



SB3066 SD1
RELATING TO THE PUBLIC-PRIVATE FINANCE INITIATIVE
Senate Committee on Ways and Means

February 25, 2014

9:00 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) submits the following **COMMENTS** for SB3066 SD1, which would establish the Public-Private Finance Initiative (PPIA) to administer appropriate and culturally-sensitive projects and require the implementation of a specific pilot project on state lands in Wahiawā.

OHA appreciates the intent to provide economic, environmental, and social benefits to the public and notes that SB3066 SD1 specifically addresses concerns raised by OHA over the past two years over public private partnerships, including:

- Does not authorize broad land use and zoning exemptions;
- Specifically requires board and executive approval of affected public agencies;
- Appears to anticipate that the public lands will not be transferred in fee to the PPIA; and
- Appears to provide for a more appropriate project implementation process by requiring the PPIA, prior to implementing a project, to submit a proposed plan to and obtain the prior approval of any public agency affected.

Additionally, OHA provides the following comments:

- **The composition of the PPIA Board.** OHA supports the inclusion of the aha moku committee member from the moku in which the project is sited on the PPIA board. This aha moku member, however, would only be advisory and non-voting. The intrinsic value of public lands to Native Hawaiians and the larger public, as well as the enormous socioeconomic benefits provided by our undeveloped public lands base, counsel selecting a voting member with specific expertise in Native Hawaiian traditional and customary practices or granting the aha moku representative with voting privileges.
- **Project Scope.** OHA notes the limited nature of SB3066 SD1, which would limit the PPIA's ability to implement and plan projects to the pilot project on certain state lands in Wahiawā. OHA also notes SB3066 SD1 specifies that the PPIA will be repealed on July 1, 2018. Thus in order for the PPIA to continue to exist the legislature would have to extend or repeal the sunset date, providing a good opportunity for reevaluation and identification of opportunities for improvement.

In the event that the PPIA continues to exist beyond July 1, 2018 and broadens its scope beyond the pilot project, OHA strongly recommends the legislature define a specific and narrow scope of projects that the PPIA will be allowed to plan and implement.

- **Public Land Trust Revenue.** OHA notes that to the extent that lands of the contemplated pilot project may be public land trust lands, the PPIA must comply with OHA's right to the constitutionally-mandated pro-rata portion of public land trust revenues. If the committee is so inclined OHA offers the following language to consider inserting: "Notwithstanding any provision of this chapter to the contrary, the initiative shall be subject to Act 178, Session Laws of Hawai'i 2006, or any other law that provides for the office of Hawaiian affairs' pro rata portion of the public land trust, pursuant to article XII, section 6 of the state constitution, and section 10-3."

Mahalo for the opportunity to testify on this important measure.