

Honolulu, Hawaii

MAR 23 , 2018

RE: S.B. No. 3058  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred S.B. No. 3058, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC LANDS,"

begs leave to report as follows:

The purpose of this measure is to promote the revitalization and redevelopment of certain public lands that have become dilapidated, obsolete, or deteriorated over time. Specifically, this measure:

- (1) Establishes a ten-year pilot project for the redevelopment of the Kanoelehua Industrial Area and Banyan Drive region of the Island of Hawaii and establishes and implements guidelines for the redevelopment of the Kanoelehua Industrial Area and Banyan Drive region that will:
  - (A) Define the policies for the management of public lands in the designated area;
  - (B) Establish a plan for the designated area, including district-wide improvements, that is coordinated with state and county land use and planning policies; and



- (C) Implement asset and property management concepts that can optimize income from the properties and evolve in response to changing principles of property administration;
- (2) Appropriates funds for the establishment of the pilot project, and associated costs; and
- (3) Modifies certain public land lease restrictions.

Pacific Resource Partnership testified in support of the intent of this measure. The Department of the Attorney General, Department of Land and Natural Resources, Office of Hawaiian Affairs, League of Women Voters, Common Cause Hawaii, and General Contractors Association of Hawaii testified in opposition to this measure. The Mayor of the County of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that the pilot project is applicable to two distinct and separate areas that include the Banyan Drive region and the Kanoelehua Industrial Area;
- (2) Labeling the Banyan Drive region as a "redevelopment district" and the Kanoelehua Industrial Area as a "designated district" to clarify the separation of redevelopment plans for each area;
- (3) Specifying that the Banyan Drive region shall be established as a redevelopment district until June 30, 2028, and the Kanoelehua Industrial Area as a designated district until June 30, 2028;
- (4) Adding the optimal use of public lands for the economic, environmental, and social benefit of the people of Hawaii as a guideline that should be established and implemented in the pilot project in the areas of the redevelopment and designated districts;
- (5) Substituting knowledge, experience, and expertise in historical matters for knowledge, experience, and expertise in recreational matters as one of the criteria for selection of the public members to the planning



- committee for the redevelopment district and designated district;
- (6) Requiring the District Administrator appointed by the planning committee to be approved by the Board of Land and Natural Resources;
  - (7) Requiring the planning committee to hold meetings that are open to the public and livestreamed;
  - (8) Specifying that the position of District Administrator shall cease to exist on June 30, 2028;
  - (9) Removing the authority of the planning committee to renew or renegotiate leases, or reduce or waive lease rents, and instead authorizing the committee to recommend those actions to the Board of Land and Natural Resources;
  - (10) Specifying that any contracts for construction work entered into by the committee shall require adherence to wage and hour for public works requirements;
  - (11) Deleting the authority of the planning committee to enter into a redevelopment agreement with a developer or developers for any project contained in a redevelopment plan;
  - (12) Deleting language modifying certain general public land lease restrictions contained in section 171-36, Hawaii Revised Statutes, and instead inserting language modifying certain public land lease restrictions, terms, and conditions applicable to lessees with limited time remaining on their lease term, including by increasing the period of time when a lessee may seek renewal of their lease from ten years to twenty years from the term of the original lease; and
  - (13) Making technical, nonsubstantive amendments for clarity, consistency, and style.

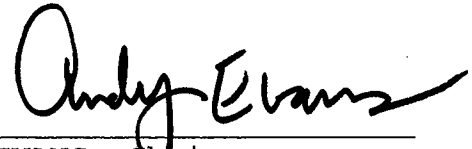
Your Committee notes that questions were raised regarding the applicability of Hawaii's prevailing wage law on public works projects to privately funded projects on public lands that are



leased. Should the Committee on Finance deliberate this measure further, your Committee respectfully requests that it look at whether it is necessary to provide clarification to these questions of the applicability of Hawaii's prevailing wage law.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3058, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 3058, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



---

CINDY EVANS, Chair



