

JAN 18 2013

A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL LANDS.

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

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

12 The considerable amount of underused public school lands on
13 the State's two hundred fifty-seven school campuses is an
14 untapped resource that lies within reach and would facilitate
15 infrastructure that could make classrooms and campuses suitable
16 for twenty-first century learning. By way of illustration, a
17 preliminary review by a real estate expert indicates that ten
18 parcels that have unused lands are valued at \$120,000,000 under



1 existing surrounding uses. These lands could be developed
2 solely for the benefit of Hawaii's public school children. The
3 beneficiaries would be the children of Hawaii.

4 The purpose of this Act is to optimize the use of public
5 school lands to generate opportunities to improve public school
6 facilities and infrastructure to meet the challenges of the
7 twenty-first century and, overall, to improve the quality of
8 education in Hawaii. In particular, this Act establishes a
9 three-year pilot project to generate revenue from uses such as
10 workforce housing to build and retrofit twenty-first century
11 schools. The pilot project will lay important groundwork for a
12 statewide approach and plan to optimize public school lands and
13 modernize public school facilities. This Act also establishes a
14 school facilities advisory board to provide guidance to the
15 department of education on ways to optimize the use of public
16 school lands, and creates the school facilities special fund to
17 deposit all proceeds generated from the use or lease of public
18 school lands. Moneys in the school facilities special fund will
19 be used to build or upgrade twenty-first century school
20 facilities.



1 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 "§302A-A Lease of lands under the control of the board.

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

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

15 (2) The lease stipulates that the lessee may retain the
16 rental proceeds; provided that:

17 (A) The lessee shall be obligated to maintain and
18 operate the workforce rental housing units for
19 the length of the lease;

20 (B) The lessee shall be subject to payment to the
21 county of all property tax on the value of the
22 non-school improvements;



1 (C) A leasehold premium shall be paid for the right
2 to use the land based upon a competitive bid
3 process pursuant to chapter 103D; and

4 (D) Upon the expiration of the lease, the workforce
5 rental housing units shall revert to the
6 department.

7 (b) As additional compensation, the board may require a
8 lessee to construct a new public school or substantially remodel
9 existing schools at no cost to the board, department, and State;
10 provided that the design, construction plans, and specification
11 for the public school shall be specifically provided by the
12 department at the direction of the board, and be specifically
13 detailed in the request for proposal bid process in accordance
14 with chapter 103D.

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

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

19 (1) Workforce rental housing units and uses ancillary to
20 the rental housing community that are in accordance
21 with applicable zoning ordinances; and

22 (2) Public schools.



1 (e) All leased land revenues and proceeds generated from
2 public school lands pursuant to this section shall be deposited
3 into the school facilities special fund established under
4 section 171C-21.

5 §302A-B School facilities advisory board. There is
6 established within the department a school facilities advisory
7 board to be composed of seven real estate, land use development,
8 and education professionals. Members of the advisory board
9 shall be appointed by the board and shall provide the department
10 with advice, expertise, and guidance on the construction,
11 management, and redevelopment of public school lands and
12 facilities. Members of the advisory board shall serve without
13 compensation but shall be reimbursed for travel expenses
14 incurred in the performance of their duties. The advisory board
15 may advise the department in the following activities, to
16 include but not be limited to:

- 17 (1) Identifying excess and underused public school lands
18 and public school land sites with the potential for
19 redevelopment;
20 (2) Developing a strategic plan and implementation
21 schedule for the redevelopment of public school lands;



- 1 (3) Consistent with the department's strategic plans,
2 preparing development plans for school sites that have
3 the potential to generate revenues along with
4 improving school facilities at the respective sites;
5 and
- 6 (4) Recommending the issuance of special purpose revenue
7 bonds for the purpose of loaning or otherwise applying
8 bond proceeds in accordance with redevelopment
9 projects approved by the department."

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

- 13 (1) Research, evaluate, and where appropriate implement
14 measures to further develop a systematic process,
15 mechanism, and policies to optimize the use of public
16 school lands to build, upgrade, and renovate all
17 schools to enable students to compete in the twenty-
18 first century;
- 19 (2) Recommend legislation relating to the statutory and
20 procedural changes required to resolve pending land
21 tenure issues relating to the use, sale, or lease of



1 public school lands, which may include the creation of
2 a public schools land trust; and

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

6 (b) The department of education, in collaboration with the
7 school facilities advisory board shall submit a report to the
8 legislature, including a summary of the department's activities,
9 results, and recommendations to optimize the use of public
10 school lands as a means to build or renovate twenty-first
11 century schools, no later than twenty days prior to the
12 convening of the 2015 regular session.

13 SECTION 4. In codifying the new sections added by section
14 2 of this Act, the revisor of statutes shall substitute
15 appropriate section numbers for the letters used in designating
16 the new sections in this Act.

17 SECTION 5. New statutory material is underscored.

18 SECTION 6. This Act shall take effect upon its approval;
19 provided that section 302A-A, Hawaii Revised Statutes, in
20 section 2 of this Act shall be repealed on June 30, 2016.

21

INTRODUCED BY:



S.B. NO. 840

Report Title:

Education; Public School Lands; Leases; Tax Credit

Description:

Permits the department of education, with the approval of the board of education, to lease certain public school lands for the development of affordable workforce housing rental units under specified conditions. Establishes the school facilities special fund.

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

