
A BILL FOR AN ACT

RELATING TO INDUSTRIAL PARKS ON PUBLIC LANDS.

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

1 SECTION 1. Section 171-132, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§171-132 Designation of industrial park. A contiguous
4 area of not less than five acres of public lands which is
5 classified or otherwise determined by the board as suitable and
6 economically feasible for industrial use may be designated as an
7 industrial park:

8 (1) By resolution adopted by the board [~~of land and~~
9 ~~natural resources~~], and approved by the legislature by
10 concurrent resolution; or

11 (2) By law[-];
12 provided that, prior to such designation, at least one public
13 meeting shall be held by the department pursuant to chapter 92
14 in the geographic region of the public lands classified or
15 otherwise determined by the board as suitable and economically
16 feasible for industrial use.



1 For purposes of this section, a contiguous area may include
2 existing roadways that would provide access to or within the
3 industrial park."

4 SECTION 2. Section 171-135, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§171-135 Joint venture or development agreement. (a) An
7 industrial park may be developed under section 171-134 by the
8 department in partnership or under a development agreement with
9 a federal agency, county, or private party subject to a
10 partnership or development agreement executed by the chairperson
11 of the board[~~; provided that if the industrial park is to be~~
12 ~~developed in partnership or under a development agreement with a~~
13 ~~private party, the private party shall be selected in accordance~~
14 ~~with section 103D 302 or 103D 303]. At a minimum, the agreement~~
15 shall provide for:

16 (1) A determination by the board that the partnership
17 agreement or the development agreement is for a public
18 purpose;

19 (2) Long-term assurance that the public land within the
20 industrial park will be [~~utilized~~ used] for industrial
21 uses;



- 1 (3) Final approval by the board of the plans and
2 specifications for the industrial park;
- 3 (4) Exclusive authority by the board to issue leases or
4 master leases within the industrial park; and
- 5 (5) Conditions to ensure a public benefit from any state
6 funds expended for the industrial park.

7 (b) Notwithstanding any other provision of law to the
8 contrary, a partnership or development agreement entered into
9 pursuant to subsection (a) may provide for:

- 10 (1) The board to issue master leases within an industrial
11 park by negotiation, without regard to the limitations
12 provided in sections 171-16(c) and 171-59(a), to the
13 entity that developed or will develop the industrial
14 park or the nominee or nominees of the entity that
15 developed or will develop the industrial park; and
- 16 (2) A master lease with terms and conditions upon which
17 the master lessee may issue tenant subleases within
18 the industrial park without the consent of the board."

19 SECTION 3. Section 171-141, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§171-141 Lease for eligible [~~permittee~~] tenant in
2 industrial park. (a) Notwithstanding any other provision of
3 law to the contrary:

4 (1) A parcel of the public lands within an industrial park
5 which had been occupied and used under a permit or
6 lease on the day before the date of designation of
7 that industrial park shall be an economic unit in that
8 industrial park. For the purpose of this section:

9 (A) "Date of designation" means the effective date of
10 the resolution or law which designates an
11 industrial park; and

12 (B) "Eligible economic unit" means an economic unit
13 referred to under this paragraph;

14 (2) A person with a permit or lease to use an eligible
15 economic unit on the day before the date of
16 designation of that industrial park shall be given
17 first preference to lease that unit after the date of
18 designation if the person is an eligible [~~lessee.~~]
19 tenant. For the purpose of this section, an "eligible
20 [~~permittee~~"] tenant" means a person referred to under
21 this paragraph;



- 1 (3) The board shall issue a lease to an eligible
2 [~~permittee~~] tenant for an eligible economic unit under
3 mutually agreeable terms, conditions, and lease rent.
4 The lease shall be issued through negotiations,
5 without regard to the limitations set forth in section
6 171-16(c) and section 171-59(a). The terms,
7 conditions, and rent under the lease shall be in
8 conformance with this chapter, and the board shall
9 include lease covenants in each lease for the
10 placement and construction of improvements in
11 accordance with minimum standards established by
12 applicable county building codes;
- 13 (4) The board shall negotiate in good faith with each
14 eligible [~~permittee~~] tenant. If the board and
15 eligible [~~permittee~~] tenant cannot agree to a lease
16 within one hundred eighty days from the date of
17 designation, the board shall have no further
18 obligation to negotiate with or issue a lease to the
19 eligible [~~permittee~~] tenant and may issue a lease for
20 the eligible economic unit to another person after the
21 one hundred eighty-day period; provided that any lease
22 for the eligible economic unit issued subsequent to



1 the termination of the one hundred eighty-day period
2 shall not include terms and conditions which are less
3 restrictive, and a lease rent which is less, than the
4 terms, conditions, and lease rent last offered in
5 writing by the eligible [~~permittee~~] tenant and
6 received by the board; and

- 7 (5) The board, in lieu of issuing a lease under paragraph
8 (3), may issue a master lease to [~~a corporation~~] an
9 entity whose members or shareholders shall be either
10 eligible [~~permittees~~] tenants or eligible sublessees
11 of the industrial park, through negotiations and
12 without regard to the limitations provided in section
13 171-16(c) and section 171-59(a). The master lease
14 shall provide for the issuance of subleases to
15 eligible [~~permittees~~] tenants and other sublessees
16 approved by the board, on terms and conditions
17 approved by the board. The terms and conditions of a
18 master lease concerning the authority to sublease
19 shall supersede any contrary term or condition in a
20 development agreement executed prior to the issuance
21 of the master lease; provided that all other terms and
22 conditions of the development agreement shall be



1 incorporated and made a part of the master lease. All
2 terms, conditions, and rents under the master lease
3 and subleases shall be in conformance with this
4 chapter, and the board shall include lease covenants
5 in the master lease and each sublease for the
6 placement and construction of improvements in
7 accordance with minimum standards established by
8 applicable county building codes. The lessee under
9 the master lease shall assume the responsibility of
10 administering and monitoring [~~permittee~~] sublessee
11 compliance with all sublease obligations.

12 (b) It is the intent of the legislature that persons
13 occupying and using public lands under a month-to-month [~~or~~
14 ~~revokeable~~] permit or lease, which public lands [~~which~~] have been
15 designated as part of an industrial park, be given the
16 opportunity to lease the same public lands occupied and used
17 prior to the designation. The application, construction, and
18 interpretation of this section shall reflect this intent."

19 SECTION 4. Section 171-142, Hawaii Revised Statutes, is
20 amended by amending the title and subsection (a) to read as
21 follows:



1 " ~~[+]§171-142[+]~~ Lease for dislocated lessees ~~[dislocated~~
2 ~~by condemnation proceedings]~~. (a) For purposes of this
3 section:

4 (1) "Dislocated lessee" means any lessee engaged in
5 commercial or industrial uses who has been or will be
6 displaced ~~[from]~~:

7 (A) From private property [which] that is acquired by
8 the State or any county for public use by the
9 power of eminent domain or threat thereof; ~~[and]~~
10 or

11 (B) From public lands due to termination of a lease
12 with the State by mutual agreement of the lessee
13 and the State; and

14 (2) "Eligible relocation site" means a site in an
15 industrial park created under this chapter or on other
16 ~~[state]~~ public land, designated as an appropriate
17 relocation site for dislocated lessees by law, or by
18 resolution adopted by the board ~~[of land and natural~~
19 ~~resources]~~ and approved by the legislature by
20 concurrent resolution."



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Industrial Parks; Public Lands

Description:

Provides the Department of Land and Natural Resources with flexibility in developing industrial parks in order to address the growing demand in the State for available industrial lands.
(HB1081 HD1)

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