

JAN 24 2007

A BILL FOR AN ACT

RELATING TO KAKAAKO.

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

1 SECTION 1. (a) The legislature finds that in early 2007,
2 the Hawaii community development authority plans to begin the
3 Queen street widening project referred to as ID-11. Although
4 this project includes features that benefit the community at
5 large, the widening project will have serious impacts for small
6 businesses in the Queen street area between Kamakee street and
7 Ward avenue.

8 During 2005-2006, state and county elected officials sought
9 to work with the Hawaii community development authority and the
10 county administration in arriving at solutions for two issues of
11 particular concern for small businesses in the area:

12 (1) Loss of parking immediately adjacent to the

13 businesses; and

14 (2) The businesses share of assessments for the road

15 improvements.

16 (b) Small businesses affected also participated in the

17 Kakaako mauka plan and rules revisions community meetings, which



1 led to proposed 2006 plan revisions that tackle the adjacent
2 parking issues, fee assessments, and related community and
3 business issues on Queen street in a practical manner. In part,
4 the revisions:

5 (1) Recommend deletion of the Halekauwila-Queen streets
6 couplet (part of the original street-widening
7 rationale);

8 (2) Propose that all streets have sidewalks and drainage
9 as part of the long-term improvements; and

10 (3) Propose that no new improvement districts (ID) for the
11 central Kakaako area be programmed unless initiated or
12 supported by the small business community and
13 landowners; with fee assessments, parking, and
14 business disruption issues resolved before initiation
15 of an ID project.

16 (c) In addition, a portion of the Queen street widening
17 project between Kamakee street and Cooke street has not been
18 funded by the legislature. Therefore, rather than embarking on
19 half of the Queen street improvements on a piece-meal basis, the
20 most cost-effective approach is to modify the Queen street
21 realignment project to conform to recommendations in the Kakaako
22 mauka plan and rules revisions. Further community meetings were



1 held in December 2006, and final public review and adoption of
2 the plan's 2006 revisions will not be completed until mid-2007.

3 (d) The purpose of this Act is to:

4 (1) Establish a Kakaako central small business district;

5 (2) Require the authority to confer and obtain consensus
6 from the real property owners and small businesses
7 within and adjacent to a proposed public facility
8 prior to undertaking any public facility as part of
9 the district-wide improvement program;

10 (3) Establish the Kakaako district schools special fund,
11 and require the transfer of revenues collected from
12 any assessments to the special fund; and

13 (4) Require modification of the Queen street realignment
14 project between Kamakee street and Cooke street, in
15 conjunction with recommendations made by the Kakaako
16 mauka plan and rules revisions.

17 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "§206E- Kakaako central small business district;
21 established. Within the Kakaako community, there is established
22 the Kakaako central small business district. The district shall



1 include the area bounded by Kapiolani boulevard from its
2 intersection with Cooke street to Drier street; to Waimanu
3 street; Waimanu street from its intersection with Drier street;
4 to Queen street; Queen street from its merge with Waimanu street
5 to Ward avenue; Ward avenue from its intersection with Queen
6 street to Auahi street; Auahi street from its intersection with
7 Ward avenue to Cooke street; and Cooke street from its
8 intersection with Auahi street to Kapiolani boulevard."

9 SECTION 3. Section 206E-6, Hawaii Revised Statutes, is
10 amended by amending subsections (a) and (b) to read as follows:

11 "(a) The authority shall develop a district-wide
12 improvement program to identify necessary district-wide public
13 facilities within a community development district [-]; provided
14 that prior to undertaking any public facility as part of the
15 district-wide improvement program pursuant to subsection (b),
16 the authority shall confer and obtain consensus from the real
17 property owners and small businesses within and adjacent to the
18 proposed public facility.

19 (b) Whenever the authority shall determine to undertake,
20 or cause to be undertaken, any public facility as part of the
21 district-wide improvement program, the cost of providing the
22 public facilities [~~shall~~] may be assessed against the real



1 property in the community development district specially
2 benefiting from [~~such~~] the public facilities[-]; pursuant to
3 subsection (a). The authority shall determine the areas of the
4 community development district [~~which~~] that will benefit from
5 the public facilities to be undertaken and, if less than the
6 entire community development district benefits, the authority
7 may establish assessment areas within the community development
8 district[-]; pursuant to subsection (a). The authority may
9 issue and sell bonds in [~~such~~] amounts as may be authorized by
10 the legislature to provide funds to finance [~~such~~] the public
11 facilities. The authority [~~shall~~] may fix the assessments
12 against real property specially benefited[-]; pursuant to
13 subsection (a). All assessments made pursuant to this section
14 shall be a statutory lien against each lot or parcel of land
15 assessed from the date of the notice declaring the assessment
16 until paid and [~~such~~] the lien shall have priority over all
17 other liens except the lien of property taxes. As between liens
18 of assessments, the earlier lien shall be superior to the later
19 lien."

20 SECTION 4. Section 206E-16, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "~~+~~ §206E-16~~+~~ Hawaii community development revolving
2 fund. There is created the Hawaii community development
3 revolving fund into which all receipts and revenues of the
4 authority shall be deposited. Proceeds from the fund shall be
5 used for the purposes of this chapter~~-~~; provided that the
6 authority shall transfer an amount equal to any receipts and
7 revenues from any assessment made pursuant to section 206E-6(b),
8 received between July 1, 2001, and June 30, 2005, to the Kakaako
9 district schools special fund established under section
10 302A- ."

11 SECTION 5. Chapter 302A, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§302A- Kakaako district schools special fund.

15 (a) There is established within the state treasury a special
16 fund to be known as the Kakaako district schools special fund,
17 into which shall be deposited all moneys collected from any
18 assessment made pursuant to section 206E-6(b), and received
19 between July 1, 2001, and June 30, 2005, pursuant to section
20 206E-16, for schools directly adjoining or serving the Kakaako
21 community development district. The special fund shall be
22 administered by the department and moneys in the special fund



1 shall be expended to fund programs developed pursuant to section
2 (b) .

3 (b) The department shall:

4 (1) Identify those schools directly adjoining or serving
5 the Kakaako community development district, with
6 student populations that reflect a disproportionate
7 share of low socioeconomic strata, unmet community
8 needs, and a proliferation of high-density residences;
9 and

10 (2) Develop an expenditure plan to serve the target
11 schools.

12 (c) The department of education shall report on its
13 findings and expenditure plan twenty days prior to the convening
14 of the regular session of 2008; and on its expenditures by the
15 schools and school complexes annually thereafter."

16 SECTION 6. Notwithstanding any law to the contrary, the
17 Hawaii community development authority shall not plan, engage
18 in, begin, or continue any capital improvement project within
19 the Kakaako central small business district as identified in
20 section 206E- , Hawaii Revised Statutes, that involve any
21 infrastructure construction or street improvements, pending
22 adoption by the authority of the Kakaako mauka plan and rules



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1 revisions; provided that this moratorium shall not apply to any
2 emergency capital improvement project that is required to repair
3 any damage to infrastructure or a street caused by a natural
4 disaster or act of god and necessary to safeguard the health and
5 safety of the general public.

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

8 SECTION 8. This Act shall take effect on July 1, 2007.
9

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Report Title:

HCDA; Kakaako; Public Facility Projects

Description:

Establishes Kakaako central small business district; requires the authority to confer and obtain consensus from real property owners within and adjacent to a proposed public facility prior to undertaking any public facility as part of the district-wide improvement program; requires the authority to transfer an amount equal to assessments received from 2001-2005, to the Kakaako district schools special fund.

