

A Bill for an Act Relating to the Redevelopment of Barbers Point Naval Air Station.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to:

- (1) Establish the Barbers Point Naval Air Station redevelopment commission, hereinafter referred to as the "commission", to serve as the local redevelopment authority for the redevelopment of real and personal property at the Barbers Point Naval Air Station that has been declared surplus as a result of a federal base realignment and closure process;
- (2) Authorize the commission to negotiate with, acquire real and personal property from, and enter into cooperative agreements with agencies of the federal government for the purpose of redeveloping surplus real and personal property;
- (3) Establish property declared surplus by the federal government at Barbers Point Naval Air Station as the "Kalaeloa community development district", and empower the commission to redevelop this property in accordance with the Barbers Point Naval Air Station community reuse plan and new development policies established herein; and
- (4) Provide an appropriation to carry out the purposes of this Act.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**"CHAPTER  
REDEVELOPMENT OF BARBERS POINT NAVAL AIR STATION**

**PART I. KALAELOA COMMUNITY DEVELOPMENT DISTRICT**

§ -1 **Findings and purpose.** (a) The legislature finds that:

- (1) The federal department of defense has reevaluated the need for Barbers Point Naval Air Station, initiated a base realignment and closure (BRAC) process, and declared approximately 2,150 acres of valuable lands to be surplus to military and other federal agency needs;
- (2) These surplus lands will be made available to a local redevelopment authority to be designated by the State of Hawaii for redevelopment to satisfy pressing public and private sector needs and to promote economic development;
- (3) The governor has established the Barbers Point Naval Air Station redevelopment commission by executive order to develop a community reuse plan, and has approved the plan for these surplus lands at Barbers Point Naval Air Station;
- (4) The community redevelopment plan includes sites for a regional and beach park for public recreational use, a publicly-operated airport for civil aviation use, public facilities including a life safety academy and a desalination plant, facilities and land for programs to support the homeless, residential, light industrial, and commercial land to be managed by the department of Hawaiian home lands, and economic development projects that will stimulate the economy and produce jobs within the area; and
- (5) The traditional Hawaiian name for the Barbers Point area is "Kalaeloa" which means "Long Point".

(b) The purpose of this chapter is to:

- (1) Establish the Barbers Point Naval Air Station redevelopment commission as a public body corporate and politic to serve as the local redevelopment authority for surplus lands at Barbers Point Naval Air Station to be conveyed to the State under the base realignment and closure process;
- (2) Authorize the commission to negotiate with and receive lands, buildings, and property from the federal department of defense;
- (3) Authorize and empower the commission to redevelop these lands in accordance with the reuse plan approved by the governor;
- (4) Rename the surplus lands at Barbers Point Naval Air Station to be received by the State as the "Kalaeloa Community Development District"; and
- (5) Assign the staff of the Hawaii community development authority to assist the commission in its redevelopment activities.

§ -2 **Definitions.** As used in this part, the following words and terms have the following meanings unless the context indicates otherwise:

"Commercial project" means an undertaking involving commercial or light industrial development, which includes a mixed use development where commercial or light industrial facilities may be built into, adjacent to, under, or above residential units.

"Commission" means the Barbers Point Naval Air Station redevelopment commission established by section -3.

"County" means the city and county of Honolulu.

"Project" means a specific work or improvement, including real and personal properties, or any interest therein, acquired, owned, constructed, reconstructed, rehabilitated, or improved by the commission, including a residential project, a redevelopment project, or a commercial project, or any combination thereof, which combination shall hereinafter be called a "multipurpose project".

"Public agency" means any office, department, board, commission, bureau, division, public corporation agency, or instrumentality of the federal, state, or county government.

"Public facilities" includes streets, utility and service corridors and utility lines where applicable, sufficient to adequately service developable improvements in the district, sites for schools, parks, parking garages, sidewalks, pedestrian ways, and other community facilities. "Public facilities" also includes public highways and roadways as defined by statute, storm drainage systems, water systems, street lighting systems, off-street parking facilities, and sanitary sewerage systems.

"Qualified person" includes any individual, partnership, corporation, or any public agency, possessing the competence, expertise, experience, and resources including financial, personnel, and tangible resources, required for the purposes of the project and such other qualifications as may be deemed desirable by the commission.

"Real property" means lands, structures, and interests in land including lands under water and riparian rights, space rights, and air rights, and any and all other things usually included within the term. "Real property" also means any and all interests in the property less than full title such as easements, incorporeal hereditaments, and every estate, interest, or legal or equitable right, including terms for years and liens thereon by way of judgments, mortgages, or otherwise.

"Redevelopment project" means an undertaking for the acquisition, clearance, replanning, reconstruction, or a combination of these and other methods, of an area for a residential project, for an incidental commercial project, for residential, recreational, commercial, or industrial projects associated with former military lands

at Barbers Point Naval Air Station to be conveyed under the base realignment and closure process, and for facilities incidental or appurtenant thereto, pursuant to and in accordance with this chapter. The terms “acquisition, clearance, replanning, reconstruction, and rehabilitation” include renewal, redevelopment, conservation, restoration, or improvement or any combination thereof.

“Residential project” means a project or that portion of a multipurpose project, including residential dwelling units, designed and intended for the purpose of providing housing and facilities incidental or appurtenant thereto.

**§ -3 Barbers Point naval air station redevelopment commission; established.** (a) There is established within the department of business, economic development, and tourism, for administrative purposes, the Barbers Point Naval Air Station redevelopment commission, which shall be a body corporate and a public instrumentality of the State for the purpose of implementing this chapter.

(b) The purpose of the commission shall be to act as the local redevelopment authority to facilitate the redevelopment of Barbers Point Naval Air Station in accordance with the Barbers Point naval air station community reuse plan. The commission’s duties shall include but not be limited to:

- (1) Coordinating with the navy and other entities during the preparation of an environmental impact statement and conduct of remediation activities for the Barbers Point Naval Air Station community reuse plan;
  - (2) Assisting the land holders designated by the plan in the marketing of their properties and the preparation and processing of conveyance requests;
  - (3) Assisting the navy by providing “caretaker services” after the closure of Barbers Point Naval Air Station as necessary;
  - (4) Working with the navy and others to ensure that infrastructure support is provided to the existing developed area, which is referred to as the “downtown area” and other federally retained areas;
  - (5) Developing the infrastructure necessary to support the implementation of the Barbers Point Naval Air Station community reuse plan; and
  - (6) Providing, to the extent feasible, maximum opportunity for the reuse of surplus property by private enterprise or state and local government.
- (c) The commission shall consist of fifteen voting members as follows:
- (1) The state director of business, economic development, and tourism; the chairperson of the board of land and natural resources; the adjutant general; the chairperson of the Hawaiian homes commission; and the director of transportation, or their designated representatives shall serve as ex-officio voting members;
  - (2) The county chief planning officer; the director and chief engineer of public works; the director of housing and community development; and the director of transportation services, or their designated representatives shall serve as ex-officio voting members;
  - (3) Six voting members shall be appointed for staggered terms as follows:
    - (A) The governor shall appoint one member from a list of three nominees submitted by the chair of the Makakilo/Kapolei/Honokai Hale neighborhood board;
    - (B) The governor shall appoint one member from a list of three nominees submitted by the chair of the Ewa neighborhood board;
    - (C) The governor shall appoint, subject to the advice and consent of the senate, two members from the general public;
    - (D) The mayor of Honolulu shall select one member from the general public; and

(E) The Honolulu city council shall select one member from the general public.

(d) The commission shall select a chairperson from among its members.

(e) The commander, naval base Pearl Harbor and commanding officer, naval air station Barbers Point may serve as non-voting ex-officio members of the commission.

(f) A majority of all voting members shall constitute a quorum to do business, and the concurrence of a majority of all voting members shall be necessary to make any action of the commission valid. All members shall continue in office until their respective successors, selected in the same manner and representing the same community of interest, have been appointed and qualified.

(g) The commission shall hire an executive director for the commission. The Hawaii community development authority shall make available employees of the authority to staff the commission as the commission deems necessary.

(h) Members appointed under subsection (c) shall serve without compensation, but each shall be reimbursed for expenses including travel expenses incurred in the performance of their duties.

§ -4 **Powers; generally.** In its role as the local redevelopment authority for the redevelopment of the Kalaeloa community development district, and except as otherwise limited by this chapter, the commission may:

- (1) Sue and be sued;
- (2) Have a seal and alter the same at pleasure;
- (3) Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter;
- (4) Make and alter bylaws for its organization and internal management;
- (5) Make rules with respect to its projects, operations, properties, and facilities, in conformance with chapter 91;
- (6) Through its executive director appoint officers, agents, and employees, prescribe their duties and qualifications, and fix their salaries, without regard to chapters 76 and 77;
- (7) Acquire, reacquire, or contract to acquire or reacquire by grant or purchase real, personal, or mixed property or any interest therein; to own, hold, clear, improve, and rehabilitate, and to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the same;
- (8) Acquire or reacquire by condemnation real, personal, or mixed property or any interest therein for public facilities, including but not limited to streets, sidewalks, parks, schools, and other public improvements;
- (9) By itself, or in partnership with qualified persons, acquire, reacquire, construct, reconstruct, rehabilitate, improve, alter, or repair or provide for the construction, reconstruction, improvement, alteration, or repair of any project; own, hold, sell, assign, transfer, convey, exchange, lease, or otherwise dispose of or encumber any project, and in the case of the sale of any project, accept a purchase money mortgage in connection therewith; and repurchase or otherwise acquire any project which the commission has theretofore sold or otherwise conveyed, transferred, or disposed of;
- (10) Arrange or contract for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, or other places, or for the furnishing of facilities or for the acquisition of property or property rights or for the furnishing of property or services in connection with a project;

- (11) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on such terms and conditions as it deems advisable;
- (12) Prepare or cause to be prepared plans, specifications, designs, and estimates of costs for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project, and from time to time to modify such plans, specifications, designs, or estimates;
- (13) Provide advisory, consultative, training, and educational services, technical assistance, and advice to any person, partnership, or corporation, either public or private, in order to carry out the purposes of this chapter, and engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;
- (14) Contract for and accept gifts or grants in any form from any public agency or from any other source; and
- (15) Do any and all things necessary to carry out its purposes and exercise the powers given and granted in this chapter.

**§ -5 Designation of the Kalaeloa Community Development District.**

(a) The federal department of defense has declared approximately 2,150 acres of land at the Barbers Point Naval Air Station to be surplus to its needs and has initiated a base realignment and closure process to transfer these surplus lands to the commission as the local redevelopment authority established by the State of Hawaii. The governor of Hawaii has approved and forwarded to the navy a community reuse plan for these lands.

(b) The legislature hereby designates these lands to be received by the State as the "Kalaeloa community development district" in recognition of the traditional Hawaiian name for the area, which means "long point".

**§ -6 District established; boundaries.** The Kalaeloa community development district is established and shall include all lands within tax map key numbers 9-1-31:28 and 9-1-13:01, excluding those areas to be:

- (1) Retained by the federal government;
- (2) Conveyed as an airport complex to the department of transportation; and
- (3) Conveyed to the department of Hawaiian home lands.

**§ -7 Kalaeloa community development district; development guidance policies.** The following shall be the development guidance policies generally governing the commission's actions in the Kalaeloa community development district:

- (1) Development shall be in accordance with the community reuse plan;
- (2) With the approval of the governor and concurrence of the navy, the commission, upon the concurrence of a majority of its voting members, may modify and make changes to the reuse plan to respond to changing conditions; provided that prior to amending the reuse plan, the commission shall conduct a public hearing to inform the public of the proposed changes and receive public input;
- (3) Development shall seek to promote economic development and employment opportunities by fostering diverse land uses and encouraging private sector investments which utilize the opportunities presented by the receipt of property from the base closure consistent with the needs of the public;
- (4) The commission may engage in planning, design, and construction activities inside the district and outside the district; provided that

activities outside the district relate to infrastructure development, area-wide drainage improvements, roadways realignments and improvements, business and industrial relocation, and other activities deemed by it necessary to carry out the redevelopment of the district and to implement this chapter. Studies or coordinating activities to be undertaken by the commission may address facility systems, industrial relocation, and other activities in conjunction with the county and appropriate state agencies;

- (5) Planning, replanning, rehabilitation, development, redevelopment and other preparation for reuse of Barbers Point Naval Air Station under this chapter are public uses and purposes for which public money may be spent and private property acquired;
- (6) Historic sites and culturally significant facilities, settings, and/or locations shall be preserved to the extent feasible;
- (7) Land use and redevelopment 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 redevelopment policies established by this chapter for the district, the reuse plan approved by the governor, and rules adopted pursuant hereto.

§ **-8 Kalaeloa community development revolving fund.** There is created the Kalaeloa community development revolving fund into which all receipts and revenues of the commission shall be deposited. Proceeds from the fund shall be used for the purposes of this chapter.

§ **-9 Assistance by state and county agencies.** In addition to the Hawaii community development authority, which shall render staff support to the commission pursuant to section -3(g), any other state or county agency may render services and support upon request of the commission.

§ **-10 Court proceedings; preferences; venue.** Any action or proceeding to which the commission, the State, or the county may be a party, in which any question arises as to the validity of this chapter, shall be preferred over all other civil cases, except election cases, in any court of this State and shall be heard and determined in preference to all other civil cases pending therein except election cases, irrespective of position on the calendar. The same preference shall be granted upon application of counsel to the commission in any action or proceeding questioning the validity of this chapter in which the commission may be allowed to intervene. In addition to the preference provided in this section, any such action or proceeding to which the commission, the State, or the county may be a party, in which any question arises as to the validity of this chapter or any portion of this chapter, may be filed in the supreme court of the State, which court is hereby vested with original jurisdiction over the action, and notwithstanding any provision of law to the contrary, declaratory relief may be obtained for any such action.

§ **-11 Issuance of bonds.** The director of finance, from time to time, may issue general obligation bonds pursuant to chapter 39 in such amounts as may be authorized by the legislature, for the purposes of this chapter.

§ **-12 Violations and penalty.** (a) The commission may set, charge, and collect reasonable fines for violation of this chapter or any rule adopted pursuant to chapter 91. Any person violating any of the provisions of this chapter or any rule

adopted pursuant to chapter 91, for which violation a penalty is not otherwise provided, shall be fined not more than \$500 a day and shall be liable for administrative costs incurred by the commission.

(b) The commission may maintain an action for an injunction to restrain any violation of this chapter and may take any other lawful action to prevent or remedy any violation.

(c) Any person violating any provision of this chapter, upon conviction, shall be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding thirty days, or both. The continuance of a violation after conviction shall be deemed a new offense for each day of the continuance. The commission may commence any action to protect or enforce any right conferred upon it by any law, mortgage, insurance policy, contract, or other agreement.

(d) The commission may bid for and purchase the property secured by the loan at any foreclosure or other sale, or acquire or take possession of the property secured by the loan.

(e) The commission may operate, manage, lease, dispose of, or otherwise deal with the property secured by the loan.

## PART II. REVENUE BONDS FOR PUBLIC FACILITIES PROJECTS

§ -21 **Findings and declarations.** The legislature finds and declares that:

- (1) The health, safety, and general welfare of the people of the State require that every opportunity be taken to assist the redevelopment of the Barbers Point Naval Air Station and that the redevelopment and revitalization of this area will alleviate community needs for employment, housing, parks, open space, and commercial and industrial facilities;
- (2) A significant deterrent to redevelopment is the cost of public facilities including infrastructure;
- (3) Interest rates on moneys necessary to finance those public facilities add significantly to the cost of the facilities and more favorable interest rates would be available through the issuance of tax-exempt bonds; and
- (4) The availability of revenue bonds to finance the cost of public facilities will facilitate redevelopment of portions of Barbers Point Naval Air Station designated in this chapter as the Kalaeloa community development district.

The legislature further finds that the powers conferred, the issuance of revenue bonds, and the expenditure of public moneys under this part constitute a serving of a valid public purpose, and that this enactment is in the public interest and is so declared as an express legislative determination.

§ -22 **Definitions.** The following words or terms as used in this part shall have the following meanings, unless the context indicates otherwise:

“Revenue bonds” means bonds, notes, or other evidence of indebtedness of the commission issued to finance any public facility under this part.

“Trustee” means a national or state bank or trust company within or without the State which enters into a trust indenture.

“Trust indenture” means an agreement by and between the commission and the trustee, which sets forth the duties of the trustee with respect to the revenue bonds, the security thereof, and other provisions as deemed necessary or convenient by the commission to secure the revenue bonds.

§ -23 **Revenue bonds; authorization.** (a) The commission, with the approval of the governor, may issue from time to time revenue bonds in amounts not

exceeding the total amount of bonds authorized to be issued by the legislature, and in no event exceeding in the aggregate \$125,000,000, for the purpose of constructing, acquiring, remodeling, furnishing, and equipping any public facility, including acquisition of the site thereof relating to the Kalaeloa community development district.

(b) All revenue bonds shall be issued pursuant to part III of chapter 39, except as provided in this part.

(c) The revenue bonds under this part are declared to be issued for a public purpose and, together with interest thereon, shall be exempt from all state and county taxation except estate and transfer taxes. The legislature consents to federal income taxation of interest on revenue bonds issued under this part, if it is determined by the commission that the issuance is in the best interest of the State.

(d) The revenue bonds shall be issued in the name of the commission and not in the name of the State. The final maturity date of the revenue bonds may be any date not exceeding thirty years from the date of issuance.

**§ -24 Revenue bonds; payment and security.** (a) The revenue bonds shall be payable from and secured by the revenues derived from the public facility for which the revenue bonds are issued, including revenue derived from the insurance proceeds and reserve accounts and earnings thereon.

(b) The commission may pledge revenues derived from the public facility financed from the proceeds of the revenue bonds to the punctual payment of the principal, interest, and redemption premiums, if any, on the revenue bonds.

(c) The revenue bonds may be additionally secured by the pledge or assignment of the loans and other agreements or any note or other undertaking, obligation, or property held by the commission to secure the loans.

(d) Any pledge made by the commission shall create a perfected security interest in the revenues, moneys, or property so pledged and thereafter received by the commission from and after the time that a financing statement with respect to the revenues, moneys, or property so pledged and thereafter received shall be filed with the bureau of conveyances. Upon filing, the revenues, moneys, or property pledged thereafter received by the commission shall immediately be subject to the lien of any such pledge without any physical delivery thereof or further act, and the lien of the pledge shall be prior to the lien of all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice thereof. This section shall apply to any financing statement heretofore or hereafter filed with the bureau of conveyances with respect to any pledge made to secure revenue bonds issued under this part.

**§ -25 Revenue bonds; interest rate, price, and sale.** (a) The revenue bonds shall bear interest at a rate or rates payable monthly, quarterly, or semiannually established by the commission.

(b) The commission shall include the costs of undertaking the public facility for which the revenue bonds are issued in determining the principal of revenue bonds to be issued. In determining the cost of undertaking the public facility, the commission may include:

- (1) The cost of constructing, acquiring, remodeling, furnishing, and equipping the public facility, including acquisition of the site thereof;
- (2) The cost of purchasing or funding loans or other agreements entered into for the public facility;
- (3) The costs of studies, surveys, and insurance premiums;
- (4) Underwriting fees;
- (5) Financial consultant, legal, accounting, and marketing services incurred;

- (6) Reserve account, trustee, custodian, and rating agency fees; and
- (7) Any capitalized interest.

(c) The revenue bonds may be sold at public or private sale, and for a price that may be determined by the commission to be in the best interest of the State.

§ -26 **Revenue bonds; investment of proceeds, and redemption.** Subject to any agreement with the holders of its revenue bonds, the commission may:

- (1) Invest its moneys not required for immediate use, including proceeds from the sale of revenue bonds, in any investment in accordance with procedures prescribed in a trust indenture; and
- (2) Purchase its revenue bonds out of any fund or money of the commission available therefor, and hold, cancel, or resell the revenue bonds.

§ -27 **Revenue bonds; special funds.** (a) A separate special fund shall be established for each public facility financed from the proceeds of the revenue bonds secured under the same trust indenture. Each fund shall be designated "public facility revenue bond special fund" and shall bear additional designation that the commission deems appropriate to properly identify the fund.

(b) Notwithstanding any other law to the contrary, all revenues, income, and receipts derived from the public facility for which the revenue bonds are issued shall be paid into the public facility revenue bond fund established for that public facility and applied as provided in the proceedings authorizing the issuance of the revenue bonds.

§ -28 **Trustee; designation, duties.** (a) The commission shall designate a trustee for each issue of revenue bonds secured under the same trust indenture; provided that the trustee shall be approved by the director of finance.

(b) The trustee shall be authorized by the commission to receive and receipt for, hold, and administer the proceeds of the revenue bonds, and to apply the proceeds to the purposes for which the bonds are issued.

(c) The trustee shall also be authorized by the commission to hold and administer the public facility revenue bond special fund established pursuant to section -27, and to receive and receipt for, hold, and administer the revenues derived by the give authority from the public facility for which the revenue bonds are issued and to apply these revenues to pay the costs of:

- (1) Undertaking the public facility;
- (2) Administering and operating the proceedings providing for the issuance of the revenue bonds;
- (3) Principal or interest on these bonds;
- (4) The establishment of reserves; and
- (5) Other purposes that may be authorized in the proceedings providing for the issuance of the revenue bonds.

(d) Notwithstanding section 39-68, the commission may appoint the trustee to serve as fiscal agent for:

- (1) The payment of the principal of and interest on the revenue bonds; and
- (2) The purchase, registration, transfer, exchange, and redemption of the bonds.

(e) The trustee shall perform additional functions with respect to the payment, purchase, registration, transfer, exchange, and redemption, that the commission may deem necessary, advisable, or expeditious, including the holding of the revenue bonds and coupons which have been paid and the supervision of the destruction thereof in accordance with law.

(f) Nothing in this part shall limit or be construed to limit the powers granted to the commission in sections 36-3, 39-13, and 39-68, to appoint the trustee or others

as fiscal agents, paying agents, and registrars for the revenue bonds or to authorize and empower those fiscal agents, paying agents, and registrars to perform the functions referred to in those sections.

§ -29 **Trust indenture.** (a) A trust indenture may contain covenants and provisions authorized by part III of chapter 39, and that deemed necessary or convenient by the commission for the purposes of this part.

(b) A trust indenture may allow the commission to pledge and assign to the trustee loans and other agreements related to the public facility, and the rights of the commission thereunder, including the right to receive revenues thereunder and to enforce the provision thereof.

(c) Where a trust indenture provides that any revenue bond issued under that trust indenture is not valid or obligatory for any purpose unless certified or authenticated by the trustee, all signatures of the officers of the State upon the revenue bonds required by section 39-56 may be facsimiles of their signatures.

(d) A trust indenture shall also contain provisions as to:

- (1) The investment of the proceeds of the revenue bonds, the investment of any reserve for the bonds, the investment of the revenues of the public facility, and the use and application of the earnings from investments; and
- (2) The terms and conditions upon which the holders of the revenue bonds or any portion of them or any trustee thereof may institute proceedings for the foreclosure of any loan or other agreement or any note or other undertaking, obligation, or property securing the payment of the bonds and the use and application of the moneys derived from the foreclosure.

(e) A trust indenture may also contain provisions deemed necessary or desirable by the commission to obtain or permit, by grant, interest subsidy, or otherwise, the participation of the federal government in the financing of the costs of undertaking the public facility.’’

SECTION 3. Section 206E-4, Hawaii Revised Statutes, is amended to read as follows:

“**§206E-4 Powers; generally.** Except as otherwise limited by this chapter, the authority may:

- (1) Sue and be sued;
- (2) Have a seal and alter the same at pleasure;
- (3) Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter;
- (4) Make and alter bylaws for its organization and internal management;
- (5) Make rules with respect to its projects, operations, properties, and facilities, which rules shall be in conformance with chapter 91;
- (6) Through its executive director appoint officers, agents, and employees, prescribe their duties and qualifications, and fix their salaries, without regard to chapters 76 and 77;
- (7) Prepare or cause to be prepared a community development plan for all designated community development districts;
- (8) Acquire, reacquire, or contract to acquire or reacquire by grant or purchase real, personal, or mixed property or any interest therein; to own, hold, clear, improve, and rehabilitate, and to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the same;

- (9) Acquire or reacquire by condemnation real, personal, or mixed property or any interest therein for public facilities, including but not limited to streets, sidewalks, parks, schools, and other public improvements;
- (10) By itself, or in partnership with qualified persons, acquire, reacquire, construct, reconstruct, rehabilitate, improve, alter, or repair or provide for the construction, reconstruction, improvement, alteration, or repair of any project; own, hold, sell, assign, transfer, convey, exchange, lease, or otherwise dispose of or encumber any project, and in the case of the sale of any project, accept a purchase money mortgage in connection therewith; and repurchase or otherwise acquire any project which the authority has theretofore sold or otherwise conveyed, transferred, or disposed of;
- (11) Arrange or contract for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, or other places, or for the furnishing of facilities or for the acquisition of property or property rights or for the furnishing of property or services in connection with a project;
- (12) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on such terms and conditions as it deems advisable;
- (13) Prepare or cause to be prepared plans, specifications, designs, and estimates of costs for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project, and from time to time to modify such plans, specifications, designs, or estimates;
- (14) Provide advisory, consultative, training, and educational services, technical assistance, and advice to any person, partnership, or corporation, either public or private, in order to carry out the purposes of this chapter, and engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;
- (15) Procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable;
- (16) Contract for and accept gifts or grants in any form from any public agency or from any other source;
- (17) Do any and all things necessary to carry out its purposes and exercise the powers given and granted in this chapter; [and]
- (18) Allow satisfaction of any affordable housing requirements imposed by the authority upon any proposed development project through the construction of reserved housing, as defined in section 206E-101, by a person on land located outside the geographic boundaries of the authority's jurisdiction. Such substituted housing shall be located on the same island as the development project and shall be substantially equal in value to the required reserved housing units that were to be developed on site. The authority shall establish the following priority in the development of reserved housing:
  - [(1)] (A) Within the community development district;
  - [(2)] (B) Within areas immediately surrounding the community development district;
  - [(3)] (C) Areas within the central urban core;
  - [(4)] (D) In outlying areas within the same island as the development project.

The Hawaii community development authority shall adopt rules relating to the approval of reserved housing that are developed outside of a community development district. The rules shall include, but are not

- limited to, the establishment of guidelines to ensure compliance with the above priorities[.]; and
- (19) Render technical and administrative services as necessary to assist the Barbers Point Naval Air Station redevelopment commission as the local redevelopment authority in the development of the Kalaeloa community development district.”

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000, or so much thereof as may be necessary for fiscal year 1997-1998, to provide and accommodate staffing and initiate planning, development, and marketing activities to support the development of the Kalaeloa community development district.

SECTION 5. The sums appropriated shall be expended by the department of business, economic development and tourism for the purposes of this Act.

SECTION 6. The Barbers Point Naval Air Station redevelopment commission shall submit an annual report to the legislature twenty days prior to each regular session, detailing the progress of the development of the Kalaeloa community development district, and including a summary of public hearings and other forms of community involvement and input.

SECTION 7. This Act shall take effect on July 1, 1997.

(Approved July 3, 1997.)