
A BILL FOR AN ACT

RELATING TO STATE REAL PROPERTY.

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

1 SECTION 1. (a) There is established within the department
2 of accounting and general services a pilot project to be known
3 as the common elements maintenance fee and rent pilot project,
4 which shall apply to office space leased to state departments at
5 the building known as Alii Place, located on land identified as
6 TMK (1) 2-1-017-008-0000. The department of accounting and
7 general services shall provide general and administrative
8 oversight of the pilot project. The pilot project shall
9 terminate on June 30, 2021.

10 (b) For the pilot project, notwithstanding any other law
11 to the contrary, the department of accounting and general
12 services shall implement transfer pricing as set forth in this
13 Act when determining and assessing common elements maintenance
14 fees and rent for office space leased to state departments at
15 Alii Place.

16 (c) In determining the rent amount applicable to a
17 department leasing office space at Alii Place, the department of



1 accounting and general services shall consider the following
2 factors, among other things:

3 (1) The number of employees of the respective department
4 that work at Alii Place in office space leased by that
5 department;

6 (2) The amount of square feet of office space allotted per
7 departmental employee; provided that for those
8 employees for which the allotment of office or work
9 space is established by collective bargaining
10 agreement, the allotment amount established by the
11 collective bargaining agreement shall be used; and

12 (3) The cost per square foot for the leased office space
13 as established by the department of accounting and
14 general services.

15 (d) In determining the proportionate share of repair and
16 maintenance costs to be allotted as common elements maintenance
17 fees to a state department leasing office space at Alii Place,
18 the department of accounting and general services shall consider
19 the following factors, among other things:



1 (1) The number of employees of the respective department
2 that work at Alii Place in office space leased by that
3 department; and

4 (2) The amount of square feet of office space allotted per
5 departmental employee; provided that for those
6 employees for which the allotment of office or work
7 space is established by collective bargaining
8 agreement, the allotment amount established by the
9 collective bargaining agreement shall be used.

10 (e) The department of accounting and general services
11 shall collect annual common elements maintenance fees and rent
12 from state departments at Alii Place and shall deposit the
13 moneys into the common elements maintenance fee and rent
14 revolving fund established under subsection (f).

15 (f) There is established a common elements maintenance fee
16 and rent revolving fund. All proceeds collected by the
17 department of accounting and general services through the
18 assessment of common elements maintenance fees and rent
19 established by this Act shall be deposited into the revolving
20 fund. Moneys in the revolving fund shall be expended by the
21 department of accounting and general services for costs



1 associated with acquiring, operating, and maintaining Alii
2 Place; provided that the moneys collected from common elements
3 maintenance fees shall be kept in a separate account in the
4 revolving fund and expended for necessary expenses incurred for
5 repair and maintenance of the common elements of Alii Place.

6 (g) The department of accounting and general services
7 shall submit an annual report of its findings and
8 recommendations, including any proposed legislation, to the
9 legislature; provided that the first annual report shall be
10 submitted no later than twenty days prior to the convening of
11 the regular session immediately following the date the State
12 acquires title to Alii Place, and subsequent annual reports
13 shall be submitted no later than twenty days prior to the
14 convening of each subsequent regular session, until and
15 including the regular session of 2021.

16 Annual reports shall include:

- 17 (1) An evaluation of the pilot project, including any
18 necessary changes to the pilot project;
- 19 (2) The common elements maintenance fees and rent amounts
20 established by the department of accounting and
21 general services pursuant to this Act;



1 (3) The number of employees located on premises per state
2 department leasing office space at Alii Place;

3 (4) The amount of common elements maintenance fees and
4 rent collected, deposited into and expended from the
5 common elements maintenance fee and rent revolving
6 fund, including a detailed listing of all
7 expenditures; and

8 (5) Any other information deemed relevant by the
9 department of accounting and general services.

10 (h) As used in this Act:

11 "Common elements" means and includes:

12 (1) The parcel of land, identified as TMK (1) 2-1-017-008-
13 000, upon which Alii Place is situated;

14 (2) The foundations, columns, girders, beams, supports,
15 main walls, roofs, halls, corridors, lobbies, stairs,
16 stairways, fire escapes, and entrances and exits of
17 Alii Place;

18 (3) The basements, flat roofs, yards, gardens,
19 recreational facilities, parking areas, and storage
20 spaces of Alii Place;



- 1 (4) The premises for the use of janitors and other persons
2 employed for the operation of Alii Place;
- 3 (5) Central and appurtenant installations at Alii Place
4 for services such as power, light, gas, hot and cold
5 water, heating, refrigeration, air conditioning, and
6 incinerators;
- 7 (6) The elevators, escalators, tanks, pumps, motors, fans,
8 compressors, ducts, and in general all apparatus and
9 installations existing for common use at Alii Place;
- 10 (7) Facilities as may be designated as common elements by
11 the department of accounting and general services; and
- 12 (8) All other parts of the Alii Place property necessary
13 or convenient to its existence, maintenance, and
14 safety, or normally in common use.

15 "Common elements maintenance fee" means the fee assessed by
16 the department of accounting and general services and paid by
17 state departments leasing office space at Alii Place to cover
18 the costs of repair and maintenance of the common elements of
19 Alii Place.



1 SECTION 2. The department of accounting and general
2 services may adopt rules in accordance with chapter 91, Hawaii
3 Revised Statutes, for the purposes of this Act.

4 SECTION 3. The pilot project established by this Act shall
5 be conducted only if title to the building known as Alii Place,
6 located on land identified as TMK (1) 2-1-017-008-0000, is
7 transferred to the State of Hawaii.

8 SECTION 4. This Act shall take effect upon its approval;
9 provided that this Act shall be repealed on June 30, 2021.

10

INTRODUCED BY: Mark Hahn

JAN 22 2016



H.B. NO. 1957

Report Title:

Common Elements Maintenance Fee and Rent Pilot Project; Alii Place

Description:

Establishes the Common Elements Maintenance Fee and Rent Pilot Project in conjunction with the State's acquisition of Alii Place.

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