
A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL LANDS.

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

1 SECTION 1. The legislature finds that one of the major
2 educational dilemmas of our time is rooted in an existing system
3 that traps information-age students in agricultural-age schools.
4 While the flow of information and ideas is increasingly fluid,
5 students are confined to the physical structures and mindsets of
6 an earlier time and place. Building, repairing, and
7 retrofitting public schools to meet the challenges of the
8 twenty-first century and beyond will not be easy, and the costs
9 will be considerable. However, quality school infrastructure
10 facilitates an environment that will prepare children to achieve
11 and succeed in a highly competitive economy.

12 The infrastructure of the twenty-first century school must
13 be energy efficient and wired with the latest technology.
14 Classroom size must be flexible because the program, not the
15 space, should determine the number of students per class. The
16 school campus must be designed from its inception with student
17 achievement in mind to maximize available land and student
18 safety, and to offer the community multiple uses of existing



1 structures. Most of Hawaii's school campuses fall short in
2 these areas.

3 The considerable amount of underused public school lands on
4 the State's two hundred fifty-seven school campuses is an
5 untapped resource that lies within reach and would facilitate
6 infrastructure that could make classrooms and campuses suitable
7 for twenty-first century learning. By way of illustration, a
8 preliminary review by a real estate expert indicates that ten
9 parcels that have unused lands are valued at \$120,000,000 under
10 existing surrounding uses. These lands could be developed
11 solely for the benefit of Hawaii's public school children. The
12 beneficiaries would be the children of Hawaii.

13 The purpose of this Act is to optimize the use of public
14 school lands to generate opportunities to improve public school
15 facilities and infrastructure to meet the challenges of the
16 twenty-first century and overall, to improve the quality of
17 education in Hawaii. In particular, this Act establishes a
18 three-year pilot project to generate revenue from uses such as
19 workforce housing to build and retrofit twenty-first century
20 schools. The pilot project will lay important groundwork for a
21 statewide approach and plan to optimize public school lands and
22 modernize public school facilities. This Act also establishes a



1 school facilities advisory board to provide guidance to the
2 department of education on ways to optimize the use of public
3 school lands, and creates the school facilities special fund to
4 deposit all proceeds generated from the use or lease of public
5 school lands. Moneys in the school facilities special fund will
6 be used to build or upgrade twenty-first century school
7 facilities.

8 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
9 amended by adding three new sections to be appropriately
10 designated and to read as follows:

11 **"§302A-A Lease of lands under the control of the board.**

12 (a) Notwithstanding sections 302A-1151 and 171-13, or any other
13 law to the contrary, the department, with the approval of the
14 board, may lease public school land on terms it deems
15 appropriate; provided that:

16 (1) The department may lease public school land for not
17 more than ten existing schools under a lease for a
18 term of not more than fifty-five years to a lessee who
19 shall be required to construct workforce rental
20 housing units at affordable rental rates in accordance
21 with specific request for proposal guidelines; and



- 1 (2) The lease stipulates that the lessee may retain the
2 rental proceeds; provided that:
- 3 (A) The lessee shall be obligated to maintain and
4 operate the workforce rental housing units for
5 the length of the lease;
- 6 (B) The lessee shall be subject to payment to the
7 county of all property tax on the value of the
8 non-school improvements;
- 9 (C) A leasehold premium shall be paid for the right
10 to use the land based upon a competitive bid
11 process pursuant to chapter 103D;
- 12 (D) Upon the expiration of the lease, the workforce
13 rental housing units shall revert to the
14 department; and
- 15 (E) All revenues and proceeds derived under this
16 section shall be deposited in the school
17 facilities special fund established under section
18 302A-B.

19 (b) As additional compensation, the board may require a
20 lessee to construct a new public school or substantially remodel
21 existing schools at no cost to the board, department, and State;
22 provided that the design, construction plans, and specification

1 for the public school shall be specifically provided by the
2 department at the direction of the board, and be specifically
3 detailed in the request for proposal bid process in accordance
4 with chapter 103D.

5 (c) The lessee shall be selected by the department with a
6 recommendation to the board after a competitive bid process is
7 conducted pursuant to chapter 103D.

8 (d) Uses permitted under a lease shall include:

9 (1) Workforce rental housing units and uses ancillary to
10 the rental housing community that are in accordance
11 with applicable zoning ordinances; and

12 (2) Public schools.

13 (e) All proceeds generated through leases entered into
14 under a competitive bid process administered by the board for
15 workforce rental housing units pursuant to this section shall be
16 used exclusively for the new construction and upgrade of twenty-
17 first century public school facilities. All leased land
18 revenues and proceeds generated from public school lands
19 pursuant to this section shall be deposited into the school
20 facilities special fund established under section 302A-B.

21 **§302A-B School facilities special fund.** (a) There is
22 established a school facilities special fund into which shall be



1 deposited all proceeds from the leases, permits, interest from
2 sale contracts, interest income generated from public school
3 lands, and other revenue generated from the non-permanent
4 disposition of public school lands under section 302A-A.

5 (b) The school facilities special fund shall be
6 administered by the department. Except as otherwise provided,
7 all moneys in the school facilities special fund shall be used
8 exclusively for the new construction and upgrade of twenty-first
9 century school facilities.

10 §302A-C School facilities advisory board. There is
11 established within the department a school facilities advisory
12 board to be composed of seven real estate, land use development,
13 and education professionals. Members of the advisory board
14 shall be appointed by the board and shall provide the department
15 with advice, expertise, and guidance on the construction,
16 management, and redevelopment of public school lands and
17 facilities. Members of the advisory board shall serve without
18 compensation but shall be reimbursed for travel expenses
19 incurred in the performance of their duties. The advisory board
20 may advise the department in the following activities, to
21 include but not be limited to:



- 1 (1) Identifying excess and underused public school lands
2 and public school land sites with the potential for
3 redevelopment;
- 4 (2) Developing a strategic plan and implementation
5 schedule for the redevelopment of public school lands;
- 6 (3) Consistent with the department's strategic plans,
7 preparing development plans for school sites that have
8 the potential to generate revenues along with
9 improving school facilities at the respective sites;
10 and
- 11 (4) Recommending the issuance of special purpose revenue
12 bonds for the purpose of loaning or otherwise applying
13 bond proceeds in accordance with redevelopment
14 projects approved by the department."

15 SECTION 3. (a) Within twelve months of the effective date
16 of this Act, in collaboration with the school facilities
17 advisory board, the department of education shall:

- 18 (1) Research, evaluate, and where appropriate implement
19 measures to further develop a systematic process,
20 mechanism, and policies to optimize the use of public
21 school lands to build, upgrade, and renovate all



1 schools to enable students to compete in the twenty-
2 first century;

3 (2) Recommend legislation relating to the statutory and
4 procedural changes required to resolve pending land
5 tenure issues relating to the use, sale, or lease of
6 public school lands, which may include the creation of
7 a public schools land trust; and

8 (3) Develop a comprehensive master plan and implementation
9 schedule to optimize public school lands for the
10 development of twenty-first century schools.

11 (b) The department of education, in collaboration with the
12 school facilities advisory board shall submit a report to the
13 legislature, including a summary of the department's activities,
14 results, and recommendations to optimize the use of public
15 school lands as a means to build or renovate twenty-first
16 century schools, no later than twenty days prior to the
17 convening of the 2013 regular session.

18 SECTION 4. In codifying the new sections added by section
19 2 of this Act, the revisor of statutes shall substitute
20 appropriate section numbers for the letters used in designating
21 the new sections in this Act.

22 SECTION 5. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2030;
2 provided that section 302A-A, Hawaii Revised Statutes, in
3 section 2 shall be repealed on June 30, 2014.



Report Title:

Education; Public School Lands; Leases; Tax Credit

Description:

Permits the Department of Education, with the approval of the Board of Education, to lease certain public school lands for the development of affordable workforce housing rental units under specified conditions. Establishes the School Facilities Special Fund. Effective July 1, 2030. (SB1385 HD2)

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

