5) Facilities for public arts and culture that include:

(A) Public libraries;

(B) Public works of art;

(C) Spaces for public performances and events;

(D) Accessible educational and narrative exhibits on the history, culture, and people of the area; and

(E) Flexible spaces and infrastructure for seasonal, rotating, and evolving programming and engagement;

(6) Public spaces for local economic development and community empowerment; provided that the primary focus shall be assisting local residents, entrepreneurs, and brands, including:

(A) Community-based economic development hubs and cooperative spaces such as public commercial

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

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

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

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

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

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

long-distance daily commuting without interruption pursuant to section 264-142 and shall include amenities such as rest stops, secure bicycle and micro-mobility device parking, and emergency support stations with tools and other resources as may be appropriate; and

(8) Public parking hubs of meaningful capacity, including charging for electric vehicles, a reasonable distance from which minimum requirements for parking stalls that are not designated as parking spaces reserved for persons with disabilities as defined in section 291-51 shall be prohibited; provided that of the parking stalls developed as part of the public parking hubs pursuant to this paragraph, twenty-five per cent shall be electric vehicle-ready.

(c) Public properties, public commercial facilities, and other relevant infrastructure shall be planned with the capacity to provide meaningful revenue generation from appropriate facilities, leases, programs, or other means as may be appropriate to help finance the infrastructure projects identified in this section, fund public community programs in

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART V

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

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

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

S.B. NO. 2599 S.D. 1

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: Appropriate 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)

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