
A BILL FOR AN ACT

RELATING TO HARBORS AND PARKS DEVELOPMENT.

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

1 SECTION 1. Section 104-2, Hawaii Revised Statutes, is
2 amended by amending the definition of "public work" to read as
3 follows:

4 "Public work" means any project, including development of
5 any housing pursuant to section 46-15 or chapter 201H and any
6 project under chapter 171C and development, construction,
7 renovation, and maintenance related to refurbishment of any real
8 or personal property, where the funds or resources required to
9 undertake the project are to any extent derived, either directly
10 or indirectly, from public revenues of the State or any county,
11 or from the sale of securities or bonds whose interest or
12 dividends are exempt from state or federal taxes."

13 SECTION 2. Chapter 171C, Hawaii Revised Statutes, is
14 amended by amending its title to read as follows:

15 "[+] CHAPTER [+] 171C

16 [~~PUBLIC LAND DEVELOPMENT CORPORATION~~]

17 HARBORS AND PARKS DEVELOPMENT AUTHORITY"

1 SECTION 3. Sections 171-2, 171-64.7, 173A-4, and 173A-5
2 are amended by substituting the words "harbors and parks
3 development authority" wherever the words "public land
4 development corporation" appears, as the context requires.

5 SECTION 4. Chapter 171C, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[+]§171C-1[+] Findings and purpose. The legislature
8 finds that certain public lands under the jurisdiction of the
9 department of land and natural resources that are used for
10 harbors, boating facilities and parks are not used effectively.
11 Public lands in [~~certain areas~~] state small boat harbors,
12 boating facilities and parks may serve the State and its people
13 better if managed and developed into suitable recreational and
14 leisure centers where the public can congregate and where
15 visitors to our State can go as part of their holiday
16 experience. However, the department of land and natural
17 resources is hamstrung by its limited mission and limited
18 resources. Creating a development arm of the department of land
19 and natural resources, similar to the [~~agribusiness development~~
20 ~~corporation~~] Hawaii community development authority, and placing
21 appropriate [~~public~~] harbor, boating and park lands into the new
22 [~~corporation's~~] agency's jurisdiction[~~-~~] may help to create
23 these recreation and leisure areas, while also creating revenue-

1 generating opportunities for the new [~~corporation~~] agency. In
2 turn, revenues generated may be used to offset the regulatory
3 functions of the department of land and natural resources.

4 The purpose of this chapter is to create a vehicle and
5 process to make optimal use of [~~public~~] harbors and park land
6 for the economic, environmental, and social benefit of the
7 people of Hawaii. [~~This chapter establishes a public corporation~~
8 ~~to administer an appropriate and culturally sensitive public~~
9 ~~land development program.~~] The [~~corporation~~] authority shall
10 coordinate and administer programs to make optimal use of
11 [~~public~~] harbors and park [~~land~~] lands, while ensuring that the
12 public [~~land~~] lands [~~is~~] are maintained for the people of
13 Hawaii. The [~~corporation~~] authority shall identify the [~~public~~]
14 harbors and park lands that are suitable for development under
15 this chapter, carry on marketing analysis to determine the best
16 revenue-generating programs for the [~~public~~] harbors and park
17 lands identified, enter into public-private agreements to
18 appropriately develop the [~~public~~] harbors and park lands
19 identified, and provide the leadership for the development,
20 [~~financing,~~] improvement, or enhancement of the selected
21 development opportunities.

22 **§171C-2 Definitions.** As used in this chapter, unless the
23 context clearly requires otherwise:

1 "Authority" means the harbors and parks development
2 authority.

3 "Board" means the board of directors of the [~~public land~~
4 ~~development corporation~~] harbors and parks development
5 authority.

6 [~~"Coordinating entrepreneur" means a qualified person~~
7 ~~capable of organizing, operating, and assuming the risk for~~
8 ~~enterprises, including securing land and seed capital,~~
9 ~~developing or managing commercial or recreational facilities or~~
10 ~~projects, arranging concession agreements, supplying materials,~~
11 ~~maintaining equipment and infrastructure, and providing for the~~
12 ~~processing and marketing of services or products.~~

13 "~~Corporation" means the public land development~~
14 ~~corporation.~~

15 "~~Coventure" means an investment by the corporation in~~
16 ~~qualified securities of an enterprise in which a substantial~~
17 ~~investment is also being made or has been made by a professional~~
18 ~~investor to provide seed capital to an enterprise. A guarantee~~
19 ~~by the corporation of qualified securities provided by a~~
20 ~~professional investor shall be classified as a coventure. An~~
21 ~~investment made by the corporation, which is a direct~~
22 ~~investment, may later be classified as a coventure upon an~~
23 ~~investment by a professional investor.]~~

1 "Department" means the department of land and natural
2 resources.

3 "Development rights" means all of the rights related to the
4 development of property including but not limited to the rights
5 permitted under an ordinance or law relating to permitted uses
6 of a property, the density or intensity of use, and the maximum
7 height and size of improvements thereon.

8 ~~["Direct investment" means an investment by the corporation
9 in qualified securities of an enterprise in which no investment
10 is being or has been made by a professional investor to provide
11 seed capital to the enterprise.~~

12 ~~"Enterprise" means a business with its principal place of
13 business in Hawaii, which is or proposes to be engaged in
14 recreational and commercial area development, development of new
15 value added products, enhancement of existing recreational or
16 commercial commodities, and the application of existing
17 recreation or commercial areas and appurtenant facilities to
18 productive uses.]~~

19 "Fund" means the ~~[Hawaii public lands development]~~ harbors
20 and parks development revolving fund.

21 "Harbors and park lands" means all state boating
22 facilities, as defined in section 200-2.5, excluding mooring
23 areas, and park lands under the jurisdiction of the department

1 of land and natural resources.

2 ~~["Private lender" includes banks, savings and loan~~
3 ~~associations, mortgage companies, and other qualified companies~~
4 ~~whose business includes the making of loans in the State.~~

5 ~~"Professional investor" means any bank, bank holding~~
6 ~~company, savings institution, farm credit institution, trust~~
7 ~~company, insurance company, investment company registered under~~
8 ~~the federal Investment Company Act of 1940, financial services~~
9 ~~loan company, pension or profit sharing trust or other financial~~
10 ~~institution or institutional buyer, licensee under the federal~~
11 ~~Small Business Investment Act of 1958, as amended, or any~~
12 ~~person, partnership, or other entity of whose resources, a~~
13 ~~substantial amount is dedicated to investing in securities or~~
14 ~~debt instruments, and whose net worth exceeds \$250,000.]~~

15 "Project" means a specific undertaking, improvement, or
16 system consisting of work or improvement, including personal
17 property or any interest therein acquired, constructed,
18 reconstructed, rehabilitated, improved, altered, or repaired by
19 the ~~[corporation]~~ authority.

20 ~~["Project cost" means the total of all costs incurred by~~
21 ~~the corporation in carrying out all undertakings that it~~
22 ~~considers reasonable and necessary for the development of a~~
23 ~~project, including studies, plans, specifications,~~

1 ~~architectural, engineering, or any other development related~~
2 ~~services, acquisition of land and any improvement thereon, site~~
3 ~~preparation and development, construction, reconstruction,~~
4 ~~rehabilitation, the necessary expenses in administering this~~
5 ~~chapter, the cost of financing the project, and relocation~~
6 ~~costs.~~

7 ~~"Project facilities" includes improvements, roads and~~
8 ~~streets, utility and service corridors, utility lines where~~
9 ~~applicable, water and irrigation systems, lighting systems,~~
10 ~~security systems, sanitary sewerage systems, and other community~~
11 ~~facilities where applicable.]~~

12 "Qualified person" means any individual, partnership,
13 corporation, non-profit organization, or public agency
14 possessing the competence, expertise, experience, and resources,
15 including financial, personnel, and tangible qualifications, as
16 may be deemed desirable by the [~~corporation~~] authority in
17 administering this chapter.

18 [~~"Qualified security" means any note, stock, treasury stock~~
19 ~~bond, debenture, evidence of indebtedness, certificate of~~
20 ~~interest or participation in any profit sharing agreement, pre-~~
21 ~~organization certificate of subscription, transferable share,~~
22 ~~investment contract, certificate of deposit for a security,~~
23 ~~certificate of interest or participation in a patent or patent~~

1 application, or in royalty or other payments under such a patent
2 or application, or, in general, any interest or instrument
3 commonly known as a "security" or any certificate for, receipt
4 for, or option, warrant, or right to subscribe to or purchase
5 any of the foregoing.

6 "Revenue bonds" means bonds, notes, or other evidence of
7 indebtedness of the corporation issued to finance any project
8 facility.

9 "Seed capital" means financing that is provided for the
10 development, refinement, and commercialization of a product or
11 process and other working capital needs.

12 "Trust indenture" means an agreement by and between the
13 corporation and a trustee that sets forth the duties of the
14 trustee with respect to the revenue bonds, the security thereof,
15 and other provisions as may be deemed necessary or convenient by
16 the corporation to secure the revenue bonds.

17 "Trustee" means a national or state bank or trust company,
18 within or outside the State, that enters into a trust indenture.

19 "Value added" means any activity that increases, by means
20 of development or any other means, the value of public lands.]

21 [†] §171C-3 [‡Public land development corporation] Harbors
22 and parks development authority; established. (a) There is
23 established the [public land development corporation] harbors

1 and parks development authority, which shall be a public body
2 corporate and politic and an instrumentality and agency of the
3 State. The [~~corporation~~] authority shall be headed by the board.
4 The [~~corporation~~] authority shall be placed within the
5 department for administrative purposes.

6 The [~~corporation~~] authority shall coordinate and administer
7 programs to make optimal use of [~~public~~] harbors and park land,
8 while ensuring that the public land is maintained for the people
9 of Hawaii. The [~~corporation~~] authority shall identify the
10 [~~public~~] harbors and park lands that are suitable for
11 development under this chapter, carry on marketing analysis to
12 determine the best revenue-generating programs for the [~~public~~]
13 harbors and park lands identified, enter into public-private
14 agreements to appropriately develop the [~~public~~] harbors and
15 park lands identified, and provide the leadership for the
16 development, financing, improvement, or enhancement of the
17 selected development opportunities. Permissible uses of [~~public~~]
18 harbors and park land pursuant to this chapter shall include but
19 not be limited to office space; vehicular parking; commercial
20 uses; [~~hotel, residential, and timeshare uses~~] accommodations;
21 fueling facilities; storage and repair facilities; and seawater
22 air conditioning plants.

23 (b) The board of directors of the [~~public land development~~

1 ~~corporation]~~ harbors and parks development authority shall
2 consist of five voting members. The members shall include:

3 (1) The chairperson of the board of land and natural
4 resources, or the [~~first deputy to the chairperson of~~
5 ~~the board of land and natural resources]~~ chairperson's
6 designee;

7 [~~(2) The director of finance, or the director's designee;~~

8 ~~(3)]~~ (2) The director of business, economic development,
9 and tourism, or the director's designee;

10 (3) The administrator of the office of hawaiian affairs,
11 or the administrator's designee;

12 (4) One member to be appointed by the speaker of the house
13 of representatives; and

14 (5) One member to be appointed by the president of the
15 senate;

16 provided that the persons appointed by the speaker of the house
17 of representatives and the president of the senate shall possess
18 sufficient knowledge, experience, and proven expertise in small
19 and large businesses within the development or recreation
20 industries, banking, real estate, finance, promotion, marketing,
21 or management.

22 The term of office of the two voting members appointed by
23 the speaker of the house of representatives and the president of

1 the senate shall be four years each.

2 (c) The board shall appoint an executive director, who
3 shall serve at the pleasure of the board and shall be exempt
4 from chapter 76. The salary of the executive director shall be
5 set by the board.

6 (d) The board, through its executive director, may appoint
7 officers, agents, and employees; prescribe their duties and
8 qualifications; and fix their salaries, without regard to
9 chapter 76.

10 ~~[H]~~ §171C-4 ~~[H]~~ Powers; generally. (a) Except as otherwise
11 limited by this chapter, the ~~[corporation]~~ authority may:

- 12 (1) Sue and be sued;
- 13 (2) Have a seal and alter the same at its pleasure;
- 14 (3) Make and alter bylaws for its organization and
15 internal management;
- 16 (4) Adopt rules under chapter 91 necessary to effectuate
17 this chapter in connection with its projects,
18 operations, and properties;
- 19 (5) Make and execute contracts and all other instruments
20 necessary or convenient for the exercise of its powers
21 and functions under this chapter;
- 22 (6) Carry out surveys, research, and investigations into
23 technological, business, financial, consumer trends,

1 and other aspects of leisure or recreational land uses
2 in the national and international community;

3 (7) Acquire or contract to acquire by grant or purchase:

4 (A) All privately owned real property or any interest
5 therein and the improvements thereon, if any, that are
6 determined by the [~~corporation~~] authority to be
7 necessary or appropriate for its purposes under this
8 chapter, including real property together with
9 improvements, if any, in excess of that needed for
10 such use in cases where small remnants would otherwise
11 be left or where other justifiable cause necessitates
12 the acquisition to protect and preserve the
13 contemplated improvements, or public policy demands
14 the acquisition in connection with such improvements;
15 and

16 (B) Encumbrances, in the form of leases, licenses, or
17 otherwise, needed by the [~~corporation~~] authority or
18 any state department or agency for public purposes,
19 the disposition of subdivided lots, houselots,
20 apartments or other economic units, or economic
21 development;

22 (8) Own, hold, improve, and rehabilitate any real,
23 personal, or mixed property acquired; and sell,

- 1 assign, exchange, transfer, convey, lease, or
2 otherwise dispose of, or encumber the same;
- 3 (9) By itself, or in partnership with qualified persons or
4 other governmental agencies, acquire, construct,
5 reconstruct, rehabilitate, improve, alter, or repair
6 any infrastructure or accessory facilities in
7 connection with any project; own, hold, sell, assign,
8 transfer, convey, exchange, lease, or otherwise
9 dispose of, or encumber any project; and develop or
10 manage, by itself, or in partnership with qualified
11 persons or other governmental agencies, any project
12 that meets the purposes of this chapter;
- 13 (10) In cooperation with any governmental agency, [~~or~~
14 ~~otherwise through direct investment or coventure with~~
15 ~~a professional investor or enterprise]~~ or any other
16 person, or otherwise, acquire, construct, operate, and
17 maintain [~~public~~] harbors and park land facilities,
18 including but not limited to leisure, recreational,
19 commercial, [~~residential, timeshare, hotel,~~]
20 accommodations, office space, and business facilities,
21 at rates or charges determined by the [~~corporation~~]
22 authority;
- 23 (11) Assist developmental, recreational, and visitor-

1 industry related enterprises, or projects developed or
2 managed by the [~~corporation,~~] authority, by conducting
3 detailed marketing analysis and developing marketing
4 and promotional strategies to strengthen the position
5 of those enterprises and to better exploit local,
6 national, and international markets;

7 (12) Receive, examine, and determine the acceptability of
8 applications of qualified persons for allowances or
9 grants for the development of new recreation and
10 visitor-industry related products, the expansion of
11 established recreation and visitor-industry or land
12 development enterprises, and the altering of existing
13 recreational, visitor-industry related, or land
14 development enterprises;

15 (13) Coordinate its activities with any federal or state
16 programs;

17 (14) Grant options to purchase any project or to renew any
18 lease entered into by the [~~corporation~~] authority in
19 connection with any of its projects, on the terms and
20 conditions it deems advisable;

21 (15) Provide advisory, consultative, training, and
22 educational services and technical assistance to any
23 person, partnership, or corporation, either public or

1 private, to carry out the purposes of this chapter,
2 and engage the services of consultants on a
3 contractual basis for rendering professional and
4 technical assistance and advice;

5 (16) Procure insurance against any loss in connection with
6 its property and other assets and operations in
7 amounts and from insurers as it deems desirable;

8 (17) Accept gifts or grants in any form from any public
9 agency or any other source;

10 ~~[(18) Issue bonds to finance the cost of a project and to~~
11 ~~provide for the security thereof, in the manner and~~
12 ~~pursuant to the procedure prescribed in this chapter,~~

13 ~~(19) Subject to approval by the department, assume~~
14 ~~management responsibilities for small boat harbors in~~
15 ~~accordance with chapter 200 and any rules adopted~~
16 ~~pursuant thereto for periods not to exceed one year;~~

17 ~~(20)]~~ (18) Recommend to the board of land and natural
18 resources the purchase of any privately owned
19 properties that may be appropriate for development;
20 and

21 ~~[(21)]~~ (19) Do all things necessary or proper to carry out
22 the purposes of this chapter.

23 ~~[(b) Notwithstanding subsection (a) to the contrary, the~~

1 ~~corporation shall not acquire, contract to acquire by grant or~~
2 ~~purchase, own, hold, sell, assign, exchange, transfer, convey,~~
3 ~~lease, or otherwise dispose of, or encumber any real, personal,~~
4 ~~or mixed property that is owned by the department as of July 1,~~
5 ~~2011, except as expressly provided in this chapter.~~

6 ~~(e)]~~ (b) The powers conferred herein shall be liberally
7 construed to effectuate the purposes of this chapter.

8 ~~[H]§171C-5 [H]~~ Hawaii ~~[public]~~ harbors and parks land
9 optimization plan. (a) The ~~[corporation]~~ authority shall
10 prepare the Hawaii ~~[public]~~ harbors and park land optimization
11 plan, which shall define and establish goals, objectives,
12 policies, and priority guidelines for its ~~[public]~~ harbors and
13 park land optimization development strategy. The plan shall
14 include:

15 (1) An inventory of ~~[public]~~ harbors and park lands with
16 suitable, adequate development potential that are or
17 will become available that can be used to meet present
18 and future harbors and park land development needs;

19 ~~[(2) Protection of culturally sensitive areas;~~

20 ~~(3)]~~ (2) Feasible strategies for the promotion and
21 marketing of any projects, including but not limited
22 to leisure, recreational, commercial, ~~[residential,~~
23 ~~timeshare, hotel,]~~ accommodations, office space, and

1 business projects, in local, national, and
2 international markets;
3 ~~[(4)]~~ (3) Proposals to improve the gathering of data and
4 the timely presentation of information on market
5 demands and trends that can be used to plan future
6 projects; and

7 ~~[(5)]~~ (4) Strategies for federal and state legislative
8 actions that will promote the development and
9 enhancement of Hawaii's ~~[public]~~ harbors and park
10 lands.

11 (b) The ~~[corporation]~~ authority shall revise the Hawaii
12 ~~[public]~~ harbors and park lands optimization plan from time to
13 time and shall incorporate the plan in its annual report to the
14 governor and the legislature as provided in section 171C-~~[20]~~__.

15 **§171C-6 Public lands optimization projects; development**
16 **plans.** (a) The ~~[corporation]~~ authority may develop and
17 implement ~~[public]~~ harbors and park lands optimization projects
18 where appropriate ~~[public]~~ harbors and park lands may be
19 developed or managed to create revenue-generating centers or
20 where, through detailed analysis, opportunities exist to exploit
21 potential local, national, and international markets.

22 (b) The ~~[corporation]~~ authority may initiate and
23 coordinate the preparation of ~~[business and public]~~ harbors and

1 park land development plans for its projects. The plans shall
2 include a proposal for the organization of the enterprise, a
3 marketing strategy, marketing-related information, the impact on
4 existing development or visitor-related industries throughout
5 the State, and a recommendation for the construction,
6 reconstruction, rehabilitation, improvement, alteration, or
7 repair of any infrastructure or accessory facilities in
8 connection with any project.

9 (c) The [~~corporation~~] authority may enter into cooperative
10 agreements with coordinating entrepreneurs or public agencies
11 when the powers, services, and capabilities of the persons or
12 agencies are deemed necessary and appropriate for the
13 development and implementation of the [~~business and public~~]
14 harbors and park land development plans.

15 (d) Notwithstanding any provision of this chapter to the
16 contrary, when leasing [~~corporation~~] authority -controlled
17 [~~public~~] harbors and park land, the [~~corporation~~] authority may
18 contract with a financial institution chartered under chapter
19 412 or a federal financial institution, as defined under section
20 412:1-109, that transacts business in this State or any state or
21 county agency to provide lease management services. For the
22 purposes of this subsection, "lease management services"
23 includes the collection of lease rent and any other moneys owed

1 to the [~~corporation~~] authority related to the lease of [~~public~~]
2 harbors and park land under the [~~corporation's~~] authority's
3 control.

4 (e) The [~~public~~] harbors and park land planning activities
5 of the [~~corporation~~] authority shall be coordinated with the
6 county planning departments and the county land use plans,
7 policies, and ordinances.

8 (f) The [~~corporation~~] authority may amend the [~~business~~
9 ~~and public~~] harbors and park land development plans as may be
10 necessary or appropriate.

11 (g) Any undertaking by the [~~corporation~~] authority
12 pursuant to this chapter shall be with the express [~~written~~]
13 consent of the [~~landowner or landowners directly affected~~]
14 department.

15 ~~[\$171C-7 Project facility program. (a) The corporation~~
16 ~~may develop a project to identify necessary project facilities~~
17 ~~within a project area.~~

18 ~~(b) Unless and except as otherwise provided by law,~~
19 ~~whenever the corporation undertakes, or causes to be undertaken,~~
20 ~~any project facility as part of a project, the cost of providing~~
21 ~~the project facilities shall be assessed against the real~~
22 ~~property in the project area specially benefiting from the~~
23 ~~project facilities. Subject to the express written consent of~~

1 ~~the landowners directly affected, the corporation shall~~
2 ~~determine the properties that will benefit from the project~~
3 ~~facilities to be undertaken and may establish assessment areas~~
4 ~~that include the properties specially benefiting from the~~
5 ~~project facilities. The corporation shall fix the assessments~~
6 ~~against the real property specially benefited.~~

7 ~~(c) Unless and except as otherwise provided by law, the~~
8 ~~corporation may adopt rules pursuant to chapter 91 to establish~~
9 ~~the method of undertaking and financing project facilities in a~~
10 ~~project area.~~

11 ~~(d) Any other law to the contrary notwithstanding, in~~
12 ~~assessing real property for project facilities, the corporation~~
13 ~~shall assess the real property within a project area according~~
14 ~~to the special benefits conferred upon the real property by the~~
15 ~~project facilities. These methods may include an assessment on a~~
16 ~~frontage basis or according to the area of real property within~~
17 ~~a project area, or any other assessment method that assesses the~~
18 ~~real property according to the special benefit conferred, or any~~
19 ~~combination thereof. No assessment levied under this section~~
20 ~~against real property specially benefited under this chapter~~
21 ~~shall constitute a tax on real property within the meaning of~~
22 ~~any law.~~

23 ~~(e) Any other provisions to the contrary notwithstanding,~~

1 ~~the corporation, at its discretion, may enter into any agreement~~
2 ~~with the county in which project facilities are located, to~~
3 ~~implement the purposes of this section.~~

4 ~~(f) If all or a part of the project facilities to be~~
5 ~~financed through bonds by the corporation may be dedicated to~~
6 ~~the county in which the project facilities are to be located,~~
7 ~~the corporation shall ensure that the project facilities or~~
8 ~~applicable portions thereof are designed and constructed to meet~~
9 ~~county requirements.]~~

10 ~~[H] §171C-8 [H] Approval of projects [7] and plans [7] and~~
11 ~~programs]. All [public] harbors and park lands optimization~~
12 ~~projects, [public] harbors and park land development plans [7] and~~
13 ~~project facility programs] developed by the [corporation]~~
14 ~~authority shall be approved by the board.~~

15 ~~[§171C-9 Revenue bonds; issuance.] (a) The corporation,~~
16 ~~with the approval of the governor, may issue, from time to time,~~
17 ~~revenue bonds in amounts not exceeding the total amount of bonds~~
18 ~~authorized to be issued by the legislature for the purpose of~~
19 ~~constructing, acquiring, remodeling, furnishing, and equipping~~
20 ~~any project facility, including the acquisition of the site of~~
21 ~~the facility, or acquiring non-public lands through purchase to~~
22 ~~sustain and preserve leisure or recreational enterprises within~~
23 ~~a contiguous geographic area.~~

1 ~~(b) All revenue bonds shall be issued pursuant to part III~~
2 ~~of chapter 39, except as provided in this chapter.~~

3 ~~(c) The revenue bonds shall be issued in the name of the~~
4 ~~corporation and not in the name of the State. The final maturity~~
5 ~~date of the revenue bonds may be any date not exceeding thirty~~
6 ~~years from the date of issuance.~~

7 ~~[\$171C-10] Revenue bonds; payment and security. (a) The~~
8 ~~revenue bonds shall be payable from and secured by the~~
9 ~~improvements to real properties specially benefited or improved~~
10 ~~and the assessments thereon, or by the revenues derived from the~~
11 ~~project facility for which the revenue bonds were issued,~~
12 ~~including revenue derived from insurance proceeds and reserve~~
13 ~~accounts, and earnings thereon.~~

14 ~~(b) The corporation may pledge revenues derived from the~~
15 ~~project facility financed from the proceeds of the revenue bonds~~
16 ~~to the punctual payment of the principal, interest, and~~
17 ~~redemption premiums, if any, on the revenue bonds.~~

18 ~~(c) The revenue bonds may be additionally secured by the~~
19 ~~pledge or assignment of the loans and other agreements or any~~
20 ~~note or other undertaking, obligation, or property held by the~~
21 ~~corporation to secure the loans.~~

22 ~~(d) Any pledge made by the corporation shall create a~~
23 ~~perfected security interest in the revenues, moneys, or property~~

1 ~~so pledged and thereafter received by the corporation, from and~~
2 ~~after the time that the financing statement with respect to the~~
3 ~~revenues, moneys, or property so pledged and thereafter received~~
4 ~~are filed with the bureau of conveyances. Upon the filing, the~~
5 ~~revenues, moneys, or property so pledged and thereafter received~~
6 ~~by the corporation shall immediately be subject to a lien of any~~
7 ~~pledge without any physical delivery thereof or having claims of~~
8 ~~any kind in tort, contract, or otherwise against the~~
9 ~~corporation, irrespective of whether the parties have notice~~
10 ~~thereof. This section shall apply to any financing statement~~
11 ~~heretofore or hereafter filed with the bureau of conveyances~~
12 ~~with respect to any pledge made to secure revenue bonds issued~~
13 ~~under this chapter.~~

14 ~~§171C-11 Revenue bonds; interest rate, price, and sale.~~

15 ~~(a) The revenue bonds issued pursuant to this chapter shall bear~~
16 ~~interest at a rate or rates and shall be payable on a date or~~
17 ~~dates, as the corporation shall determine.~~

18 ~~(b) The corporation shall include the costs of undertaking~~
19 ~~the project facility for which the revenue bonds are issued in~~
20 ~~determining the principal amount of revenue bonds to be issued.~~
21 ~~In determining the cost of undertaking the project facility, the~~
22 ~~corporation may include:~~

23 ~~(1) The cost of constructing, acquiring, remodeling,~~

1 ~~furnishing, and equipping the project facility,~~
2 ~~including the acquisition of the site of the facility,~~
3 ~~(2) The cost of purchasing or funding loans or other~~
4 ~~agreements entered into for the project facility,~~
5 ~~(3) The costs of studies and surveys,~~
6 ~~(4) Insurance premiums,~~
7 ~~(5) Underwriting fees,~~
8 ~~(6) Financial consultant, legal, accounting, and marketing~~
9 ~~services incurred,~~
10 ~~(7) Reserve account, trustee, custodian, and rating agency~~
11 ~~fees, and~~
12 ~~(8) Any capitalized interest.~~
13 ~~(c) The revenue bonds may be sold at public or private~~
14 ~~sale, and for a price as may be determined by the corporation.~~
15 ~~[§171C 12] Revenue bonds; investment of proceeds and~~
16 ~~redemption. Subject to any agreement with the holders of its~~
17 ~~revenue bonds, the corporation may:~~
18 ~~(1) Invest its moneys not required for immediate use,~~
19 ~~including proceeds from the sale of revenue bonds, in~~
20 ~~any investment in accordance with procedures~~
21 ~~prescribed in a trust indenture; and~~
22 ~~(2) Purchase its revenue bonds out of any fund or money of~~
23 ~~the corporation available therefor, and hold, cancel,~~

1 ~~or resell the revenue bonds.~~

2 ~~[\$171C 13] Revenue bonds, subaccounts. A separate~~
3 ~~subaccount shall be established for each project facility~~
4 ~~financed from the proceeds of the revenue bonds secured under~~
5 ~~the same trust indenture. Each subaccount shall be designated~~
6 ~~"project facility revenue bond subaccount" and shall bear~~
7 ~~additional designation as the corporation deems appropriate to~~
8 ~~properly identify the fund.~~

9 ~~[\$171C 14] Trustee, designation, duties. (a) The~~
10 ~~corporation shall designate a trustee for each issue of revenue~~
11 ~~bonds secured under the same trust indenture.~~

12 ~~(b) The trustee shall be authorized by the corporation to~~
13 ~~hold and administer the project facility revenue bond subaccount~~
14 ~~established pursuant to section 13, to receive and receipt for,~~
15 ~~hold, and administer the revenues derived by the corporation~~
16 ~~from the project facility for which the revenue bonds were~~
17 ~~issued, and to apply these revenues to the payment of the cost~~
18 ~~of:~~

19 ~~(1) Undertaking the project facility,~~

20 ~~(2) Administering and operating the proceedings providing~~
21 ~~for the issuance of the revenue bonds,~~

22 ~~(3) The principal or interest on these bonds,~~

23 ~~(4) The establishment of reserves, and~~

1 ~~(5) Other purposes as may be authorized in the proceedings~~
2 ~~providing for the issuance of the revenue bonds.~~

3 ~~(c) Notwithstanding section 39-68 to the contrary, the~~
4 ~~director of finance may appoint the trustee to serve as fiscal~~
5 ~~agent for:~~

6 ~~(1) The payment of the principal of and interest on the~~
7 ~~revenue bonds; and~~

8 ~~(2) The purchase, registration, transfer, exchange, and~~
9 ~~redemption of the bonds.~~

10 ~~(d) The trustee shall perform additional functions with~~
11 ~~respect to the payment, purchase, registration, transfer,~~
12 ~~exchange, and redemption of the bonds, as the director of~~
13 ~~finance may deem necessary, advisable, or expeditious, including~~
14 ~~the holding of the revenue bonds and coupons that have been paid~~
15 ~~and the supervision of the destruction thereof in accordance~~
16 ~~with applicable law.~~

17 ~~(e) Nothing in this chapter shall limit or be construed to~~
18 ~~limit the powers granted to the director of finance in sections~~
19 ~~36-3, 39-13, and 39-68(a), to appoint the trustee or others as~~
20 ~~fiscal agents, paying agents, and registrars for the revenue~~
21 ~~bonds or to authorize and empower those fiscal agents, paying~~
22 ~~agents, and registrars to perform the functions referred to in~~
23 ~~those sections.~~

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~~§171C-15] Trust indenture. (a) A trust indenture may contain covenants and provisions authorized by part III of chapter 39, and as may be deemed necessary or convenient by the corporation for the purposes of this chapter.~~

~~(b) A trust indenture may allow the corporation to pledge and assign to the trustee loans and other agreements related to the project facility, and the rights of the corporation thereunder, including the right to receive revenues thereunder and to enforce the provisions thereof.~~

~~(c) A trust indenture shall also contain provisions as to:~~

~~(1) The investment of the proceeds of the revenue bonds, the investment of any reserve for the bonds, the investment of the revenues of the project facility, and the use and application of the earnings from investments; and~~

~~(2) The terms and conditions upon which the holders of the revenue bonds or any portion of them or any trustee thereof may institute proceedings for the foreclosure of any loan or other agreement or any note or other undertaking, obligation, or property securing the payment of the bonds and the use and application of the moneys derived from the foreclosure.~~

1 ~~(d) A trust indenture may also contain provisions deemed~~
2 ~~necessary or desirable by the corporation to obtain or permit,~~
3 ~~by grant, interest, subsidy, or otherwise, the participation of~~
4 ~~the federal government in the financing of the costs of~~
5 ~~undertaking the project facility.]~~

6 [+]§171C-16[+] Transfer of [public] harbors and park lands.

7 (a) Notwithstanding chapter 171 or any provision of this chapter
8 to the contrary, the department may transfer, subject to the
9 approval of the board of land and natural resources, development
10 rights for harbors and park lands ~~[under its jurisdiction]~~ to
11 the ~~[corporation]~~ authority for purposes of this chapter ~~[+~~
12 ~~provided that:]~~. The department may not transfer harbors or
13 park lands in fee simple to the authority.

14 ~~[(1) Development rights for all small boat harbors that~~
15 ~~have an existing contract in force and effect relating~~
16 ~~to a lease or development agreement, or a request for~~
17 ~~proposal that has been advertised or is under~~
18 ~~negotiation for capital improvements to harbor~~
19 ~~facilities as of July 1, 2011, shall be transferred to~~
20 ~~the corporation on July 1, 2011; provided that with~~
21 ~~regard to any:~~

22 ~~(A) Request for proposal that has been issued for~~
23 ~~which a contract has not been executed; or~~

1 ~~(B) Contract executed by the department that is in~~
2 ~~force and effect,~~
3 ~~on the effective date of this section that relates to~~
4 ~~the development or redevelopment of submerged or fast~~
5 ~~lands of a small boat harbor under the control of the~~
6 ~~department, if the public land corporation is not~~
7 ~~fully operational by July 1, 2011, the department~~
8 ~~shall continue to execute its responsibilities~~
9 ~~relating to negotiating or executing a contract for~~
10 ~~any such request for proposal or managing any existing~~
11 ~~contract until the corporation is able to assume the~~
12 ~~negotiating, oversight, and management~~
13 ~~responsibilities relating to the existing contract or~~
14 ~~request for proposal, as the case may be, or until~~
15 ~~June 30, 2013, whichever occurs first;~~

16 ~~(2) If the property to be developed is two hundred acres~~
17 ~~or less and the board of land and natural resources~~
18 ~~approves the transfer of development rights~~
19 ~~appurtenant to the property to be developed, the~~
20 ~~development rights shall be transferred to the~~
21 ~~corporation;~~

22 ~~(3) If the property to be developed is greater than two~~
23 ~~hundred acres and the board of land and natural~~

1 ~~resources approves the transfer of development rights~~
2 ~~appurtenant to the property to be developed, the~~
3 ~~development rights shall be transferred to the~~
4 ~~corporation, subject to disapproval by the legislature~~
5 ~~by two thirds vote of either the senate or the house~~
6 ~~of representatives or by majority vote of both houses~~
7 ~~in any regular or special session next following the~~
8 ~~date of transfer, and~~

9 ~~(4) The size of any property to be developed shall be~~
10 ~~deemed to be conclusively determined by the state~~
11 ~~surveyor, as established in section 26-6.]~~

12 (b) If the [~~corporation~~] authority finds that state lands
13 under the control and management of the department or other
14 public agencies are suitable for its purposes under this
15 chapter, the [~~corporation~~] authority may lease the lands from
16 the agency having the control and management of those lands,
17 upon such terms and conditions as may be agreed to by the
18 parties.

19 (c) Notwithstanding subsection (b) to the contrary, no
20 public lands shall be leased to the [~~corporation~~] authority if
21 the lease would impair any covenant between the State or any
22 county, or any department or board thereof, and the holders of
23 bonds issued by the State or the county, or any department or

1 board thereof.

2 §171C-17 [~~Hawaii public land~~] Harbors and parks development
3 revolving fund; established; use of [~~corporation~~] authority
4 funds. [~~(a)~~] There is from established the Hawaii public land
5 development revolving fund, to which shall be credited any state
6 appropriations to the fund, [~~any sums collected as a result of~~
7 ~~bonds issued pursuant to this chapter,~~] any revenues generated
8 from [~~the facilities, except as provided in section 171C-17.5~~
9 ~~and 171C-21,~~] harbors and park land development, or other moneys
10 made available to the fund, to be expended as directed by the
11 [~~corporation~~] authority.

12 [~~(b) Notwithstanding any provision of this chapter to the~~
13 ~~contrary, revenues, income, and receipts derived from the~~
14 ~~project facilities shall be set apart in a separate subaccount~~
15 ~~and applied solely for the following purposes:~~

- 16 ~~(1) The principal and interest on the bonds;~~
17 ~~(2) The cost of administering, operating, and maintaining~~
18 ~~the project not to exceed fifteen per cent of the sums~~
19 ~~collected, net of principal and interest payments, on~~
20 ~~account of assessments and interest for any specific~~
21 ~~project facility;~~
22 ~~(3) The establishment of program reserves not to exceed~~
23 ~~eighty five per cent of the sums collected, net of~~

1 ~~principal and interest payments, on account of~~
2 ~~assessments and interest for any specific project~~
3 ~~facility, provided that accumulated reserves shall be~~
4 ~~credited to and become a part of the special land and~~
5 ~~development fund, established under section 171-19,~~
6 ~~except in the case of a specific project facility that~~
7 ~~is situated in part or wholly within a small boat~~
8 ~~harbor, in which case those accumulated reserves~~
9 ~~attributable to the portions of the facility situated~~
10 ~~in the small boat harbor shall be credited to and~~
11 ~~become a part of the boating special fund, established~~
12 ~~under section 248-8; and~~

13 ~~(4) Other purposes as may be authorized in the proceedings~~
14 ~~providing for the issuance of the bonds.~~

15 ~~If any surplus remains in any subaccount after the payment of~~
16 ~~the bonds chargeable against that subaccount, the surplus~~
17 ~~shall be credited to and become a part of the Hawaii public~~
18 ~~land development revolving fund, except as provided in~~
19 ~~paragraph (3). Notwithstanding any other law to the contrary,~~
20 ~~moneys in the fund may be used to make up any deficiencies in~~
21 ~~the subaccount.~~

22 ~~(c) The corporation shall hold the fund in an account or~~
23 ~~accounts separate from other funds. Except as otherwise provided~~

1 ~~in subsection (b), the corporation shall invest and reinvest the~~
2 ~~fund and the income thereof to:~~

3 ~~(1) Purchase qualified securities issued by enterprises~~
4 ~~for the purpose of raising seed capital, provided that~~
5 ~~the investment shall comply with the requirements of~~
6 ~~this chapter;~~

7 ~~(2) Make grants, loans, and provide other monetary forms~~
8 ~~of assistance necessary to carry out the purposes of~~
9 ~~this chapter; and~~

10 ~~(3) Purchase securities as may be lawful investments for~~
11 ~~fiduciaries in the State.~~

12 ~~All appropriations, grants, contractual reimbursements, and~~
13 ~~other funds not designated for this purpose may be used to pay~~
14 ~~for the proper general expenses and to carry out the purposes of~~
15 ~~the corporation.~~

16 ~~(d) The corporation shall purchase qualified securities~~
17 ~~issued by an enterprise only after:~~

18 ~~(1) Receiving:~~

19 ~~(A) An application from the enterprise containing a~~
20 ~~business plan, which is consistent with the business~~
21 ~~and public land development plan, including a~~
22 ~~description of the enterprise and its management,~~
23 ~~product, and market;~~

- 1 ~~(B) A statement of the amount, timing, and projected use~~
2 ~~of the capital required;~~
- 3 ~~(C) A statement of the potential economic impact of the~~
4 ~~enterprise, including the number, location, and types~~
5 ~~of jobs expected to be created; and~~
- 6 ~~(D) Any other information as the corporation shall~~
7 ~~require;~~
- 8 ~~(2) Determining, based upon the application submitted,~~
9 ~~that:~~
- 10 ~~(A) The proceeds of the investment will be used only to~~
11 ~~cover the seed capital needs of the enterprise, except~~
12 ~~as authorized in this section;~~
- 13 ~~(B) The enterprise has a reasonable chance of success;~~
- 14 ~~(C) The enterprise has the reasonable potential to create~~
15 ~~employment within the State and offers employment~~
16 ~~opportunities to residents;~~
- 17 ~~(D) The coordinating entrepreneur and other founders of~~
18 ~~the enterprise have already made or are prepared to~~
19 ~~make a substantial financial and time commitment to~~
20 ~~the enterprise;~~
- 21 ~~(E) The securities to be purchased are qualified~~
22 ~~securities;~~
- 23 ~~(F) There is a reasonable possibility that the corporation~~

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1 ~~will recoup at least its initial investment; and~~
2 ~~(C) Binding commitments have been made to the corporation~~
3 ~~by the enterprise for adequate reporting of financial~~
4 ~~data to the corporation, which shall include a~~
5 ~~requirement for an annual or other periodic audit of~~
6 ~~the books of the enterprise, and for control by the~~
7 ~~corporation that it considers prudent over the~~
8 ~~management of the enterprise, in order to protect the~~
9 ~~investment of the corporation, including membership on~~
10 ~~the board of directors of the enterprise, ownership of~~
11 ~~voting stock, input in management decisions, and the~~
12 ~~right of access to the financial and other records of~~
13 ~~the enterprise; and~~
14 ~~(3) Entering into a binding agreement with the enterprise~~
15 ~~concerning the manner of payback by the enterprise of~~
16 ~~the funds advanced, granted, loaned, or received from~~
17 ~~the corporation. The manner of payback may include the~~
18 ~~payment of dividends, returns from the public sale of~~
19 ~~corporate securities or products, royalties, and other~~
20 ~~methods of payback acceptable to the corporation. In~~
21 ~~determining the manner of payback the corporation~~
22 ~~shall establish a rate of return or rate of interest~~
23 ~~to be paid on any investment, loan, or grant of~~

1 ~~corporation funds under this section.~~

2 ~~(e) If the corporation makes a direct investment, it shall~~
3 ~~also find that a reasonable effort has been made to find a~~
4 ~~professional investor to make an investment in the enterprise as~~
5 ~~a coventure, and that the effort was unsuccessful. The findings,~~
6 ~~when made by the corporation, shall be conclusive.~~

7 ~~(f) The corporation shall make investments in qualified~~
8 ~~securities issued by an enterprise in accordance with the~~
9 ~~following limits:~~

10 ~~(1) Not more than \$500,000 shall be invested in the~~
11 ~~securities of any one enterprise, except that more~~
12 ~~than a total of \$500,000 may be invested in the~~
13 ~~securities of any one enterprise if the corporation~~
14 ~~finds, after its initial investment, that additional~~
15 ~~investments in that enterprise are required to protect~~
16 ~~the initial investment of the corporation, and the~~
17 ~~other findings set forth in subsection (d) and this~~
18 ~~subsection are made as to the additional investment;~~

19 ~~(2) The corporation shall not own securities representing~~
20 ~~more than forty nine per cent of the voting stock of~~
21 ~~any one enterprise at the time of purchase by the~~
22 ~~corporation after giving effect to the conversion of~~
23 ~~all outstanding convertible securities of the~~

1 ~~enterprise, except that if a severe financial~~
2 ~~difficulty of the enterprise occurs, threatening the~~
3 ~~investment of the corporation in the enterprise, a~~
4 ~~greater percentage of those securities may be owned by~~
5 ~~the corporation; and~~

6 ~~(3) Not more than fifty per cent of the assets of the~~
7 ~~corporation shall be invested in direct investments at~~
8 ~~any time.~~

9 ~~(g) No investment, loan, grant, or use of corporate funds~~
10 ~~for the purposes of this chapter shall be subject to chapter~~
11 ~~42F.~~

12 ~~[\$171C 17.5] Stadium facilities special fund. (a)~~

13 ~~There is established a stadium facilities special fund into~~
14 ~~which shall be deposited all proceeds from leases, permits,~~
15 ~~interest income generated from Aloha Stadium lands and~~
16 ~~facilities, and other revenue generated from the non-permanent~~
17 ~~disposition of Aloha Stadium lands and facilities under this~~
18 ~~chapter, less the following:~~

19 ~~(1) The principal and interest on bonds issued pursuant to~~
20 ~~this chapter for projects on Aloha Stadium lands or~~
21 ~~utilizing Aloha Stadium facilities;~~

22 ~~(2) The cost of administering, operating, and maintaining~~
23 ~~projects on Aloha Stadium lands or utilizing Aloha~~

1 ~~Stadium facilities, not to exceed fifteen per cent of~~
2 ~~the sums collected, net of principal and interest~~
3 ~~payments on bonds, and~~

4 ~~(3) Other sums that may be necessary for the issuance of~~
5 ~~bonds under this chapter.~~

6 ~~(b) The stadium facilities special fund shall be~~
7 ~~administered by the stadium authority. Except as otherwise~~
8 ~~provided, all moneys in the stadium facilities special fund~~
9 ~~shall be used exclusively for stadium purposes.]~~

10 ~~[§171C-18]~~ Exemption from taxation. The ~~[corporation]~~
11 ~~authority~~ shall not be required to pay state taxes of any kind.

12 ~~[§171C-19] Exemption from requirements. Notwithstanding~~
13 ~~section 171-42 and except as otherwise noted in this chapter,~~
14 ~~projects pursuant to this chapter shall be exempt from all~~
15 ~~statutes, ordinances, charter provisions, and rules of any~~
16 ~~government agency relating to special improvement district~~
17 ~~assessments or requirements, land use, zoning, and construction~~
18 ~~standards for subdivisions, development, and improvement of~~
19 ~~land, and the construction, improvement, and sale of homes~~
20 ~~thereon; provided that the public land planning activities of~~
21 ~~the corporation shall be coordinated with the county planning~~
22 ~~departments and the county land use plans, policies, and~~
23 ~~ordinances.]~~

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2 ~~[§171C-20]~~ Annual report. The ~~[corporation]~~ authority
3 shall submit to the governor and the legislature, no later than
4 twenty days prior to the convening of each regular session, a
5 complete and detailed report of its plans and activities.

6 ~~[[§171C-21] School facilities special fund.~~ (a) ~~There is~~
7 ~~established a school facilities special fund into which shall be~~
8 ~~deposited all proceeds from leases, permits, interest income~~
9 ~~generated from public school lands and facilities, and other~~
10 ~~revenue generated from the non permanent disposition of public~~
11 ~~school lands and facilities under this chapter, less the~~
12 ~~following:~~

13 ~~(1) The principal and interest on bonds issued pursuant to~~
14 ~~this chapter for projects on public school lands or~~
15 ~~utilizing public school facilities;~~

16 ~~(2) The cost of administering, operating, and maintaining~~
17 ~~projects on public school lands or utilizing public~~
18 ~~school facilities, not to exceed fifteen per cent of~~
19 ~~the sums collected, net of principal and interest~~
20 ~~payments on bonds; and~~

21 ~~(3) Other sums that may be necessary for the issuance of~~
22 ~~bonds under this chapter.~~

1 ~~(b) The school facilities special fund shall be~~
2 ~~administered by the department of education in consultation with~~
3 ~~the board of education. Except as otherwise provided, all moneys~~
4 ~~in the school facilities special fund shall be used exclusively~~
5 ~~for the new construction and upgrade of twenty-first century~~
6 ~~school facilities, and the retrofit and upgrade of existing~~
7 ~~school facilities to meet twenty-first century school~~
8 ~~standards.] "~~

9 SECTION 5. Section 206E-4, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§206E-4 Powers; generally.** Except as otherwise limited
12 by this chapter, the authority may:

- 13 (1) Sue and be sued;
- 14 (2) Have a seal and alter the same at pleasure;
- 15 (3) Make and execute contracts and all other instruments
16 necessary or convenient for the exercise of its powers
17 and functions under this chapter;
- 18 (4) Make and alter bylaws for its organization and
19 internal management;
- 20 (5) Make rules with respect to its projects, operations,
21 properties, and facilities, which rules shall be in
22 conformance with chapter 91;

- 1 (6) Through its executive director appoint officers,
2 agents, and employees, prescribe their duties and
3 qualifications, and fix their salaries, without regard
4 to chapter 76;
- 5 (7) Prepare or cause to be prepared a community
6 development plan for all designated community
7 development districts;
- 8 (8) Acquire, reacquire, or contract to acquire or
9 reacquire by grant or purchase real, personal, or
10 mixed property or any interest therein; to own, hold,
11 clear, improve, and rehabilitate, and to sell, assign,
12 exchange, transfer, convey, lease, or otherwise
13 dispose of or encumber the same;
- 14 (9) Acquire or reacquire by condemnation real, personal,
15 or mixed property or any interest therein for public
16 facilities, including but not limited to streets,
17 sidewalks, parks, schools, and other public
18 improvements;
- 19 (10) By itself, or in partnership with qualified persons,
20 acquire, reacquire, construct, reconstruct,
21 rehabilitate, improve, alter, or repair or provide for
22 the construction, reconstruction, improvement,
23 alteration, or repair of any project; own, hold, sell,

1 assign, transfer, convey, exchange, lease, or
2 otherwise dispose of or encumber any project, and in
3 the case of the sale of any project, accept a purchase
4 money mortgage in connection therewith; and repurchase
5 or otherwise acquire any project which the authority
6 has theretofore sold or otherwise conveyed,
7 transferred, or disposed of;

8 (11) Arrange or contract for the planning, replanning,
9 opening, grading, or closing of streets, roads,
10 roadways, alleys, or other places, or for the
11 furnishing of facilities or for the acquisition of
12 property or property rights or for the furnishing of
13 property or services in connection with a project;

14 (12) Grant options to purchase any project or to renew any
15 lease entered into by it in connection with any of its
16 projects, on such terms and conditions as it deems
17 advisable;

18 (13) Prepare or cause to be prepared plans,
19 specifications, designs, and estimates of costs for
20 the construction, reconstruction, rehabilitation,
21 improvement, alteration, or repair of any project, and
22 from time to time to modify such plans,
23 specifications, designs, or estimates;

- 1 (14) Provide advisory, consultative, training, and
2 educational services, technical assistance, and advice
3 to any person, partnership, or corporation, either
4 public or private, to carry out the purposes of this
5 chapter, and engage the services of consultants on a
6 contractual basis for rendering professional and
7 technical assistance and advice;
- 8 (15) Procure insurance against any loss in connection with
9 its property and other assets and operations in such
10 amounts and from such insurers as it deems desirable;
- 11 (16) Contract for and accept gifts or grants in any form
12 from any public agency or from any other source;
- 13 (17) Do any and all things necessary to carry out its
14 purposes and exercise the powers given and granted in
15 this chapter;
- 16 (18) Allow satisfaction of any affordable housing
17 requirements imposed by the authority upon any
18 proposed development project through the construction
19 of reserved housing, as defined in section 206E-101,
20 by a person on land located outside the geographic
21 boundaries of the authority's jurisdiction; provided
22 that the authority shall not permit any person to make
23 cash payments in lieu of providing reserved housing,

1 except to account for any fractional unit that results
2 after calculating the percentage requirement against
3 residential floor space or total number of units
4 developed. The substituted housing shall be located
5 on the same island as the development project and
6 shall be substantially equal in value to the required
7 reserved housing units that were to be developed on
8 site. The authority shall establish the following
9 priority in the development of reserved housing:

- 10 (A) Within the community development district;
11 (B) Within areas immediately surrounding the
12 community development district;
13 (C) Areas within the central urban core;
14 (D) In outlying areas within the same island as the
15 development project.

16 The Hawaii community development authority shall adopt
17 rules relating to the approval of reserved housing that are
18 developed outside of a community development district. The
19 rules shall include, but are not limited to, the
20 establishment of guidelines to ensure compliance with the
21 above priorities; and

- 22 (19) Assist the [~~public land development corporation~~]
23 harbors and parks development authority established by

1 section 171C-3 in identifying [~~public~~] harbors and
2 park lands that may be suitable for development,
3 carrying on marketing analysis to determine the best
4 revenue-generating programs for the [~~public~~] harbors
5 and park lands identified, entering into public-
6 private agreements to appropriately develop the
7 [~~public~~] harbors and park lands identified, and
8 providing the leadership and technical support and
9 expertise for the development, financing, improvement,
10 or enhancement of the selected development
11 opportunities regardless of whether the development
12 opportunities are within a community development
13 district; provided that no assistance shall be
14 provided unless the authority authorizes the
15 assistance."

16 SECTION 6. Act 282, Session Laws of Hawaii 2012, is
17 amended by repealing Section 1.

18 [~~SECTION 1. (a) The division of boating and ocean~~
19 ~~recreation is directed to transfer the development rights of the~~
20 ~~parcels of land identified by tax map keys (3)7 4 08:03 and~~
21 ~~(3)7 4 08:41 to the public land development corporation, and the~~
22 ~~land division is directed to transfer the development rights of~~
23 ~~the parcel of land identified by tax map key (3)7 4 08:71 to the~~

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1 ~~public land development corporation; provided that the division~~
 2 ~~of boating and ocean recreation and the land division shall~~
 3 ~~continue to execute their respective responsibilities relating~~
 4 ~~to negotiating or executing a contract for any request for~~
 5 ~~proposal or managing any existing contract until the public land~~
 6 ~~development corporation is able to assume the negotiating,~~
 7 ~~oversight, and management responsibilities relating to the~~
 8 ~~existing contract or request for proposal, as the case may be,~~
 9 ~~or until June 30, 2013, whichever occurs first.~~

10 ~~(b) The public land development corporation shall~~
 11 ~~coordinate the development of the land pursuant to chapter 171C,~~
 12 ~~Hawaii Revised Statutes."]~~

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

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

17 INTRODUCED BY: _____



18 BY REQUEST

JAN 22 2013

H.B. NO. 942

Report Title:

Harbors and Parks Development Authority

Description:

Establishes the Harbors and Parks Development Authority to coordinate and administer programs to make optimal use of harbors and park lands, while ensuring that the public lands are maintained for the people of Hawaii.

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

JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO HARBORS AND PARKS DEVELOPMENT.

PURPOSE: To establish the Harbors and Parks Development Authority. The authority shall coordinate and administer programs to make optimal use of harbors and park lands, while ensuring that the public lands are maintained for the people of Hawaii. Revenues generated by the authority may be used to offset the regulatory and management functions of the department of land and natural resources.

MEANS: Amend sections 104-2, 171-2, 171-64.7, 173A-4, 173A-5, 206E-4, Chapter 171C, Hawaii Revised Statutes (HRS), Act 282, Session Laws of Hawaii 2012.

JUSTIFICATION: Certain public lands under the jurisdiction of the department of land and natural resources that are used for harbors, boating facilities and parks can be improved. However, the department of land and natural resources is hamstrung by its limited mission and limited resources.

Creating a development arm of the department of land and natural resources, similar to the Hawaii community development authority, and placing appropriate harbor, boating and park lands into the new agency's jurisdiction may help to create quality recreation and leisure areas, while also creating revenue-generating opportunities for the new agency. In turn, revenues generated may also be used to offset the regulatory and management functions of the department of land and natural resources.

Impact on the public: Improved state small boat harbors, boating facilities and parks may serve the State and its people better if managed and developed into suitable recreational and leisure centers where the public can congregate and where visitors to our State can go as part of their holiday experience.

Impact on the department and other agencies: This bill will create revenue-generating opportunities for the new agency. In turn, revenues generated may be used to offset the regulatory and management functions of the department of land and natural resources, which is direly needed.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: LNR xxx.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.