
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

PART I

1
2 SECTION 1. The legislature finds that among the classes of
3 public lands managed by the department of land and natural
4 resources are commercial, industrial, hotel, and resort lands.
5 The legislature further finds that because of restrictions
6 imposed by various land management policies, there is little
7 incentive for lessees of various parcels to make improvements to
8 the leased parcels. This has resulted in dilapidation,
9 deterioration, and obsolescence of the properties, which reduces
10 the revenue-generating potential of the parcels.

11 The purpose of this part is to identify areas of
12 commercial, industrial, resort, and hotel parcels in need of
13 revitalization and to establish guidelines for the redevelopment
14 of those parcels.

15 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
16 amended by adding a new part to be appropriately designated and
17 to read as follows:



1 "PART . PUBLIC LANDS REDEVELOPMENT

2 §171-A Findings; purpose. (a) The legislature finds
3 that:

4 (1) Because of the policies guiding the management of
5 public lands with commercial, industrial, hotel, and
6 resort uses, there has been little incentive for the
7 lessees of those properties to make major investments
8 in improvements to their infrastructure, resulting in
9 the deterioration of infrastructure and facilities;

10 (2) The lack of improvement to property in many of these
11 areas has resulted in dilapidation, deterioration,
12 age, or obsolescence of the buildings and structures
13 in those areas; and

14 (3) The department has the responsibility of planning for
15 the disposition of commercial, industrial, hotel, and
16 resort classes of public lands to determine:

- 17 (A) Specific use or uses;
- 18 (B) Minimum size of parcels;
- 19 (C) Required building construction or improvements;
- 20 and
- 21 (D) Lease terms and requirements.



1 (b) The purpose of this part is to authorize the
2 designation of areas or regions of public lands classified as
3 commercial, industrial, hotel, and resort, and the establishment
4 and implementation of guidelines for the redevelopment of the
5 areas or regions that will:

6 (1) Define the policies for the management of public lands
7 in the designated area;

8 (2) Establish a plan for the designated area, including
9 district-wide improvements, that is coordinated with
10 state and county land use and planning policies; and

11 (3) Implement asset and property management concepts that
12 can optimize income from the properties and evolve in
13 response to changing principles of property
14 administration.

15 (c) The legislature finds that the rejuvenation of areas
16 of public lands that have become dilapidated, obsolete, or have
17 deteriorated over time is in the public interest and constitutes
18 a valid public purpose.

19 §171-B Definitions. As used in this part:



1 "Planning committee" or "committee" means the policy-making
2 committee established for a redevelopment district pursuant to
3 section 171-D.

4 "Public facilities" include streets and highways, storm
5 drainage systems, water systems, street lighting systems, off-
6 street parking facilities, and sanitary sewerage systems.

7 "Redevelopment district" or "designated district" means an
8 area of public lands designated for redevelopment pursuant to
9 section 171-C.

10 **§171-C Designation of redevelopment district; boundaries.**

11 (a) The legislature shall designate redevelopment districts by
12 statute for any area of public lands designated as an industrial
13 park pursuant to section 171-132 or classified as commercial,
14 industrial, hotel, or resort use pursuant to section 171-10 if
15 the legislature determines that there is a need for planning,
16 development, or redevelopment because the buildings and infra-
17 structure in the area are dilapidated or have deteriorated due
18 to age or obsolescence.

19 (b) The designation shall describe the boundaries of the
20 redevelopment district.



1 §171-D Planning committee; district administrator; repeal.

2 (a) Upon the designation of a redevelopment district pursuant
3 to section 171-C, a planning committee for the designated
4 district shall be established and placed in the department for
5 administrative purposes.

6 (b) The committee shall be a policy-making committee for
7 the designated district and shall consist of nine members. The
8 members shall consist of:

9 (1) The chairperson of the board of land and natural
10 resources and the director of planning of the county
11 in which the designated district is located, or their
12 designated representatives who shall be ex officio,
13 voting members of the committee; and

14 (2) Seven public, voting members appointed by the governor
15 pursuant to section 26-34; provided that of the
16 members appointed pursuant to this paragraph:

17 (A) Three members shall be selected from a list of
18 six names submitted by the president of the
19 senate and speaker of the house of
20 representatives in collaboration with the



1 legislators from the county in which the
2 designated district is located;

3 (B) Seven members shall be selected on the basis of
4 their knowledge, experience, and expertise in:
5 (i) Management of small or large businesses;
6 (ii) Economics, banking, investment, or finance;
7 (iii) Real estate development;
8 (iv) Real estate management;
9 (v) Marketing; or
10 (vi) Hotel and resort management; and

11 (C) Four members shall be residents of the county in
12 which the designated district is located, and
13 three members shall be residents of the State.

14 (c) The committee shall elect its chairperson from among
15 its public, voting members.

16 (d) The members of the committee shall serve without
17 compensation but shall be reimbursed for reasonable expenses,
18 including travel expenses, incurred in the performance of their
19 duties.

20 (e) The committee shall appoint a district administrator,
21 who shall be the chief executive officer for the designated



1 district. The district administrator shall have experience and
 2 expertise in engineering, planning, architecture, real estate,
 3 or law. The committee shall set the district administrator's
 4 duties, responsibilities, holidays, vacations, leaves, hours of
 5 work, and working conditions. The committee shall set the
 6 salary of the district administrator, who shall serve at the
 7 pleasure of the committee and shall be exempt from chapter 76.

8 (f) The committee shall be dissolved on June 30 of the
 9 tenth year following the effective date of the Act establishing
 10 the designated district.

11 **§171-E Planning committee; powers and duties; generally.**

12 The committee shall have the powers and duties related to its
 13 functions in the designated district that are delegated to the
 14 committee by the board. In addition, the committee may:

- 15 (1) Through its district administrator, appoint staff and
 16 employees, prescribe their duties and qualifications,
 17 and fix their salaries, without regard to chapter 76;
- 18 (2) Through its district administrator, allocate space or
 19 spaces that are to be occupied by the committee and
 20 appropriate staff, and purchase necessary supplies,
 21 equipment, or furniture;



- 1 (3) Prepare a redevelopment plan for the designated
2 district;
- 3 (4) Notwithstanding any other law to the contrary, renew
4 or renegotiate any lease in connection with any
5 project contained in the redevelopment plan for the
6 designated district, on terms and conditions as the
7 committee deems advisable;
- 8 (5) Prepare or cause to be prepared plans, design
9 criteria, landscaping, and estimates of costs for the
10 construction, rehabilitation, or repair of any project
11 contained in the redevelopment plan for the designated
12 district, and from time to time modify the plans or
13 estimates;
- 14 (6) Conduct studies in conjunction with state and county
15 agencies necessary to determine the appropriate
16 activities for redevelopment in the designated
17 district;
- 18 (7) Reduce or waive the lease rental on any lease of
19 public land for any project in the designated district
20 that requires substantial improvements; provided that



1 the reduction or waiver shall not exceed one year in
2 duration;

3 (8) Make and execute all contracts and instruments that
4 are necessary for the exercise of the committee's
5 powers and functions relating to the designated
6 district, including the engaging of the services of
7 consultants for the rendering of professional and
8 technical assistance and advice;

9 (9) Enter into a redevelopment agreement with a developer
10 or developers for any project contained in the
11 redevelopment plan; provided that the redevelopment
12 agreement shall contain:

13 (A) The location, area, and size of the parcel to be
14 redeveloped;

15 (B) The use or uses to which the parcel shall be put
16 in conformance with the redevelopment plan, and
17 with applicable state and county laws and
18 ordinances;

19 (C) The period of time for the construction and
20 completion of the redevelopment; and



1 (D) Other terms and conditions that the committee
2 deems necessary;

3 (10) Work closely and communicate with the county
4 government to coordinate the execution of the
5 designated district's planning, incremental projects,
6 work schedules, public works, and budget; and

7 (11) Do any and all things necessary to carry out the
8 committee's purposes and exercise the powers
9 established pursuant to this part.

10 **§171-F District redevelopment plan.** (a) The committee
11 shall prepare a redevelopment plan for the designated district,
12 including district development policies, the district
13 improvement program, necessary public facilities, and the
14 development guidelines and rules for the designated district.
15 In carrying out its planning activities, the committee shall
16 comply with applicable state and county statutes, ordinances,
17 and rules.

18 (b) The committee shall prepare a redevelopment plan for
19 the designated district that:

20 (1) Establishes, if applicable, areas principally for:
21 (A) Commercial activities;



- 1 (B) Processing, construction, manufacturing,
2 transportation, wholesaling, storage, and similar
3 industrial activities;
- 4 (C) Resort and hotel activities, including uses that
5 provide facilities and services for visitors; or
- 6 (D) Public facilities and recreational facilities,
7 with detailed standards for height, bulk, size,
8 and location of buildings;
- 9 (2) Includes a district-wide improvement program for
10 necessary district-wide public facilities within the
11 designated district;
- 12 (3) Includes plans, specifications, and estimates of the
13 costs for the development, construction,
14 reconstruction, or improvement of any project in the
15 designated district; provided that the committee may
16 from time to time modify the plans, specifications, or
17 estimates;
- 18 (4) If possible, identifies specific uses for areas in the
19 designated district and the required parceling of land
20 into minimum size areas related to the specific uses;



1 (5) Determines the lease rental that should be established
2 for the specific uses and the terms and conditions of
3 the leases; and

4 (6) Establishes interim development controls to be
5 implemented during the transition to the execution of
6 the redevelopment plan, such as recommending the
7 holdover of a lessee pursuant to section 171-40 or
8 issuance of permits pursuant to section 171-55 to
9 existing lessees upon the expiration of their lease
10 terms.

11 (c) The district redevelopment plan shall take into
12 consideration the effects the plan will have on sea level rise
13 and climate change.

14 (d) The district redevelopment plan may provide for the
15 withdrawal or taking for public purposes of the public land or
16 portion of the public land under a lease. The rental shall be
17 reduced in proportion to the value of the portion of the
18 premises condemned, and the lessee shall be entitled to receive
19 the proportionate value of the permanent improvements legally
20 made to or constructed upon the land by the lessee taken in the
21 proportion that it bears to the unexpired term of the lease.



1 (e) The committee shall hold a public hearing on a
2 proposed redevelopment plan for the designated district and
3 shall consider the comments received and incorporate any
4 revisions to the plan that may be necessary.

5 (f) Two years after the date the committee is established,
6 the committee shall submit a report to the board with the
7 redevelopment plan recommended by the committee along with
8 recommendations for appropriations by the legislature, the
9 authorization of bonds, or both, to implement the redevelopment
10 plan in a timely manner. The board shall submit the report to
11 the governor and the legislature, no later than twenty days
12 prior to the convening of the regular session of 2020, with a
13 request for the required appropriations, bond authorization, or
14 both.

15 **§171-G Designated redevelopment district revolving fund.**

16 (a) A separate revolving fund shall be established for each
17 redevelopment district designated pursuant to section 171-C,
18 into which shall be deposited:

19 (1) Fifty per cent of the revenues, income, and receipts
20 of the department from the public lands in the
21 designated district, notwithstanding section 171-19;



- 1 (2) Moneys appropriated by the legislature to the
- 2 revolving fund; and
- 3 (3) Any gifts, grants, and other funds accepted by the
- 4 department.

5 Each revolving fund shall bear the name used by the legislature
6 in designating the redevelopment district.

7 (b) Moneys in the designated redevelopment district
8 revolving fund shall be used in the designated district for the
9 purposes of this part; provided that no expenditure shall be
10 made from the fund and no obligation shall be incurred against
11 the fund in excess of the amount standing to the credit of the
12 fund."

13 **PART II**

14 SECTION 3. Section 171-1, Hawaii Revised Statutes, is
15 amended by amending the definition of "public purpose" to read
16 as follows:

17 ""Public purpose", as used in this chapter, unless the
18 context clearly indicates otherwise, includes but shall not be
19 limited to all public uses, the straightening of boundaries of
20 public lands, acquisition of access to landlocked public lands,
21 the consolidation of the holdings of public lands, development



1 of houselots, farmlots, [~~and~~] industrial parks [~~-~~], and the
2 redevelopment of public lands pursuant to part _____."

3 **PART III**

4 SECTION 4. The legislature finds that:

- 5 (1) The Waiakea peninsula of the island of Hawaii contains
- 6 approximately eighty-five per cent of the overnight
- 7 visitor accommodations in east Hawaii county;
- 8 (2) The State owns a large part of the Waiakea peninsula
- 9 area;
- 10 (3) There has been little incentive for the lessees of the
- 11 properties in the area to make major investments in
- 12 improvements to their infrastructure, resulting in the
- 13 deterioration of the area's infrastructure and
- 14 facilities; and
- 15 (4) The State has a responsibility to ensure that the
- 16 Waiakea peninsula area does not deteriorate nor have a
- 17 harmful impact on the economy of the community as a
- 18 whole.

19 The public lands in the area present an opportunity for the
20 revitalization and redevelopment of a district where hotel and



1 resort, commercial, and public uses may coexist compatibly
2 within the same area.

3 SECTION 5. The legislature designates the public lands on
4 the Waiakea peninsula on the island of Hawaii as the Waiakea
5 peninsula redevelopment district.

6 SECTION 6. The Waiakea peninsula redevelopment district
7 shall include the area bounded by the shoreline from the
8 intersection of Lihiwai street and Kamehameha avenue; Kamehameha
9 avenue to its intersection with Kalaniana'ole avenue;
10 Kalaniana'ole avenue to its intersection with Banyan way; Banyan
11 way from its intersection with Kalaniana'ole avenue to its
12 intersection with Banyan drive; from the intersection of Banyan
13 way and Banyan drive to the shoreline; the shoreline around the
14 Waiakea peninsula, including Mokuola island, to the intersection
15 of Lihiwai street and Kamehameha avenue.

16 SECTION 7. There is established a Waiakea peninsula
17 redevelopment district planning committee. The committee shall
18 be appointed as provided in section 171-D, Hawaii Revised
19 Statutes, established by part I of this Act, and shall exercise
20 the powers and duties in the designated district as authorized



1 by chapter 171, part , Hawaii Revised Statutes, established
2 by part I of this Act.

3 SECTION 8. There is established the Waiakea peninsula
4 redevelopment district revolving fund, into which shall be
5 deposited:

6 (1) Fifty per cent of the revenues, income, and receipts
7 from the public lands in the Waiakea peninsula
8 redevelopment district;

9 (2) Moneys appropriated by the legislature to the
10 revolving fund; and

11 (3) Any gifts, grants, and other funds accepted by the
12 department of land and natural resources on behalf of
13 the Waiakea peninsula redevelopment district planning
14 committee.

15 The moneys in the revolving fund shall be used in the
16 Waiakea peninsula redevelopment district for the purposes
17 described in chapter 171, part , Hawaii Revised Statutes,
18 established by part I of this Act.

19 SECTION 9. Upon the repeal of this part, all leases,
20 contracts, agreements, permits, or other documents executed or
21 entered into, by or on behalf of the Waiakea peninsula



1 redevelopment district planning committee shall remain in full
2 force and effect and shall be administered by the department of
3 land and natural resources.

4 SECTION 10. Upon the repeal of this part, all
5 appropriations, records, equipment, machines, files, supplies,
6 contracts, books, papers, documents, maps, and other personal
7 property held by the Waiakea peninsula redevelopment district
8 planning committee shall be transferred to the department of
9 land and natural resources, and moneys remaining in the Waiakea
10 peninsula redevelopment district revolving fund shall be
11 transferred to the special land and development fund established
12 pursuant to section 171-19, Hawaii Revised Statutes.

13 PART IV

14 SECTION 11. In codifying the new part added by section 2
15 of this Act, the revisor of statutes shall substitute
16 appropriate section numbers for the letters used in designating
17 the new sections in this Act.

18 SECTION 12. If any provision of this Act, or the
19 application thereof to any person or circumstance, is held
20 invalid, the invalidity does not affect other provisions or
21 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 13. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 14. This Act shall take effect on July 1, 2018;
6 provided that part III shall be repealed June 30, 2028.

7



Report Title:

Public Lands; Redevelopment; Redevelopment Districts; Boundaries; Planning Committees; Powers and Duties; District Redevelopment Plans; Designated Redevelopment District Revolving Funds; Establishment; Lease Restrictions; Special Land and Development Fund; Waiakea Peninsula Redevelopment District; Appropriation

Description:

Establishes procedures for designating public land redevelopment districts, planning committees, district redevelopment plans, and designated redevelopment district revolving funds. Establishes powers and duties of planning committees. Appropriates funds. Establishes the Waiakea peninsula redevelopment district, planning committee, and revolving fund until 6/30/2028. (SD1)

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