

**ACT 220**

S.B. NO. 3334

A Bill for an Act Relating to Government Operations.

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

**PART I**

SECTION 1. The legislature finds that the effective, efficient, and appropriate development and redevelopment of state lands is an important priority, both for the purposes of economic development and for the creation of new facilities that are of benefit to the public. However, at present, expertise with land development is scattered around state government. The office of planning and sustainable development and the Hawaii state energy office are a part of, and the Hawaii green infrastructure authority is administratively attached to, the department of business, economic development, and tourism. The State's two real estate development agencies, the Hawaii housing finance and development corporation and Hawaii community development authority are also administratively attached to this department. The director of the office of planning and sustainable development and executive director of the Hawaii housing finance and development corporation are the co-chairs of the Hawaii interagency council for transit-oriented development. The Hawaii technology development corporation is administratively attached to the department of business, economic

development, and tourism and has recently become responsible for the development of the first responders campus on Oahu. The Hawaii tourism authority is also administratively attached to the department of business, economic development, and tourism and is considering redeveloping all or a part of the Hawaii convention center.

However, the stadium authority is currently attached to the department of accounting and general services and is responsible for the construction of a new stadium and the development of the area surrounding the stadium, which includes more than seventy acres, is adjacent to the new Honolulu rail line, and is currently used as a parking lot.

Consolidating the State's land development functions within the department of business, economic development, and tourism would centralize the State's land development expertise and thereby more efficiently use the State's limited financial resources and personnel.

Accordingly, the purpose of this Act is to improve the operation of state government by:

- (1) Establishing the director of business, economic development, and tourism, or the director's designee, as an ex officio voting member of the Hawaii tourism authority and the stadium authority;
- (2) Transferring the stadium authority from the department of accounting and general services to the department of business, economic development, and tourism;
- (3) Amending the composition of the stadium authority;
- (4) Amending the development guidance policies of the stadium authority; and
- (5) Reducing the amount of general obligation bonds that may be issued to the stadium authority for the stadium development district.

## PART II

SECTION 2. The purpose of this part is to add the director of business, economic development, and tourism to the board of the Hawaii tourism authority as an ex officio voting member.

SECTION 3. Section 201B-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The authority shall be headed by a policy-making board of directors that shall consist of twelve members; provided that:

- (1) The members shall be appointed by the governor as provided in section 26-34, except as provided by this section;
- (2) The members shall include at least one representative each from the city and county of Honolulu and the counties of Hawaii, Kauai, and Maui;
- (3) Three members shall be appointed by the governor from a list of three names submitted for each appointment by the president of the senate, and three members shall be appointed by the governor from a list of three names submitted for each appointment by the speaker of the house of representatives; provided that if fewer than three names are submitted for each appointment, the governor may disregard the list;
- (4) At least six members shall have knowledge, experience, and expertise in the area of accommodations, transportation, retail, entertainment, or attractions, and at least one member appointed by the governor shall have knowledge, experience, and expertise in the area

of Hawaiian cultural practices; provided that no more than three members shall represent, be employed by, or be under contract to any sector of the industry represented on the board;

- (5) One member shall be the director of business, economic development, and tourism, or the director's designee, who shall be an ex officio voting member;
- [(5)] (6) The governor shall make appointments to ensure the fulfillment of all requirements of paragraphs (2) and (4); provided that upon the occurrence of a vacancy subject to paragraph (3), the governor shall notify the president of the senate and the speaker of the house of representatives of any unfulfilled requirements pursuant to paragraphs (2) and (4), and the president of the senate or the speaker of the house of representatives, as appropriate, shall submit nominees who fulfill those requirements; and
- [(6)] (7) No person who has served as a member of the board of directors of the Hawaii Visitors and Convention Bureau shall be eligible to sit as a member of the board of directors of the Hawaii tourism authority until at least two years have expired between the person's termination from service on the Hawaii Visitors and Convention Bureau board and the person's appointment to the authority's board of directors."

SECTION 4. The amendments made to section 201B-2, Hawaii Revised Statutes, shall apply to any vacancy of a Hawaii tourism authority board of directors member appointed pursuant to section 201B-2(b)(2) or (4), Hawaii Revised Statutes, that occurs on or after the effective date of this Act.

### PART III

SECTION 5. The purpose of this part is to:

- (1) Transfer the stadium authority from the department of accounting and general services to the department of business, economic development, and tourism; and
- (2) Make amendments to chapter 206E, Hawaii Revised Statutes, relating to the membership of the stadium authority, development guidance policies of the stadium authority, and the amount of general obligation bonds that may be issued to the stadium authority.

SECTION 6. Section 109-1, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There shall be within the department of [~~accounting and general services~~] 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. The authority shall consist of eleven members. ~~Eight~~ members [~~who~~] shall be appointed by the governor in the manner prescribed by section 26-34.

Of the [~~eleven~~] 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 ~~from~~ 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 ~~eleven~~ 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 of Hawaii and [the] superintendent of education, or their designees, who shall be ex officio nonvoting members of the authority [but shall not vote]."

SECTION 7. Section 206E-221, Hawaii Revised Statutes, is amended to read as follows:

**~~“[H]§206E-221[H]~~ Stadium development district; purpose; findings.** The legislature finds that the aloha stadium and lands under the jurisdiction of the stadium authority and department of ~~[accounting and general services]~~ business, economic development, and tourism 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. Re-developing, 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 development district to make optimal use of public land for the economic, residential, educational, and social benefit of the people of Hawaii.

The legislature finds that the jurisdiction of the authority shall include development within the stadium development district. Any development within the district shall require a permit from the authority."

SECTION 8. Section 206E-224, Hawaii Revised Statutes, is amended to read as follows:

**“§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 development plans ~~[or transit-oriented development plans]~~ adopted by the stadium authority for the development of the district; provided that the plan or plans shall consider any county ~~[transit-oriented]~~ development plan and 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."

SECTION 9. Section 206E-225, Hawaii Revised Statutes, is amended to read as follows:

**"§206E-225 Stadium 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 Hawaii community development authority~~;~~ department of ~~[accounting and general services;]~~ business, economic development, and tourism; and stadium authority shall enter into a memorandum of agreement regarding the implementation of responsibilities of the respective agencies."

SECTION 10. Act 268, Session Laws of Hawaii 2019, section 6, as amended by section 5 of Act 4, Session Laws of Hawaii 2020, as amended by section 18 of Act 146, Session Laws of Hawaii 2021, is amended to read as follows:

“SECTION 6. The director of finance is authorized to issue general obligation bonds in the sum of [~~\$170,000,000~~] \$20,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2019-2020 to the stadium authority for the stadium development district; provided that the appropriation made for the capital improvement project authorized by this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all moneys from the appropriation unencumbered as of June 30, 2024, shall lapse as of that date.

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

SECTION 11. All rights, powers, functions, and duties of the department of accounting and general services as they relate to the stadium authority are transferred to the department of business, economic development, and tourism.

All officers and employees whose functions are transferred by this part shall be transferred with their functions and shall continue to perform their regular duties upon their transfer, subject to the state personnel laws and this part.

No officer or employee of the State having tenure shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this part, and such officer or employee may be transferred or appointed to a civil service position without the necessity of examination; provided that the officer or employee possesses the minimum qualifications for the position to which transferred or appointed; provided further that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

An officer or employee of the State who does not have tenure and who may be transferred or appointed to a civil service position as a consequence of this part shall become a civil service employee without the loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefits or privileges and without the necessity of examination; provided that such officer or employee possesses the minimum qualifications for the position to which transferred or appointed.

If an office or position held by an officer or employee having tenure is abolished, the officer or employee shall not thereby be separated from public employment, but shall remain in the employment of the State with the same pay and classification and shall be transferred to some other office or position for which the officer or employee is eligible under the personnel laws of the State as determined by the head of the department or the governor.

SECTION 12. All rules, policies, procedures, guidelines, and other material adopted or developed by the department of accounting and general services to implement provisions of the Hawaii Revised Statutes that are reenacted or made applicable to the department of business, economic development, and tourism by this part shall remain in full force and effect until amended or repealed by the department of business, economic development, and tourism pursuant to chapter 91, Hawaii Revised Statutes.

In the interim, every reference to the department of accounting and general services, or comptroller in those rules, policies, procedures, guidelines, and other material is amended to refer to the department of business, economic development, and tourism or director of business, economic development, and tourism, as appropriate.



SECTION 13. All deeds, leases, contracts, loans, agreements, permits, or other documents executed or entered into by or on behalf of the department of accounting and general services, pursuant to the provisions of the Hawaii Revised Statutes, that are reenacted or made applicable to the department of business, economic development, and tourism by this part shall remain in full force and effect. Upon the effective date of this part, every reference to the department of accounting and general services or the comptroller therein shall be construed as a reference to the department of business, economic development, and tourism or the director of business, economic development, and tourism, as appropriate.

SECTION 14. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the department of accounting and general services relating to the functions transferred to the department of business, economic development, and tourism shall be transferred with the functions to which they relate.

#### **PART IV**

SECTION 15. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 16. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)