

JAN 23 2015

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# A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1           SECTION 1. The legislature finds that, under current laws,  
2 many public land lessees face uncertain futures following  
3 expiration of their leases. These lessees have little incentive  
4 to make major investments in infrastructural improvements or to  
5 ensure the long-term maintenance of facilities because their  
6 tenancies may not continue. As a result, the infrastructure and  
7 facilities on these properties have been deteriorating.

8           The legislature further finds that this is the case for the  
9 hotel and resort leases in the Banyan Drive area on the Waiakea  
10 Peninsula in East Hawaii. The Banyan Drive area contains more  
11 than eighty-five per cent of the hotel rooms in East Hawaii.  
12 Due to the uncertainty regarding continued tenancy, improvements  
13 have not been made and infrastructure has deteriorated.

14           Since the 1990's, the legislature has attempted to pass  
15 legislation to extend the leases in the Banyan Drive area. A  
16 bill passed in 1999 was vetoed because the measure "attempts to  
17 address the concerns of the lessees by treating the lessees



1 differently than all other lessees of state lands. . . ." In  
2 2011, Act 219, Session Laws of Hawaii 2011, authorized the board  
3 of land and natural resources to extend hotel or resort leases  
4 for lessees who commit to make substantial upgrades to the  
5 existing improvements.

6 With the expiration of the remaining leases on Banyan Drive  
7 in 2015, and the importance of the area to the economy of East  
8 Hawaii, it is even more critical that the revitalization of the  
9 area be addressed. In the summer of 2011, airlines resumed  
10 direct flights from the mainland to Hilo. The development of  
11 visitor facilities is important to creating and maintaining the  
12 demand necessary to preserve air service to East Hawaii.

13 The purpose of this Act is to establish an advisory  
14 committee to examine the barriers that hinder redevelopment of  
15 visitor facilities and infrastructure in the Banyan Drive area  
16 on the Waiakea Peninsula in East Hawaii.

17 SECTION 2. (a) There is established a Waiakea Peninsula  
18 advisory committee that shall be attached to the office of  
19 planning for administrative purposes only, to:

- 20 (1) Identify the barriers that hinder or prevent the  
21 timely redevelopment, enhancement, or reconstruction



1 of the facilities in the Banyan Drive area on the  
2 Waiakea Peninsula;

3 (2) Identify obsolete concepts, administrative procedures,  
4 and conflicting policies that should be simplified,  
5 clarified, or eliminated; and

6 (3) Recommend changes to reduce or eliminate the barriers  
7 to the improvement of the hotel and resort facilities  
8 on public lands in the Banyan Drive area.

9 (b) The advisory committee shall consist of the following  
10 members or their representatives:

11 (1) The director of the office of planning, who shall  
12 serve as the chairperson of the advisory committee;

13 (2) The chairperson of the board of land and natural  
14 resources;

15 (3) The director of planning of the county of Hawaii; and

16 (4) Nine members of the community from East Hawaii who  
17 have expertise, knowledge, and experience in:

18 (A) Business management;

19 (B) Economics, banking, investment, or finance;

20 (C) Real estate development;

21 (D) Real estate management;



1           (E) Marketing; or  
2           (F) Hotel and resort management,  
3           to be invited by the director of the office of  
4           planning to participate on the advisory committee.

5           (c) The members of the advisory committee shall serve  
6           without compensation but shall be reimbursed for expenses,  
7           including travel expenses, necessary for the performance of  
8           their duties.

9           SECTION 3. (a) The Waiakea Peninsula advisory committee  
10          shall submit a report of its findings and recommendations,  
11          including any proposed legislation, to the legislature no later  
12          than twenty days prior to the convening of the regular session  
13          of 2016.

14          (b) The legislative reference bureau shall assist the  
15          advisory committee in the drafting of any proposed legislation  
16          as may be necessary to carry out the purposes of this Act.

17          SECTION 4. There is appropriated out of the general  
18          revenues of the State of Hawaii the sum of \$            or so much  
19          thereof as may be necessary for fiscal year 2015-2016 for the  
20          Waiakea Peninsula advisory committee to carry out the purposes  
21          of this Act.



# S.B. NO. 539

1 The sum appropriated shall be expended by the office of  
2 planning for the purposes of this Act.

3 SECTION 5. This Act shall take effect on July 1, 2015.

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INTRODUCED BY: Gilbert Kohler

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# S.B. NO. 539

**Report Title:**

Banyan Drive; Advisory Committee; Appropriation

**Description:**

Establishes an advisory committee to examine the barriers that hinder the redevelopment of visitor facilities and infrastructure in the Banyan Drive area on the Waiakea Peninsula in East Hawaii. Appropriates moneys for the advisory committee.

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

