

Honolulu, Hawaii

March 22, 2013

RE: S.B. No. 215
S.D. 3
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committees on Economic Development & Business and Water & Land, to which was referred S.B. No. 215, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose of this measure is to foster collaboration among state agencies and private sector entities to deliver public services and facilities more effectively by:

- (1) Creating a Public-Private Partnership Authority (PPPA) within the Department of Business, Economic Development and Tourism (DBEDT) to:
 - (A) Identify projects appropriate for PPPA participation;
 - (B) Conduct analysis of the project;
 - (C) Enter into public-private partnership agreements; and
 - (D) Provide leadership in public-private partnership projects,
- (2) Identifying three specific pilot projects for the PPPA to initiate; and



- (3) Appropriating an unspecified sum to DBEDT for the establishment and staffing of the PPPA.

DEBDT; the Department of Land and Natural Resources; Hawaii Building and Construction Trades Council, AFL-CIO; and one concerned individual supported this measure. Hawaii's Thousand Friends, Aikea Hawaii, Puna Pono Alliance, UNITE HERE Local 5, and numerous individuals opposed this measure. The Department of the Attorney General; Office of Hawaiian Affairs; Department of Planning and Permitting, City and County of Honolulu; Mayor of the County of Maui; Land Use Research Foundation of Hawaii; SHM Partners, Film Studio Group; Building Industry Association of Hawaii; The Chamber of Commerce of Hawaii; Pacific Resource Partnership; Outdoor Circle; and two members of the Maui County Council offered comments.

Your Committees respectfully request that the Committee on Finance look at the tax exemption language in part I of this measure and determine whether this exemption is desirable for PPPA's purposes. Your Committees note a further concern that in addition to PPPA's required compliance with all state laws in part I, PPPA should also explicitly be required to comply with all county laws and ordinances. Your Committees also note that this measure may provide a stimulus to initiate and complete projects that have been waiting decades to begin. Finally, your Committees note that this measure is different from the publically-criticized Public Land Development Corporation because it does not grant any land use exemptions or tools to evade the public process to the PPPA or to any project.

Your Committees have amended this measure by:

- (1) Clarifying language relating to the ex officio board members;
- (2) Clarifying that the two appointed board members shall be appointed by the Governor from lists provided by the Speaker of the House of Representatives and the President of the Senate respectively and pursuant to section 26-34, Hawaii Revised Statutes;
- (3) Specifying that quorum for the board of directors is three members and that actions of the board must be affirmed by three affirmative votes of the board;



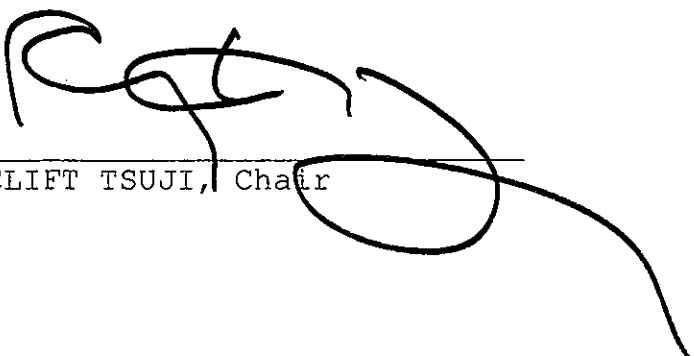
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- (4) Clarifying that the PPPA has the power to lease property from public agencies for its projects;
- (5) Specifying the sources of revenues to be deposited in the general fund; and
- (6) Amending language authorizing the initiation of specific pilot projects by the authority, including by:
 - (a) Removing language that limited the location of the film production facility pilot project;
 - (b) Specifying that the authority shall initiate one county-initiated pilot project per county; and
 - (c) Adding a pilot project for a small boat harbor facility on state lands; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 215, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 215, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Economic Development & Business and Water & Land,


CINDY EVANS, Chair


CLIFT TSUJI, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1188

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: SB 215, SD3	Committee Referral: EDB/WAL, FIN	Date: 3/20/2013		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. WARD, Gene (VC)			✓	
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.				✓
5. CHOY, Isaac W.	✓			
6. OHNO, Takashi	✓			
7. ONISHI, Richard H.K.		✓		
8. TAKAYAMA, Gregg	✓			
9. TOKIOKA, James Kunane	✓			
TOTAL (9)	6	1	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

HSCR 1188

Record of Votes of the Committee on Water & Land

Bill/Resolution No.: <i>SB215, SD3 (SSCR690)</i>		Committee Referral: <i>EDB/WAL, FIN</i>		Date: <i>3-20-13</i>	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
	WAL Members	Ayes	Ayes (WR)	Nays	Excused
1.	EVANS, Cindy (C)	✓			
2.	LOWEN, Nicole E. (VC)		✓		
3.	COFFMAN, Denny		✓		
4.	CULLEN, Ty J.K.				✓
5.	HANOHANO, Faye P.		✓		
6.	KAWAKAMI, Derek S.K.				✓
7.	LEE, Chris				✓
8.	FALE, Richard Lee		✓		
9.	THIELEN, Cynthia			✓	
	TOTAL (9)	<i>1</i>	<i>4</i>	<i>1</i>	<i>3</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: <i>Nicole E Lowen</i>					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					