

DAVID Y. IGE
GOVERNOR



KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/02/2015

Committee: House Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 0230 RELATING TO PUBLIC SCHOOL LANDS.

Purpose of Bill: Requires public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. Authorizes the DOE to enter into lease-back agreements.

Department's Position:

The Department of Education (DOE) supports H.B. 0230. The provisions in this bill help to strengthen and clarify the legislative intent and makes the requirements of Section 302A - 115.1, Hawaii Revised Statutes clearer and more transparent.

In particular, the changes clarify the intent that the pilot projects are to 'benefit public education purposes' and ensure that the procurement process will comply with the requirements of Chapter 103D.

Finally the added lease-back options will provide the DOE with added flexibility and options in determining the most beneficial course of action to follow.

Thank you for this opportunity to provide testimony.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Education
Monday, February 2, 2015 at 2:00 P.M.
Conference Room 309, State Capitol**

RE: HOUSE BILL 230 RELATING TO PUBLIC SCHOOL LANDS

Chair Takumi, Vice Chair Ohno, and Members of the Committee:

The Chamber **supports** H.B. 230 which proposed to amend the language of Act 155 SLH 2013 by clarifying that public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes and authorizing the Department of Education (DOE) to enter into lease-back agreements.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting to insure the implementation of Act 155 complies will all applicable laws. In addition, DOE has also been meeting with various private developers to structure a process that complies will all existing laws, and will attract private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple “lease-back” arrangement.

We strongly encourage the Legislature to approve the proposed amended language that will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

2015 OFFICERS

PRESIDENT
RICHARD HOBSON, JR.
GENTRY HOMES, LTD.

PRESIDENT-ELECT
CRAIG WASHOFSKY
SERVCO HOME & APPLIANCE
DISTRIBUTION

VICE PRESIDENT
EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

TREASURER
GUY J. SHINDO
FIRST HAWAIIAN BANK

SECRETARY
MICHAEL WATANABE
JW, INC.

SPECIAL APPOINTEE-BUILDER
PAUL D. SILEN
HAWAIIAN DREDGING
CONSTRUCTION CO, INC

SPECIAL APPOINTEE-BUILDER
MARK KENNEDY
HASEKO CONSTRUCTION
MANAGEMENT GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE
DEAN UCHIDA
SSFM INTERNATIONAL, INC.

IMMEDIATE PAST PRESIDENT
BRIAN K. ADACHI
BKA BUILDERS, INC.

CHIEF EXECUTIVE OFFICER
GLADYS MARRONE
BIA-HAWAII

2015 DIRECTORS

ANTHONY BORGE
RMA SALES

CARLETON CHING
CASTLE & COOKE HOMES
HAWAII, INC.

CHRIS CHEUNG
CC ENGINEERING &
CONSTRUCTION, INC.

CLIFTON CRAWFORD
C&J CONTRACTING, INC.

CURT KIRIU
CK INDEPENDENT LIVING BUILDERS

DWIGHT MITSUNAGA
DM PACIFIC, INC.

GARY T. OKIMOTO
HONOLULU WOOD TREATING

JACKSON PARKER
D.R. HORTON, SCHULER DIVISION

JENNIFER ANDREWS
COLDWELL BANKER PACIFIC
PROPERTIES

LILI SHINTANI
ALAN SHINTANI, INC.

MARK HERTEL
INTER-ISLAND SOLAR SUPPLY,
OAHU-MAUI-HAWAII-KAUAI

SARAH LOVE
BAYS LUNG ROSE & HOLMA

MAILING
P.O. BOX 970967
WAIPAHU, HAWAII
96797-0967

STREET
94-487 AKOKI STREET,
WAIPAHU, HAWAII 96797
P 808.847.4666
F 808.440.1198
E INFO@BIAHAWAII.ORG

WWW.BIAHAWAII.ORG

Testimony to the House Committee on Education Monday, February 2, 2015 2:00 p.m. State Capitol - Conference Room 309

RE: HOUSE BILL NO. 230 RELATING TO THE DEPARTMENT OF EDUCATION

Chair Takumi and Vice Chair Ohno, and members of the committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** H.B. 230, which proposes to amend the language of Act 155 SLH 2013 by clarifying that public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes and authorizing the Department of Education (DOE) to enter into lease-back agreements.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting to insure the implementation of Act 155 complies will all applicable laws. In addition, DOE has also been meeting with various private developers to structure a process that complies with all existing laws, and that will attract private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple "lease-back" arrangement.

We strongly encourage the Legislature to approve the proposed amended language that will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.



January 29, 2015

Representative Roy M. Takumi, Chair
Representative Takashi Ohno, Vice Chair
House Committee on Education

Comments Regarding HB 230 Relating to Public School Lands (Requires public school lands that are leased to benefit public educational purposes rather than to be used for public purposes; Authorizes the State Department of Education [DOE] to enter into lease-back agreements).

EDN Hearing: Monday, February 2, 2015, 2:00 p.m., in CR 309

The Land Use Research Foundation of Hawaii (“LURF”) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

HB 230. The stated purpose of this bill is to amend Hawaii Revised Statutes (HRS) Section 302A-1151.1 to require public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. The bill also proposes to amend HRS Section 302A-1151.1 to authorize the DOE to enter into lease-back agreements.

LURF’s Position. LURF **supports the intent of HB 230**, because it supports and furthers innovative methods through which the State may use its assets to obtain funding to benefit Hawaii’s public schools and public school children. As presently drafted, however, the language of this bill is confusing and in LURF’s opinion, defeats the purpose of the proposed amendment to Hawaii Revised Statutes (HRS) Section 302A-1151.1, and could prompt disagreement as to the allowable purposes for which the public school lands may be leased and used.

The pilot program to lease public school land under HRS Section 302A-1151.1 was established in recognition of the unmet community development needs of the State, including undercapitalized public school facilities, and the need to cooperate with private enterprise and the various components of government to bring the proposed project to fruition. Legislation enabling the Department of Education (DOE) to lease public school land was drafted to state that the DOE was allowed to do so on specified terms, to lessees who would modify, construct, or utilize facilities to “meet public purposes.”

LURF understands that the intent underlying this effort was always to allow the lease and redevelopment of public school lands for any purpose, so long as the revenue from any such redevelopment would be applied toward public educational purposes.

HB 230, however, now proposes confusing amendments which mandate that lessees of the public school lands and facilities must construct, maintain and operate said facilities “to benefit public educational purposes,” which seems to restrict the use of the subject school lands only to the development and operation of public educational type or public education-related facilities, thereby drastically reducing interest of potential lessees.

The proposed amendment contained in HB 230 which attempts to define the term “**public educational benefits**” (see amendment to subsection (f) on page 4 of the bill) is equally, if not more disconcerting, since the phrase “**to benefit public educational purposes**” is what is referred to and used theretofore throughout the bill.

LURF therefore believes clarifications by the proponents of HB 230 are necessary for this Committee and the public to consider.

Conclusion. LURF continues to support inventive means of utilizing excess and underused public school assets to generate funding for the benefit of public school children. However, in order to effectively effectuate the intent of legislation specifically enacted for this purpose, LURF suggests that this bill be further clarified.

Thank you for the opportunity to provide comments relating to this measure.