
A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

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

1 SECTION 1. Pursuant to chapter 206E, Hawaii Revised
2 Statutes, the Hawaii community development authority is tasked
3 with the redevelopment responsibilities for legislatively
4 created community development districts. The legislature has
5 designated three community development districts: Kakaako,
6 Kalaeloa, and Heeia.

7 Currently, section 206E-14, Hawaii Revised Statutes, allows
8 the authority to sell or lease for a term not exceeding sixty-
9 five years, all or any portion of its real or personal property
10 constituting a redevelopment project if the authority finds that
11 the sale or lease is in conformity with the community
12 development plan. As defined in section 206E-2, Hawaii Revised
13 Statutes, a redevelopment project may only be incidental in its
14 commercial nature. The legislature finds that this limitation
15 adversely impacts the authority's ability to attract long-term
16 investors and tenants who seek to develop or redevelop primarily
17 commercial projects within the Kakaako community development
18 district. This conflicts with the authority's commitment to



1 implement longer lasting change in the Kakaako community
2 development district.

3 In addition, although section 206E-14, Hawaii Revised
4 Statutes, provides that a sale may be made without recourse to
5 public auction, the section is silent as to whether a lease may
6 be made without recourse to public notice for sealed bids.

7 The purpose of this Act is to provide greater flexibility
8 to the authority in implementing its master plan for the Kakaako
9 community development district by allowing the authority to
10 lease:

11 (1) For a term not exceeding sixty-five years property
12 constituting a project (as opposed to selling the
13 project, or leasing or selling a redevelopment
14 project); and

15 (2) A project without recourse to public notice for sealed
16 bids;
17 in the Kakaako community development district.

18 The legislature further finds, that safeguards remain in
19 place because all long-term leases require prior approval by the
20 authority at a publicly noticed meeting and after opportunity
21 for public comment.



1 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is
2 amended by adding a new section to part II to be appropriately
3 designated and to read as follows:

4 "§206E- Lease of projects. (a) Notwithstanding any
5 law to the contrary, including 206E-14, except as prohibited by
6 section 206E-31.5, the authority may, without recourse to public
7 auction or public notice for sealed bids, lease for a term not
8 exceeding sixty-five years all or any portion of the real or
9 personal property constituting a project to any person, upon
10 such terms and conditions as may be approved by the authority,
11 if the authority finds that the lease is in conformity with the
12 community development plan.

13 (b) In the case of any sale of the leasehold interest in
14 the project, the terms of the sale shall provide for the
15 repurchase of the leasehold property by the authority at its
16 option, in the event that the purchaser, if other than a state
17 agency, desires to sell the property within ten years; provided
18 that this requirement may be waived by the authority if the
19 authority determines that a waiver will not be contrary to the
20 community development plan. The authority shall establish at
21 the time of original sale a formula setting forth a basis for a
22 repurchase price based on market considerations including but



1 not being limited to interest rates, land values, construction
2 costs, and federal tax laws.

3 If the purchaser in a residential project is a state
4 agency, the authority may include as a term of the sale a
5 provision for the repurchase of the property in conformance with
6 this section."

7 SECTION 3. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Hawaii Community Development Authority; Projects

Description:

Extends the Hawaii Community Development Authority's authority to lease all or a portion of the real or personal property constituting a project in the Kakaako Community Development District, without public notice for sealed bids. (HB2482 HD1)

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

