

Honolulu, Hawaii

FEB 06 2013

RE: S.B. No. 741
S.D. 1

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

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred S.B. No. 741 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY,"

begs leave to report as follows:

The purpose and intent of this measure is to limit the prohibition on the sale of lands within the Kakaako Community Development District to those lands situated in the makai portion of the district and to require the Hawaii Community Development Authority to make cost-benefit analyses of the selling and purchasing of certain properties situated within the mauka area of the district.

Your Committee received testimony in support of this measure from the Executive Director of the Hawaii Community Development Authority and Capitol Consultants of Hawaii, LLP.

Your Committee finds that existing law effectively prohibits the selling or assignment of any land within the Kakaako Community Development District, making it difficult for the Authority to fully develop and enhance the value and potential of lands within the district. This measure will enhance the Authority's ability to develop a vibrant community in the mauka portion of the district while still maintaining effective protections against the sale or assignment of such lands. Your Committee also finds that this measure will help identify properties in the mauka area of



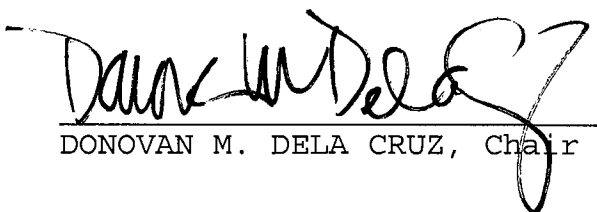
the district that may better effectuate the development of a vibrant community by being sold or assigned.

Your Committee has amended this measure by:

- (1) Inserting language that more precisely describes the lands within the Kakaako Community Development District that are subject to statutory prohibition against sale or assignment; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Government
Operations and Housing,


DONOVAN M. DELA CRUZ, Chair



