

JAN 18 2019

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The legislature finds that the deferred
2 maintenance backlog at the University of Hawaii has expanded to
3 more than \$800,000,000, and that amount will continue to grow if
4 it is not addressed in an aggressive manner. Rather than
5 increasing student tuition and fees to finance repair,
6 maintenance, and new construction projects that are not funded
7 by the legislature, alternative methods of revenue generation
8 must be explored.

9 The legislature further finds that the Honolulu rail
10 transit project provides a unique opportunity to generate
11 additional revenue for the University of Hawaii. The university
12 owns a considerable amount of property along the Honolulu rail
13 transit project route and the proposed rail extension to Manoa.

14 The purpose of this Act is to establish a pilot project for
15 the lease of university lands located near public transit to
16 generate funds to improve current university facilities and
17 infrastructure, meet the challenges of the twenty-first century



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1 through new construction, and improve the overall quality of
2 education at the University of Hawaii.

3 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 **"§304A- Pilot project for lease of university land.**

7 (a) There shall be established within the university a pilot
8 project for the lease of university land, including facilities.
9 The university shall serve as the facilitator of the pilot
10 project.

11 (b) Notwithstanding section 171-13, or any other law to
12 the contrary, the university may lease university land on terms
13 it deems appropriate; provided that:

14 (1) The board of regents may select any university land
15 sites that are located:

16 (A) Within county-designated transit-oriented
17 development zones;

18 (B) Within a one-half mile radius of public transit
19 stations; or

20 (C) Within a one-half mile radius of any rail transit
21 extension beyond the rail transit route approved

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1 by the Federal Transportation Administration as
2 of January 1, 2017;

3 provided further that during the identification and
4 selection process, the board of regents shall hold at
5 least one public meeting pursuant to chapter 92 in
6 each affected community, and shall foster university
7 and community participation;

8 (2) The university shall work with the university's school
9 of architecture to help develop the university land
10 sites;

11 (3) Title to the university land sites selected by the
12 board of regents for the pilot project that are public
13 lands as defined in section 171-2 shall be transferred
14 through a deed to the university if the university
15 does not already own the land parcels; and

16 (4) Each lease shall stipulate that the lessee may retain
17 any revenue generated from the facilities; provided
18 that:

19 (A) The lessee shall be obligated to pay to the
20 county all applicable property tax on the value
21 of any improvements;



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1 (B) Upon the expiration of the lease, the facilities
2 shall revert to the university; and

3 (C) All revenues and proceeds derived by the State
4 under this section shall be deposited in the
5 University of Hawaii real property and facilities
6 use revolving fund pursuant to section 304A-2274.

7 (c) Nothing in this section shall preclude the university
8 from consulting with and receiving assistance from any other
9 state department or agency in carrying out the purposes of this
10 section.

11 (d) The board of regents shall adopt rules pursuant to
12 chapter 91 for development of university lands under the pilot
13 project. Upon final adoption of a development site for the
14 pilot project, the rules shall supersede all transit-oriented
15 development or county plans, ordinances, or zoning development
16 codes.

17 (e) The University of Hawaii shall submit a report to the
18 legislature no later than twenty days prior to the convening of
19 the regular session of 2020 and each regular session thereafter
20 until completion of the pilot project authorized pursuant to
21 this Act. The report shall provide the following:

- 1 (1) A timeline for the pilot project pursuant to this Act,
2 including but not limited to:
- 3 (A) A timeline for the redevelopment of each selected
4 site;
- 5 (B) Estimated start and completion dates for each
6 selected site; and
- 7 (C) Estimates for the time required to obtain any
8 necessary county or state approvals required to
9 complete the redevelopment of each site;
- 10 (2) A summary of the university's activities, results, and
11 recommendations to optimize the use of university
12 lands as a means to build or renovate twenty-first
13 century universities and campus-centered communities;
- 14 (3) A summary of all university and community engagement
15 efforts undertaken or anticipated to be undertaken by
16 the university in carrying out the pilot project
17 pursuant to this Act;
- 18 (4) A summary of the university's current and projected
19 budgeted expenses for carrying out the pilot project
20 pursuant to this Act, including the identification of



1 any contracts with third parties and the creation of
2 temporary positions within the university;

3 (5) A summary of any capacity and funding issues or
4 challenges that the university has encountered in
5 carrying out the pilot project pursuant to this Act;
6 and

7 (6) Any proposed legislation.

8 (f) For the purposes of this section, "university land"
9 means land owned, leased, or otherwise used by the university."

10 SECTION 3. Section 304A-2274, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) There is established the University of Hawaii real
13 property and facilities use revolving fund into which shall be
14 deposited all revenues collected by the university for the use
15 of university real property and facilities, except as otherwise
16 provided by law. The board of regents may establish prices,
17 fees, and charges, including those for the sale, lease, or use
18 of university real property and facilities, which include land,
19 buildings, grounds, furnishings, and equipment; provided that
20 the university shall comply with all statutory and common law
21 requirements in the disposition of ceded lands. The board of



1 regents shall be exempt from the public notice and public
2 hearing requirements of chapter 91 in establishing and amending
3 the fees and charges. The university may establish separate
4 accounts within the revolving fund for major program activities.
5 Funds deposited into the revolving fund accounts shall be
6 expended to pay the costs of [~~operating~~]:

7 (1) Operating university facilities, including repair and
8 maintenance, administrative expenses, salaries, wages,
9 and benefits of employees, contractor services,
10 supplies, security, furnishings, equipment, janitorial
11 services, insurance, utilities, and other operational
12 expenses[-]; and

13 (2) New construction and upgrade of university facilities.

14 Revenues not expended as provided in this section may be
15 transferred to other university funds to be invested or expended
16 for the administrative or overhead costs of the university. All
17 expenditures from this revolving fund shall be subject to
18 legislative appropriation."

19 SECTION 4. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2019-2020 and



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1 the same sum or so much thereof as may be necessary for fiscal
 2 year 2020-2021 for the pilot project established pursuant to
 3 section 2 of this Act.

4 The sums appropriated shall be expended by the University
 5 of Hawaii for the purposes of this Act.

6 SECTION 5. Statutory material to be repealed is bracketed
 7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2019.

9

INTRODUCED BY:

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Report Title:

UH; Land Lease; University Facilities; Appropriation

Description:

Establishes a pilot project to generate revenue through the lease of University of Hawaii land for public purposes. Requires that the parcels of land be located within a county-designated transit-oriented zone, a one-half mile radius of public transit stations, or a one-half mile radius of any rail transit extension beyond the rail transit route approved as of January 1, 2017. Authorizes moneys in the University of Hawaii real property and facilities use revolving fund to be used for new construction and upgrade of university facilities. Requires the university to report to the legislature. Appropriates funds.

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

