

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

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

8 1. By amending sections 171C-1 to 171C-6 to read:

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



1 placing appropriate [~~public~~] harbors and park lands into the new
2 [~~corporation's~~] agency's jurisdiction[7] may help to create
3 these recreation and leisure areas, while also creating revenue-
4 generating opportunities for the new [~~corporation-~~] agency. In
5 turn, revenues generated may be used to offset the regulatory
6 functions of the department of land and natural resources.

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



1 development, [~~financing~~] improvement, or enhancement of the
2 selected development opportunities.

3 **§171C-2 Definitions.** As used in this chapter, unless the
4 context clearly requires otherwise:

5 "Authority" means the harbors and parks development
6 authority.

7 "Board" means the board of directors of the [~~public land~~
8 ~~development corporation.~~] harbors and parks development
9 authority.

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

17 "~~Corporation" means the public land development~~
18 ~~corporation.~~

19 "~~Coventure" means an investment by the corporation in~~
20 ~~qualified securities of an enterprise in which a substantial~~
21 ~~investment is also being made or has been made by a professional~~
22 ~~investor to provide seed capital to an enterprise. A guarantee~~



1 ~~by the corporation of qualified securities provided by a~~
2 ~~professional investor shall be classified as a coventure. An~~
3 ~~investment made by the corporation, which is a direct~~
4 ~~investment, may later be classified as a coventure upon an~~
5 ~~investment by a professional investor.]~~

6 "Department" means the department of land and natural
7 resources.

8 "Development rights" means all of the rights related to the
9 development of property including but not limited to the rights
10 permitted under an ordinance or law relating to permitted uses
11 of a property, the density or intensity of use, and the maximum
12 height and size of improvements thereon.

13 [~~"Direct investment" means an investment by the corporation~~
14 ~~in qualified securities of an enterprise in which no investment~~
15 ~~is being or has been made by a professional investor to provide~~
16 ~~seed capital to the enterprise.~~

17 "~~Enterprise" means a business with its principal place of~~
18 ~~business in Hawaii, which is or proposes to be engaged in~~
19 ~~recreational and commercial area development, development of new~~
20 ~~value added products, enhancement of existing recreational or~~
21 ~~commercial commodities, and the application of existing~~



1 ~~recreation or commercial areas and appurtenant facilities to~~
2 ~~productive uses.]~~

3 "Fund" means the ~~[Hawaii public land development]~~ harbors
4 and parks development revolving fund.

5 "Harbors and park lands" means all state boating
6 facilities, as defined in section 200-2.5, excluding mooring
7 areas, and park lands under the jurisdiction of the department
8 of land and natural resources.

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

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



1 "Project" means a specific undertaking, improvement, or
2 system consisting of work or improvement, including personal
3 property or any interest therein acquired, constructed,
4 reconstructed, rehabilitated, improved, altered, or repaired by
5 the [~~corporation.~~] authority.

6 [~~"Project cost" means the total of all costs incurred by
7 the corporation in carrying out all undertakings that it
8 considers reasonable and necessary for the development of a
9 project, including studies, plans, specifications,
10 architectural, engineering, or any other development related
11 services, acquisition of land and any improvement thereon, site
12 preparation and development, construction, reconstruction,
13 rehabilitation, the necessary expenses in administering this
14 chapter, the cost of financing the project, and relocation
15 costs.~~]

16 [~~"Project facilities" includes improvements, roads and
17 streets, utility and service corridors, utility lines where
18 applicable, water and irrigation systems, lighting systems,
19 security systems, sanitary sewerage systems, and other community
20 facilities where applicable.~~]

21 "Qualified person" means any individual, partnership,
22 corporation, non-profit organization, or public agency



1 possessing the competence, expertise, experience, and resources,
2 including financial, personnel, and tangible qualifications, as
3 may be deemed desirable by the [~~corporation~~] authority in
4 administering this chapter.

5 ~~["Qualified security" means any note, stock, treasury stock~~
6 ~~bond, debenture, evidence of indebtedness, certificate of~~
7 ~~interest or participation in any profit sharing agreement, pre-~~
8 ~~organization certificate of subscription, transferable share,~~
9 ~~investment contract, certificate of deposit for a security,~~
10 ~~certificate of interest or participation in a patent or patent~~
11 ~~application, or in royalty or other payments under such a patent~~
12 ~~or application, or, in general, any interest or instrument~~
13 ~~commonly known as a "security" or any certificate for, receipt~~
14 ~~for, or option, warrant, or right to subscribe to or purchase~~
15 ~~any of the foregoing.~~

16 ~~"Revenue bonds" means bonds, notes, or other evidence of~~
17 ~~indebtedness of the corporation issued to finance any project~~
18 ~~facility.~~

19 ~~"Seed capital" means financing that is provided for the~~
20 ~~development, refinement, and commercialization of a product or~~
21 ~~process and other working capital needs.~~



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

3 ~~"Trust indenture" means an agreement by and between the~~
4 ~~corporation and a trustee that sets forth the duties of the~~
5 ~~trustee with respect to the revenue bonds, the security thereof,~~
6 ~~and other provisions as may be deemed necessary or convenient by~~
7 ~~the corporation to secure the revenue bonds.~~

8 ~~"Value added" means any activity that increases, by means~~
9 ~~of development or any other means, the value of public lands.~~

10 ~~{ } §171C-3 { } Public land development corporation,~~ Harbors
11 and parks development authority; established. (a) There is
12 established the ~~[public land development corporation,~~ harbors
13 and parks development authority, which shall be a public body
14 corporate and politic and an instrumentality and agency of the
15 State. The ~~[corporation]~~ authority shall be headed by the
16 board. The ~~[corporation]~~ authority shall be placed within the
17 department for administrative purposes.

18 The ~~[corporation]~~ authority shall coordinate and administer
19 programs to make optimal use of ~~[public land,~~ harbors and park
20 lands, while ensuring that the public land is maintained for the
21 people of Hawaii. The ~~[corporation]~~ authority shall identify
22 the ~~[public]~~ harbors and park lands that are suitable for



1 development under this chapter, carry on marketing analysis to
2 determine the best revenue-generating programs for the [~~public~~]
3 harbors and park lands identified, enter into public-private
4 agreements to appropriately develop the [~~public~~] harbors and
5 park lands identified, and provide the leadership for the
6 development, [~~financing,~~] improvement, or enhancement of the
7 selected development opportunities. Permissible uses of [~~public~~
8 ~~land~~] harbors and park lands pursuant to this chapter shall
9 include but not be limited to office space; vehicular parking;
10 commercial uses; [~~hotel, residential, and timeshare uses,~~]
11 accommodations; fueling facilities; storage and repair
12 facilities; and seawater air conditioning plants.

13 (b) The board of directors of the [~~public land development~~
14 ~~corporation~~] harbors and parks development authority shall
15 consist of [~~five~~] seven voting members. The members shall
16 include:

17 (1) The chairperson of the board of land and natural
18 resources, or the [~~first deputy to the chairperson of~~
19 ~~the board of land and natural resources,~~]
20 chairperson's designee;

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



- 1 ~~(3)]~~ (2) The director of business, economic development,
2 and tourism, or the director's designee;
- 3 (3) The administrator of the office of Hawaiian affairs,
4 or the administrator's designee;
- 5 (4) One member to be appointed by the speaker of the house
6 of representatives; ~~[and]~~
- 7 (5) One member to be appointed by the president of the
8 senate; and
- 9 (6) Two members from community organizations relating to
10 the environment to be appointed by the governor;
- 11 provided that the persons appointed by the speaker of the house
12 of representatives and the president of the senate shall possess
13 sufficient knowledge, experience, and proven expertise in small
14 and large businesses within the development or recreation
15 industries, banking, real estate, finance, promotion, marketing,
16 or management.
- 17 The term of office of the two voting members appointed by
18 the speaker of the house of representatives and the president of
19 the senate shall be four years each. The term of office of the
20 two voting members appointed by the governor shall be four years
21 each.

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

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

9 **[+]~~§171C-4~~[+] Powers; generally.** (a) Except as otherwise
10 limited by this chapter, the [~~corporation~~] authority may:

- 11 (1) Sue and be sued;
- 12 (2) Have a seal and alter the same at its pleasure;
- 13 (3) Make and alter bylaws for its organization and
14 internal management;
- 15 (4) Adopt rules under chapter 91 necessary to effectuate
16 this chapter in connection with its projects,
17 operations, and properties;
- 18 (5) Make and execute contracts and all other instruments
19 necessary or convenient for the exercise of its powers
20 and functions under this chapter;
- 21 (6) Carry out surveys, research, and investigations into
22 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,
6 that are determined by the [~~corporation~~]
7 authority to be necessary or appropriate for its
8 purposes under this chapter, including real
9 property together with improvements, if any, in
10 excess of that needed for such use in cases where
11 small remnants would otherwise be left or where
12 other justifiable cause necessitates the
13 acquisition to protect and preserve the
14 contemplated improvements, or public policy
15 demands the acquisition in connection with such
16 improvements; and

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



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

- 1 facilities, at rates or charges determined by the
2 [~~corporation~~] authority;
- 3 (11) Assist developmental, recreational, and visitor-
4 industry related enterprises, or projects developed or
5 managed by the [~~corporation,~~] authority, by conducting
6 detailed marketing analysis and developing marketing
7 and promotional strategies to strengthen the position
8 of those enterprises and to better exploit local,
9 national, and international markets;
- 10 (12) Receive, examine, and determine the acceptability of
11 applications of qualified persons for allowances or
12 grants for the development of new recreation and
13 visitor-industry related products, the expansion of
14 established recreation and visitor-industry or land
15 development enterprises, and the altering of existing
16 recreational, visitor-industry related, or land
17 development enterprises;
- 18 (13) Coordinate its activities with any federal or state
19 programs;
- 20 (14) Grant options to purchase any project or to renew any
21 lease entered into by the [~~corporation~~] authority in



1 connection with any of its projects, on the terms and
2 conditions it deems advisable;

3 (15) Provide advisory, consultative, training, and
4 educational services and technical assistance to any
5 person, partnership, or corporation, either public or
6 private, to carry out the purposes of this chapter,
7 and engage the services of consultants on a
8 contractual basis for rendering professional and
9 technical assistance and advice;

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

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

15 ~~[(18) Issue bonds to finance the cost of a project and to~~
16 ~~provide for the security thereof, in the manner and~~
17 ~~pursuant to the procedure prescribed in this chapter;~~

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



1 ~~(20)~~ (18) Recommend to the board of land and natural
2 resources the purchase of any privately owned
3 properties that may be appropriate for development;
4 and

5 ~~(21)~~ (19) Do all things necessary or proper to carry out
6 the purposes of this chapter.

7 ~~[(b) Notwithstanding subsection (a) to the contrary, the~~
8 ~~corporation shall not acquire, contract to acquire by grant or~~
9 ~~purchase, own, hold, sell, assign, exchange, transfer, convey,~~
10 ~~lease, or otherwise dispose of, or encumber any real, personal,~~
11 ~~or mixed property that is owned by the department as of July 1,~~
12 ~~2011, except as expressly provided in this chapter.~~

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

15 ~~[+]§171C-5[+]~~ **Hawaii ~~[public land]~~ harbors and park lands**
16 **optimization plan.** (a) The ~~[corporation]~~ authority shall
17 prepare the Hawaii ~~[public land]~~ harbors and park lands
18 optimization plan, which shall define and establish goals,
19 objectives, policies, and priority guidelines for its ~~[public~~
20 ~~land]~~ harbors and park lands optimization development strategy.
21 The plan shall include:



1 (1) An inventory of [~~publie~~] harbors and park lands with
2 suitable, adequate development potential that are or
3 will become available that can be used to meet present
4 and future [~~land~~] harbors and park lands development
5 needs;

6 [~~(2)~~] ~~Protection of culturally sensitive areas;~~

7 ~~(3)~~] (2) Feasible strategies for the promotion and
8 marketing of any projects, including but not limited
9 to leisure, recreational, commercial, [~~residential,~~
10 ~~time share, hotel,~~] accommodations, office space, and
11 business projects, in local, national, and
12 international markets;

13 [~~(4)~~] (3) Proposals to improve the gathering of data and
14 the timely presentation of information on market
15 demands and trends that can be used to plan future
16 projects; and

17 [~~(5)~~] (4) Strategies for federal and state legislative
18 actions that will promote the development and
19 enhancement of Hawaii's [~~publie~~] harbors and park
20 lands.

21 (b) The [~~corporation~~] authority shall revise the Hawaii
22 [~~publie~~] harbors and park lands optimization plan from time to



1 time and shall incorporate the plan in its annual report to the
2 governor and the legislature as provided in section 171C-20.

3 **§171C-6 [~~Public~~] Harbors and park lands optimization**
4 **projects; development plans.** (a) The [~~corporation~~] authority
5 may develop and implement [~~public~~] harbors and park lands
6 optimization projects where appropriate [~~public~~] harbors and
7 park lands may be developed or managed to create revenue-
8 generating centers or where, through detailed analysis,
9 opportunities exist to exploit potential local, national, and
10 international markets.

11 (b) The [~~corporation~~] authority may initiate and
12 coordinate the preparation of [~~business and public land~~] harbors
13 and park lands development plans for its projects. The plans
14 shall include a proposal for the organization of the enterprise,
15 a marketing strategy, marketing-related information, the impact
16 on existing development or visitor-related industries throughout
17 the State, and a recommendation for the construction,
18 reconstruction, rehabilitation, improvement, alteration, or
19 repair of any infrastructure or accessory facilities in
20 connection with any project.

21 (c) The [~~corporation~~] authority may enter into cooperative
22 agreements with coordinating entrepreneurs or public agencies



1 when the powers, services, and capabilities of the persons or
2 agencies are deemed necessary and appropriate for the
3 development and implementation of the [~~business and public land~~]
4 harbors and park lands development plans.

5 (d) Notwithstanding any provision of this chapter to the
6 contrary, when leasing [~~corporation~~] authority-controlled
7 [~~public land,~~] harbors and park lands, the [~~corporation~~]
8 authority may contract with a financial institution chartered
9 under chapter 412 or a federal financial institution, as defined
10 under section 412:1-109, that transacts business in this State
11 or any state or county agency to provide lease management
12 services. For the purposes of this subsection, "lease
13 management services" includes the collection of lease rent and
14 any other moneys owed to the [~~corporation~~] authority related to
15 the lease of [~~public land~~] harbors and park lands under the
16 [~~corporation's~~] authority's control.

17 (e) The [~~public land~~] harbors and park lands planning
18 activities of the [~~corporation~~] authority shall be coordinated
19 with the county planning departments and the county land use
20 plans, policies, and ordinances.



1 (f) The [~~corporation~~] authority may amend the [~~business~~
2 ~~and public land~~] harbors and park lands development plans as may
3 be necessary or appropriate.

4 (g) Any undertaking by the [~~corporation~~] authority
5 pursuant to this chapter shall be with the express [~~written~~]
6 consent of the [~~landowner or landowners directly affected.~~]
7 department."

8 2. By amending section 171C-8 to read:

9 "~~[+]~~**§171C-8**~~[+]~~ **Approval of projects**~~[,]~~ **and plans**~~[, and~~
10 **programs]**. All [~~public~~] harbors and park lands optimization
11 projects~~[, public land]~~ and harbors and park lands development
12 plans~~[, and project facility programs]~~ developed by the
13 [~~corporation~~] authority shall be approved by the board."

14 3. By amending sections 171C-16 to 171C-17 to read:

15 "~~[+]~~**§171C-16**~~[+]~~ **Transfer of [~~public~~] harbors and park**
16 **lands.** (a) Notwithstanding chapter 171 or any provision of
17 this chapter to the contrary, the department may transfer,
18 subject to the approval of the board of land and natural
19 resources, development rights for harbors and park lands [~~under~~
20 ~~its jurisdiction~~] to the [~~corporation~~] authority for purposes of
21 this chapter~~[, provided that:]~~. The department may not transfer
22 harbors or park lands in fee simple to the authority.



1 ~~[(1) Development rights for all small boat harbors that~~
2 ~~have an existing contract in force and effect relating~~
3 ~~to a lease or development agreement, or a request for~~
4 ~~proposal that has been advertised or is under~~
5 ~~negotiation for capital improvements to harbor~~
6 ~~facilities as of July 1, 2011, shall be transferred to~~
7 ~~the corporation on July 1, 2011; provided that with~~
8 ~~regard to any:~~

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

11 ~~(B) Contract executed by the department that is in~~
12 ~~force and effect, on the effective date of this~~
13 ~~section that relates to the development or~~
14 ~~redevelopment of submerged or fast lands of a~~
15 ~~small boat harbor under the control of the~~
16 ~~department, if the public land corporation is not~~
17 ~~fully operational by July 1, 2011, the department~~
18 ~~shall continue to execute its responsibilities~~
19 ~~relating to negotiating or executing a contract~~
20 ~~for any such request for proposal or managing any~~
21 ~~existing contract until the corporation is able~~
22 ~~to assume the negotiating, oversight, and~~



1 ~~management responsibilities relating to the~~
2 ~~existing contract or request for proposal, as the~~
3 ~~case may be, or until June 30, 2013, whichever~~
4 ~~occurs first;~~

5 ~~(2) If the property to be developed is two hundred acres~~
6 ~~or less and the board of land and natural resources~~
7 ~~approves the transfer of development rights~~
8 ~~appurtenant to the property to be developed, the~~
9 ~~development rights shall be transferred to the~~
10 ~~corporation;~~

11 ~~(3) If the property to be developed is greater than two~~
12 ~~hundred acres and the board of land and natural~~
13 ~~resources approves the transfer of development rights~~
14 ~~appurtenant to the property to be developed, the~~
15 ~~development rights shall be transferred to the~~
16 ~~corporation, subject to disapproval by the legislature~~
17 ~~by two thirds vote of either the senate or the house~~
18 ~~of representatives or by majority vote of both houses~~
19 ~~in any regular or special session next following the~~
20 ~~date of transfer; and~~



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

4 (b) If the [~~corporation~~] authority finds that state lands
5 under the control and management of the department or other
6 public agencies are suitable for its purposes under this
7 chapter, the [~~corporation~~] authority may lease the lands from
8 the agency having the control and management of those lands,
9 upon such terms and conditions as may be agreed to by the
10 parties.

11 (c) Notwithstanding subsection (b) to the contrary, no
12 public lands shall be leased to the [~~corporation~~] authority if
13 the lease would impair any covenant between the State or any
14 county, or any department or board thereof, and the holders of
15 bonds issued by the State or the county, or any department or
16 board thereof.

17 **§171C-17 [~~Hawaii public land~~] Harbors and parks development**
18 **revolving fund; established; use of [~~corporation~~] authority**
19 **funds. [~~(a)~~] There is established the [~~Hawaii public land~~]**
20 **harbors and parks development revolving fund, to which shall be**
21 **credited any state appropriations to the fund, [~~any sums~~**
22 **~~collected as a result of bonds issued pursuant to this chapter,]~~**



1 any revenues generated from [~~the facilities, except as provided~~
2 ~~in section 171C-17.5 and 171C-21,~~] harbors and park lands
3 development, or other moneys made available to the fund, to be
4 expended as directed by the [~~corporation.~~] authority.

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

- 9 (1) ~~The principal and interest on the bonds;~~
- 10 (2) ~~The cost of administering, operating, and maintaining~~
11 ~~the project not to exceed fifteen per cent of the sums~~
12 ~~collected, net of principal and interest payments, on~~
13 ~~account of assessments and interest for any specific~~
14 ~~project facility;~~
- 15 (3) ~~The establishment of program reserves not to exceed~~
16 ~~eighty five per cent of the sums collected, net of~~
17 ~~principal and interest payments, on account of~~
18 ~~assessments and interest for any specific project~~
19 ~~facility; provided that accumulated reserves shall be~~
20 ~~credited to and become a part of the special land and~~
21 ~~development fund, established under section 171-19,~~
22 ~~except in the case of a specific project facility that~~

1 ~~is situated in part or wholly within a small boat~~
2 ~~harbor, in which case those accumulated reserves~~
3 ~~attributable to the portions of the facility situated~~
4 ~~in the small boat harbor shall be credited to and~~
5 ~~become a part of the boating special fund, established~~
6 ~~under section 248-8; and~~

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

9 ~~If any surplus remains in any subaccount after the payment of~~
10 ~~the bonds chargeable against that subaccount, the surplus shall~~
11 ~~be credited to and become a part of the Hawaii public land~~
12 ~~development revolving fund, except as provided in paragraph (3).~~
13 ~~Notwithstanding any other law to the contrary, moneys in the~~
14 ~~fund may be used to make up any deficiencies in the subaccount.~~

15 ~~(c) The corporation shall hold the fund in an account or~~
16 ~~accounts separate from other funds. Except as otherwise provided~~
17 ~~in subsection (b), the corporation shall invest and reinvest the~~
18 ~~fund and the income thereof to:~~

19 ~~(1) Purchase qualified securities issued by enterprises~~
20 ~~for the purpose of raising seed capital; provided that~~
21 ~~the investment shall comply with the requirements of~~
22 ~~this chapter;~~



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

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

6 ~~All appropriations, grants, contractual reimbursements, and~~
7 ~~other funds not designated for this purpose may be used to pay~~
8 ~~for the proper general expenses and to carry out the purposes of~~
9 ~~the corporation.~~

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

12 ~~(1) Receiving:~~

13 ~~(A) An application from the enterprise containing a~~
14 ~~business plan, which is consistent with the~~
15 ~~business and public land development plan,~~
16 ~~including a description of the enterprise and its~~
17 ~~management, product, and market;~~

18 ~~(B) A statement of the amount, timing, and projected~~
19 ~~use of the capital required;~~

20 ~~(C) A statement of the potential economic impact of~~
21 ~~the enterprise, including the number, location,~~
22 ~~and types of jobs expected to be created; and~~



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



1 ~~(G) Binding commitments have been made to the~~
2 ~~corporation by the enterprise for adequate~~
3 ~~reporting of financial data to the corporation,~~
4 ~~which shall include a requirement for an annual~~
5 ~~or other periodic audit of the books of the~~
6 ~~enterprise, and for control by the corporation~~
7 ~~that it considers prudent over the management of~~
8 ~~the enterprise, in order to protect the~~
9 ~~investment of the corporation, including~~
10 ~~membership on the board of directors of the~~
11 ~~enterprise, ownership of voting stock, input in~~
12 ~~management decisions, and the right of access to~~
13 ~~the financial and other records of the~~
14 ~~enterprise; and~~

15 ~~(3) Entering into a binding agreement with the enterprise~~
16 ~~concerning the manner of payback by the enterprise of~~
17 ~~the funds advanced, granted, loaned, or received from~~
18 ~~the corporation. The manner of payback may include the~~
19 ~~payment of dividends, returns from the public sale of~~
20 ~~corporate securities or products, royalties, and other~~
21 ~~methods of payback acceptable to the corporation. In~~
22 ~~determining the manner of payback the corporation~~



1 ~~shall establish a rate of return or rate of interest~~
2 ~~to be paid on any investment, loan, or grant of~~
3 ~~corporation funds under this section.~~

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

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

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

21 ~~(2) The corporation shall not own securities representing~~
22 ~~more than forty nine per cent of the voting stock of~~



1 ~~any one enterprise at the time of purchase by the~~
2 ~~corporation after giving effect to the conversion of~~
3 ~~all outstanding convertible securities of the~~
4 ~~enterprise, except that if a severe financial~~
5 ~~difficulty of the enterprise occurs, threatening the~~
6 ~~investment of the corporation in the enterprise, a~~
7 ~~greater percentage of those securities may be owned by~~
8 ~~the corporation, and~~

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

12 ~~(g) No investment, loan, grant, or use of corporate funds~~
13 ~~for the purposes of this chapter shall be subject to chapter~~
14 ~~42F.] "~~

15 4. By amending section 171C-18 to read:

16 "[~~§~~§171C-18[~~§~~] **Exemption from taxation.** The
17 [~~corporation~~] authority shall not be required to pay state taxes
18 of any kind."

19 5. By amending section 171C-20 to read:

20 "[~~§~~§171C-20[~~§~~] **Annual report.** The [~~corporation~~]
21 authority shall submit to the governor and the legislature, no
22 later than twenty days prior to the convening of each regular



1 session, a complete and detailed report of its plans and
2 activities."

3 6. By repealing section 171C-7:

4 [~~"§171C-7 Project facility program. (a) The corporation
5 may develop a project to identify necessary project facilities
6 within a project area.~~

7 ~~(b) Unless and except as otherwise provided by law,
8 whenever the corporation undertakes, or causes to be undertaken,
9 any project facility as part of a project, the cost of providing
10 the project facilities shall be assessed against the real
11 property in the project area specially benefiting from the
12 project facilities. Subject to the express written consent of
13 the landowners directly affected, the corporation shall
14 determine the properties that will benefit from the project
15 facilities to be undertaken and may establish assessment areas
16 that include the properties specially benefiting from the
17 project facilities. The corporation shall fix the assessments
18 against the real property specially benefited.~~

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



1 ~~(d) Any other law to the contrary notwithstanding, in~~
2 ~~assessing real property for project facilities, the corporation~~
3 ~~shall assess the real property within a project area according~~
4 ~~to the special benefits conferred upon the real property by the~~
5 ~~project facilities. These methods may include an assessment on a~~
6 ~~frontage basis or according to the area of real property within~~
7 ~~a project area, or any other assessment method that assesses the~~
8 ~~real property according to the special benefit conferred, or any~~
9 ~~combination thereof. No assessment levied under this section~~
10 ~~against real property specially benefited under this chapter~~
11 ~~shall constitute a tax on real property within the meaning of~~
12 ~~any law.~~

13 ~~(e) Any other provisions to the contrary notwithstanding,~~
14 ~~the corporation, at its discretion, may enter into any agreement~~
15 ~~with the county in which project facilities are located, to~~
16 ~~implement the purposes of this section.~~

17 ~~(f) If all or a part of the project facilities to be~~
18 ~~financed through bonds by the corporation may be dedicated to~~
19 ~~the county in which the project facilities are to be located,~~
20 ~~the corporation shall ensure that the project facilities or~~
21 ~~applicable portions thereof are designed and constructed to meet~~
22 ~~county requirements."]~~



1 7. By repealing sections 171C-9 to 171C-15:

2 ["~~§171C-9 Revenue bonds, issuance.~~] (a) ~~The corporation,~~
3 ~~with the approval of the governor, may issue, from time to time,~~
4 ~~revenue bonds in amounts not exceeding the total amount of bonds~~
5 ~~authorized to be issued by the legislature for the purpose of~~
6 ~~constructing, acquiring, remodeling, furnishing, and equipping~~
7 ~~any project facility, including the acquisition of the site of~~
8 ~~the facility; or acquiring non public lands through purchase to~~
9 ~~sustain and preserve leisure or recreational enterprises within~~
10 ~~a contiguous geographic area.~~

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

13 ~~(c) The revenue bonds shall be issued in the name of the~~
14 ~~corporation and not in the name of the State. The final maturity~~
15 ~~date of the revenue bonds may be any date not exceeding thirty~~
16 ~~years from the date of issuance.~~

17 ~~§171C-10 Revenue bonds, payment and security.~~ (a) ~~The~~
18 ~~revenue bonds shall be payable from and secured by the~~
19 ~~improvements to real properties specially benefited or improved~~
20 ~~and the assessments thereon, or by the revenues derived from the~~
21 ~~project facility for which the revenue bonds were issued,~~

1 ~~including revenue derived from insurance proceeds and reserve~~
2 ~~accounts, and earnings thereon.~~

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

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

11 ~~(d) Any pledge made by the corporation shall create a~~
12 ~~perfected security interest in the revenues, moneys, or property~~
13 ~~so pledged and thereafter received by the corporation, from and~~
14 ~~after the time that the financing statement with respect to the~~
15 ~~revenues, moneys, or property so pledged and thereafter received~~
16 ~~are filed with the bureau of conveyances. Upon the filing, the~~
17 ~~revenues, moneys, or property so pledged and thereafter received~~
18 ~~by the corporation shall immediately be subject to a lien of any~~
19 ~~pledge without any physical delivery thereof or having claims of~~
20 ~~any kind in tort, contract, or otherwise against the~~
21 ~~corporation, irrespective of whether the parties have notice~~
22 ~~thereof. This section shall apply to any financing statement~~



1 ~~heretofore or hereafter filed with the bureau of conveyances~~
2 ~~with respect to any pledge made to secure revenue bonds issued~~
3 ~~under this chapter.~~

4 ~~§171C-11 Revenue bonds, interest rate, price, and sale.~~

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

8 ~~(b) The corporation shall include the costs of undertaking~~
9 ~~the project facility for which the revenue bonds are issued in~~
10 ~~determining the principal amount of revenue bonds to be issued.~~
11 ~~In determining the cost of undertaking the project facility, the~~
12 ~~corporation may include:~~

13 ~~(1) The cost of constructing, acquiring, remodeling,~~
14 ~~furnishing, and equipping the project facility,~~
15 ~~including the acquisition of the site of the facility,~~

16 ~~(2) The cost of purchasing or funding loans or other~~
17 ~~agreements entered into for the project facility,~~

18 ~~(3) The costs of studies and surveys,~~

19 ~~(4) Insurance premiums,~~

20 ~~(5) Underwriting fees,~~

21 ~~(6) Financial consultant, legal, accounting, and marketing~~
22 ~~services incurred,~~



1 ~~(7) Reserve account, trustee, custodian, and rating agency~~
2 ~~fees, and~~

3 ~~(8) Any capitalized interest.~~

4 ~~(c) The revenue bonds may be sold at public or private~~
5 ~~sale, and for a price as may be determined by the corporation.~~

6 ~~**[§171C-12] Revenue bonds, investment of proceeds and**~~
7 ~~**redemption.** Subject to any agreement with the holders of its~~
8 ~~revenue bonds, the corporation may:~~

9 ~~(1) Invest its moneys not required for immediate use,~~
10 ~~including proceeds from the sale of revenue bonds, in~~
11 ~~any investment in accordance with procedures~~
12 ~~prescribed in a trust indenture; and~~

13 ~~(2) Purchase its revenue bonds out of any fund or money of~~
14 ~~the corporation available therefor, and hold, cancel,~~
15 ~~or resell the revenue bonds.~~

16 ~~**[§171C-13] Revenue bonds, subaccounts.** A separate~~
17 ~~subaccount shall be established for each project facility~~
18 ~~financed from the proceeds of the revenue bonds secured under~~
19 ~~the same trust indenture. Each subaccount shall be designated~~
20 ~~"project facility revenue bond subaccount" and shall bear~~
21 ~~additional designation as the corporation deems appropriate to~~
22 ~~properly identify the fund.~~



- 1 ~~§171C 14~~ ~~Trustee, designation, duties.~~ (a) ~~The~~
2 ~~corporation shall designate a trustee for each issue of revenue~~
3 ~~bonds secured under the same trust indenture.~~
- 4 ~~(b) The trustee shall be authorized by the corporation to~~
5 ~~hold and administer the project facility revenue bond subaccount~~
6 ~~established pursuant to section 13, to receive and receipt for,~~
7 ~~hold, and administer the revenues derived by the corporation~~
8 ~~from the project facility for which the revenue bonds were~~
9 ~~issued, and to apply these revenues to the payment of the cost~~
10 ~~of:~~
- 11 ~~(1) Undertaking the project facility;~~
12 ~~(2) Administering and operating the proceedings providing~~
13 ~~for the issuance of the revenue bonds;~~
14 ~~(3) The principal or interest on these bonds;~~
15 ~~(4) The establishment of reserves; and~~
16 ~~(5) Other purposes as may be authorized in the proceedings~~
17 ~~providing for the issuance of the revenue bonds.~~
- 18 ~~(c) Notwithstanding section 39 68 to the contrary, the~~
19 ~~director of finance may appoint the trustee to serve as fiscal~~
20 ~~agent for:~~
- 21 ~~(1) The payment of the principal of and interest on the~~
22 ~~revenue bonds; and~~



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

3 ~~(d) The trustee shall perform additional functions with~~
4 ~~respect to the payment, purchase, registration, transfer,~~
5 ~~exchange, and redemption of the bonds, as the director of~~
6 ~~finance may deem necessary, advisable, or expeditious, including~~
7 ~~the holding of the revenue bonds and coupons that have been paid~~
8 ~~and the supervision of the destruction thereof in accordance~~
9 ~~with applicable law.~~

10 ~~(e) Nothing in this chapter shall limit or be construed to~~
11 ~~limit the powers granted to the director of finance in sections~~
12 ~~36 3, 39 13, and 39 68(a), to appoint the trustee or others as~~
13 ~~fiscal agents, paying agents, and registrars for the revenue~~
14 ~~bonds or to authorize and empower those fiscal agents, paying~~
15 ~~agents, and registrars to perform the functions referred to in~~
16 ~~those sections.~~

17 ~~[\$171C 15] Trust indenture. (a) A trust indenture may~~
18 ~~contain covenants and provisions authorized by part III of~~
19 ~~chapter 39, and as may be deemed necessary or convenient by the~~
20 ~~corporation for the purposes of this chapter.~~

21 ~~(b) A trust indenture may allow the corporation to pledge~~
22 ~~and assign to the trustee loans and other agreements related to~~



1 ~~the project facility, and the rights of the corporation~~
2 ~~thereunder, including the right to receive revenues thereunder~~
3 ~~and to enforce the provisions thereof.~~

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

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

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

17 ~~(d) A trust indenture may also contain provisions deemed~~
18 ~~necessary or desirable by the corporation to obtain or permit,~~
19 ~~by grant, interest, subsidy, or otherwise, the participation of~~
20 ~~the federal government in the financing of the costs of~~
21 ~~undertaking the project facility."]~~



1 8. By repealing section 171C-17.5:

2 ["~~§171C-17.5 Stadium facilities special fund.~~ (a)

3 ~~There is established a stadium facilities special fund into~~

4 ~~which shall be deposited all proceeds from leases, permits,~~

5 ~~interest income generated from Aloha Stadium lands and~~

6 ~~facilities, and other revenue generated from the non permanent~~

7 ~~disposition of Aloha Stadium lands and facilities under this~~

8 ~~chapter, less the following:~~

9 (1) ~~The principal and interest on bonds issued pursuant to~~

10 ~~this chapter for projects on Aloha Stadium lands or~~

11 ~~utilizing Aloha Stadium facilities;~~

12 (2) ~~The cost of administering, operating, and maintaining~~

13 ~~projects on Aloha Stadium lands or utilizing Aloha~~

14 ~~Stadium facilities, not to exceed fifteen per cent of~~

15 ~~the sums collected, net of principal and interest~~

16 ~~payments on bonds; and~~

17 (3) ~~Other sums that may be necessary for the issuance of~~

18 ~~bonds under this chapter.~~

19 ~~(b) The stadium facilities special fund shall be~~

20 ~~administered by the stadium authority. Except as otherwise~~

21 ~~provided, all moneys in the stadium facilities special fund~~

22 ~~shall be used exclusively for stadium purposes."]~~

1 9. By repealing section 171C-19:

2 ["~~§171C-19~~ ~~Exemption from requirements.~~ Notwithstanding
3 section 171-42 and except as otherwise noted in this chapter,
4 projects pursuant to this chapter shall be exempt from all
5 statutes, ordinances, charter provisions, and rules of any
6 government agency relating to special improvement district
7 assessments or requirements; land use, zoning, and construction
8 standards for subdivisions, development, and improvement of
9 land; and the construction, improvement, and sale of homes
10 thereon; provided that the public land planning activities of
11 the corporation shall be coordinated with the county planning
12 departments and the county land use plans, policies, and
13 ordinances."]

14 10. By repealing section 171C-21:

15 ["~~§171C-21~~ ~~School facilities special fund.~~ (a) There is
16 established a school facilities special fund into which shall be
17 deposited all proceeds from leases, permits, interest income
18 generated from public school lands and facilities, and other
19 revenue generated from the non permanent disposition of public
20 school lands and facilities under this chapter, less the
21 following:



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

4 ~~(2) The cost of administering, operating, and maintaining~~
5 ~~projects on public school lands or utilizing public~~
6 ~~school facilities, not to exceed fifteen per cent of~~
7 ~~the sums collected, net of principal and interest~~
8 ~~payments on bonds; and~~

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

11 ~~(b) The school facilities special fund shall be~~
12 ~~administered by the department of education in consultation with~~
13 ~~the board of education. Except as otherwise provided, all moneys~~
14 ~~in the school facilities special fund shall be used exclusively~~
15 ~~for the new construction and upgrade of twenty first century~~
16 ~~school facilities, and the retrofit and upgrade of existing~~
17 ~~school facilities to meet twenty first century school~~
18 ~~standards."]~~

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

21 "**§206E-4 Powers; generally.** Except as otherwise limited
22 by this chapter, the authority may:



- 1 (1) Sue and be sued;
- 2 (2) Have a seal and alter the same at pleasure;
- 3 (3) Make and execute contracts and all other instruments
- 4 necessary or convenient for the exercise of its powers
- 5 and functions under this chapter;
- 6 (4) Make and alter bylaws for its organization and
- 7 internal management;
- 8 (5) Make rules with respect to its projects, operations,
- 9 properties, and facilities, which rules shall be in
- 10 conformance with chapter 91;
- 11 (6) Through its executive director appoint officers,
- 12 agents, and employees, prescribe their duties and
- 13 qualifications, and fix their salaries, without regard
- 14 to chapter 76;
- 15 (7) Prepare or cause to be prepared a community
- 16 development plan for all designated community
- 17 development districts;
- 18 (8) Acquire, reacquire, or contract to acquire or
- 19 reacquire by grant or purchase real, personal, or
- 20 mixed property or any interest therein; to own, hold,
- 21 clear, improve, and rehabilitate, and to sell, assign,



- 1 exchange, transfer, convey, lease, or otherwise
2 dispose of or encumber the same;
- 3 (9) Acquire or reacquire by condemnation real, personal,
4 or mixed property or any interest therein for public
5 facilities, including but not limited to streets,
6 sidewalks, parks, schools, and other public
7 improvements;
- 8 (10) By itself, or in partnership with qualified persons,
9 acquire, reacquire, construct, reconstruct,
10 rehabilitate, improve, alter, or repair or provide for
11 the construction, reconstruction, improvement,
12 alteration, or repair of any project; own, hold, sell,
13 assign, transfer, convey, exchange, lease, or
14 otherwise dispose of or encumber any project, and in
15 the case of the sale of any project, accept a purchase
16 money mortgage in connection therewith; and repurchase
17 or otherwise acquire any project which the authority
18 has theretofore sold or otherwise conveyed,
19 transferred, or disposed of;
- 20 (11) Arrange or contract for the planning, replanning,
21 opening, grading, or closing of streets, roads,
22 roadways, alleys, or other places, or for the



- 1 furnishing of facilities or for the acquisition of
2 property or property rights or for the furnishing of
3 property or services in connection with a project;
- 4 (12) Grant options to purchase any project or to renew any
5 lease entered into by it in connection with any of its
6 projects, on such terms and conditions as it deems
7 advisable;
- 8 (13) Prepare or cause to be prepared plans, specifications,
9 designs, and estimates of costs for the construction,
10 reconstruction, rehabilitation, improvement,
11 alteration, or repair of any project, and from time to
12 time to modify such plans, specifications, designs, or
13 estimates;
- 14 (14) Provide advisory, consultative, training, and
15 educational services, technical assistance, and advice
16 to any person, partnership, or corporation, either
17 public or private, to carry out the purposes of this
18 chapter, and engage the services of consultants on a
19 contractual basis for rendering professional and
20 technical assistance and advice;

- 1 (15) Procure insurance against any loss in connection with
2 its property and other assets and operations in such
3 amounts and from such insurers as it deems desirable;
- 4 (16) Contract for and accept gifts or grants in any form
5 from any public agency or from any other source;
- 6 (17) Do any and all things necessary to carry out its
7 purposes and exercise the powers given and granted in
8 this chapter;
- 9 (18) Allow satisfaction of any affordable housing
10 requirements imposed by the authority upon any
11 proposed development project through the construction
12 of reserved housing, as defined in section 206E-101,
13 by a person on land located outside the geographic
14 boundaries of the authority's jurisdiction; provided
15 that the authority shall not permit any person to make
16 cash payments in lieu of providing reserved housing,
17 except to account for any fractional unit that results
18 after calculating the percentage requirement against
19 residential floor space or total number of units
20 developed. The substituted housing shall be located
21 on the same island as the development project and
22 shall be substantially equal in value to the required



1 reserved housing units that were to be developed on
2 site. The authority shall establish the following
3 priority in the development of reserved housing:

- 4 (A) Within the community development district;
- 5 (B) Within areas immediately surrounding the
6 community development district;
- 7 (C) Areas within the central urban core;
- 8 (D) In outlying areas within the same island as the
9 development project.

10 The Hawaii community development authority shall
11 adopt rules relating to the approval of reserved
12 housing that are developed outside of a community
13 development district. The rules shall include, but
14 are not limited to, the establishment of guidelines to
15 ensure compliance with the above priorities; and

16 (19) Assist the [~~public land development corporation~~]
17 harbors and parks development authority established by
18 section 171C-3 in identifying [~~public~~] harbors and
19 park lands that may be suitable for development,
20 carrying on marketing analysis to determine the best
21 revenue-generating programs for the [~~public~~] harbors
22 and park lands identified, entering into public-



1 private agreements to appropriately develop the
2 [~~public~~] harbors and park lands identified, and
3 providing the leadership and technical support and
4 expertise for the development, [~~financing,~~]
5 improvement, or enhancement of the selected
6 development opportunities regardless of whether the
7 development opportunities are within a community
8 development district; provided that no assistance
9 shall be provided unless the authority authorizes the
10 assistance."

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

13 [~~SECTION 1. (a) The division of boating and ocean~~
14 ~~recreation is directed to transfer the development rights of the~~
15 ~~parcels of land identified by tax map keys (3)7-4-08:03 and~~
16 ~~(3)7-4-08:41 to the public land development corporation, and the~~
17 ~~land division is directed to transfer the development rights of~~
18 ~~the parcel of land identified by tax map key (3)7-4-08:71 to the~~
19 ~~public land development corporation; provided that the division~~
20 ~~of boating and ocean recreation and the land division shall~~
21 ~~continue to execute their respective responsibilities relating~~
22 ~~to negotiating or executing a contract for any request for~~



1 ~~proposal or managing any existing contract until the public land~~
2 ~~development corporation is able to assume the negotiating,~~
3 ~~oversight, and management responsibilities relating to the~~
4 ~~existing contract or request for proposal, as the case may be,~~
5 ~~or until June 30, 2013, whichever occurs first.~~

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

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

11 SECTION 8. This Act shall take effect on July 1, 3000;
12 provided that sections 1, 2, 3, 4, and 5 shall be repealed on
13 June 30, 2018; provided further that sections 104-2, 173A-4 and
14 173A-5, Hawaii Revised Statutes, shall be reenacted in the form
15 in which they read on June 30, 3000; sections 171-2, and 171-
16 64.7, Hawaii Revised Statutes, shall be reenacted in the form in
17 which they read on July 5, 2012; and section 206E-4, Hawaii
18 Revised Statutes shall be reenacted in the form in which it read
19 on June 30, 2011; and provided further that, when reenacting
20 sections 173A-4 and 173A-5, Hawaii Revised Statutes, the revisor
21 of statutes shall strike all references to the public land
22 development corporation.



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. Effective July 1, 3000.
(HB942 HD1)

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

