

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 389
H.D. 3
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred H.B. No. 389, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO LAND USE,"

begs leave to report as follows:

The purpose and intent of this measure is to protect one of Hawaii's wetland areas and restore it to productive use by:

- (1) Establishing the Heeia Community Development District, and stipulating its boundaries;
- (2) Establishing general polices to guide the development of the Heeia Community Development District;
- (3) Creating the Heeia Community Development Revolving Fund along with a dedicated revenue stream to be deposited into the Fund; and
- (4) Adding three voting members to the Hawaii Community Development Authority, who are permitted to vote only on issues relating to the Heeia Community Development District.

Your Committee received testimony in support of this measure from the Hawaii Community Development Authority; Department of Business, Economic Development, and Tourism, Office of Planning; The Nature Conservancy; Ko'olaupoko Hawaiian Civic Club; Kako'o



O'iwi; Ko'olau Foundation; Ko'olauloa Hawaiian Civic Club; Caroline Bright; and Leialoha Kaluhiwa. Your Committee received testimony in opposition to this measure from the City and County of Honolulu, Department of Planning and Permitting. Your Committee received comments on this measure from the Department of the Attorney General; Kamehameha Schools; and Department of Budget and Finance.

Your Committee finds that there is an area in the Heeia ahupua'a, which is located in Koolaupoko, Oahu, in close proximity to the Heeia fishpond that is commonly known as the "Heeia wetlands." On July 2, 1991, the Hawaii Community Development Authority acquired the Heeia wetlands, consisting of approximately four hundred five acres, by assuming the buyer's position in an existing purchase agreement and folding it into an exchange agreement with Kamehameha Schools. In 1994, in accordance with the terms of the original exchange agreement, approximately eighty acres of the Heeia wetlands were reconveyed to Kamehameha Schools.

Kako'o O'iwi, a Hawaii nonprofit corporation, approached the Hawaii Community Development Authority to request a long-term lease to restore the wetlands, eliminate invasive species, and establish an agricultural and educational center that will contribute to the community at-large. In March 2010, a thirty-eight year lease was granted to Kako'o O'iwi for these purposes.

Your Committee notes the concerns of Kamehameha Schools, which expressed support for the intent of the bill, but testified against the inclusion of the Kamehameha Schools-owned parcel in the Heeia Community Development District. As a private landowner with a perpetual mission, Kamehameha Schools requested that it retain the full ability to make strategic uses of its land assets.

Prior to your decision making, your Committee made available for public review a proposed S.D. 1, which:

- (1) Incorporated amendments suggested by the Department of the Attorney General to remove ambiguous language;
- (2) Authorized certain development rights to be conveyed from owners in agricultural districts to certain owners of land in urban districts, subject to certain conditions; and



- (3) Changed the effective date to July 1, 2050.

Your Committee adopted the amendments in the proposed S.D. 1 and further amended the measure by:

- (1) Deleting sections 3 through 7 of the proposed S.D. 1, which would have authorized certain development rights to be conveyed from owners in agricultural districts to certain owners of land in urban districts, subject to certain conditions;
- (2) Deleting parts of the proposed S.D. 1 that would have included lands owned by Kamehameha Schools in the Heeia Community Development District;
- (3) Changing the effective date of this measure from July 1, 2050, to upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 389, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

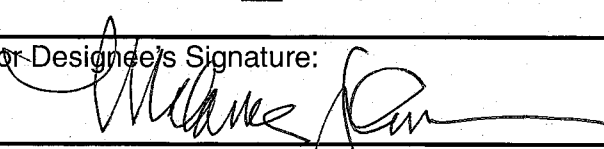
Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Water, Land, and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 389, HD3	WLH, WAM	3/22/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)	✓			
FUKUNAGA, Carol	✓			
RYAN, Pohai	✓			
SHIMABUKURO, Maile	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam				✓
TOTAL	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes