

STAND. COM. REP. NO.

212

Honolulu, Hawaii

FEB 12 2013

RE: S.B. No. 707  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committees on Economic Development, Government Operations and Housing and Water and Land, to which was referred S.B. No. 707 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to establish a state smart growth public infrastructure policy that requires the Department of Transportation, Department of Education, Department of Health, Department of Accounting and General Services, University of Hawaii, Hawaii Public Housing Authority, and Department of Land and Natural Resources to ensure that their public infrastructure projects meet certain criteria.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which repeals exemptions to various statutory requirements presently held by the Department of Hawaiian Home Lands, Agribusiness Development Corporation, Public Land Development Corporation, Hawaii Tourism Authority, Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, Aloha Tower Development Corporation, High Technology Development Corporation, Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii Authority, Research Corporation of the University of Hawaii, and Hawaii Public Housing Authority, and repeals the Public Land Development Corporation.



Your Committees received testimony in support of the proposed S.D. 1 from the Sierra Club, Outdoor Circle, Life of the Land, and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority; Office of Planning; Department of Hawaiian Home Lands; Department of Defense; Natural Energy Laboratory of Hawaii Authority; Hawaii Strategic Development Corporation; University of Hawaii; Hawaii Tourism Authority; Hawaii Lodging and Tourism Association; High Technology Development Corporation; Research Corporation of the University of Hawaii; Hawaii Community Development Authority; Agribusiness Development Corporation; and Department of Transportation. Your Committees received comments on the proposed S.D. 1 from the Department of Land and Natural Resources; Unite Here! Local Hawaii; League of Women Voters; and six individuals.

Your Committees find that the State needs a comprehensive and integrated approach to utilizing its assets and working with the private sector to expand economic growth in Hawaii. Avoiding duplication in processes and the costs associated with duplicative efforts is imperative. The State has developed a number of corporations and agencies over the past forty years, but there is insufficient coordination among these entities. This has resulted in numerous siloed agencies that operate independently, creating inefficiencies in government. The Department of Land and Natural Resources and other agencies find that existing corporations and agencies are limited in their scope and capabilities, and the lack of coordination and integration prevents them from effectively generating economic growth in Hawaii.

Your Committees further find that the State needs to address critical aging infrastructure issues through upgrades and repairs and lay a solid foundation for new developments. One of the most effective tools in achieving this goal is partnerships between the Department of Land and Natural Resources and federal agencies, counties, or private parties. The Public Land Development Corporation was intended to facilitate these partnerships. However, strong opposition to the development of state lands and natural resources, including energy resources which could make the State less dependent on outside sources for food and energy, has impeded the work of the Public Land Development Corporation.

Given the need for integrated government approaches critical infrastructural improvements, and strong foundations for economic



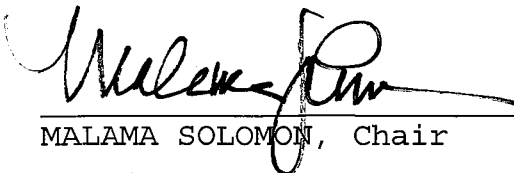
growth, your Committees recognize the need for further discussion about how to best coordinate and integrate the efforts of government and the private sector to expand economic growth. Your Committees believe that if the Public Land Development Corporation is not the answer, a potential solution may be another corporation or agency such as a Native Hawaiian Economic Development Corporation, which would pursue economic undertakings for native Hawaiians.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Repeal chapter 171C, Hawaii Revised Statutes, the Public Land Development Corporation;
- (2) Make conforming amendments that remove all references in the Hawaii Revised Statutes and Session Laws of Hawaii to the Public Land Development Corporation;
- (3) Return any remaining funds of the Public Land Development Corporation from prior appropriations; and
- (4) Transfer the two positions created by Act 55, Session Laws of Hawaii 2011, to the Department of Land and Natural Resources.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 707, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 707, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development, Government  
Operations and Housing and  
Water and Land,

  
MALAMA SOLOMON, Chair


  
DONOVAN M. DELA CRUZ, Chair





The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 707	EGH/WTL, WAM	2/11/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SOLOMON, Malama (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
DELA CRUZ, Donovan M.	✓			
IHARA, Jr., Les	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	7			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes