



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 11, 2017

GOV. MSG. NO. 1263

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB627 HD2 SD2 CD1, without my approval and with the statement of objections relating to the measure.

HB627 HD2 SD2 CD1

RELATING TO PUBLIC-PRIVATE
PARTNERSHIPS

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 11, 2017

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 627

Honorable Members
Twenty-Ninth Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 627, entitled "A Bill for an Act Relating to Public-Private Partnerships."

The purpose of this bill is to establish the Office of Public-Private Partnership in the Department of Business, Economic Development, and Tourism to manage all contracts, proposals, and negotiations associated with the State's public-private partnerships. In addition, this bill appropriates funds for one public-private partnership office coordinator position.

This bill is objectionable because of the concern that one position is not sufficient to manage all of the State's public-private partnership projects and to perform all of the duties required to maximize the opportunity for these projects to succeed. The duties of the Office of Public-Private Partnership in this bill are vast and include: creating a strategic plan; collaborating with state agencies in analyzing and developing projects; creating analysis reports that include economic and social benefits and contractual terms; coordinating the activities of multiple state agencies; formulating project proposals; and overseeing and implementing the projects.

I am also concerned that creating an office to oversee and manage all public-private partnership projects in the State could impede the progress of those public-private partnership projects that have already commenced in the State. Finally, this bill places the Office of Public-Private Partnership in the Department of Business, Economic Development, and Tourism, even though the expertise and responsibility for

STATEMENT OF OBJECTIONS
HOUSE BILL NO. 627
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many construction and infrastructure projects are currently held by the Department of Accounting and General Services.

For the foregoing reasons, I am returning House Bill No. 627 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large initial "D" and "Y".

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

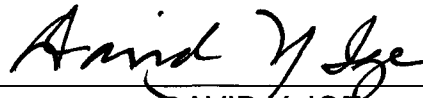
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 627, entitled "A Bill for an Act Relating to Public-Private Partnerships," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 627 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 627 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 11
day of July, 2017.



DAVID Y. IGE
Governor of Hawai'i

A BILL FOR AN ACT

RELATING TO PUBLIC-PRIVATE PARTNERSHIPS.

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

1 PART I

2 SECTION 1. The department of business, economic
3 development, and tourism is authorized to establish and fill one
4 full-time equivalent (1.00 FTE) state public-private partnership
5 coordinator position, exempt from the provisions of chapter 76,
6 Hawaii Revised Statutes, to be placed under the director of
7 business, economic development, and tourism to manage all
8 public-private partnerships entered into by the State and manage
9 all contracts, proposals, and negotiations associated with the
10 State's public-private partnerships. Public-private
11 partnerships entered into by the Hawaii public housing authority
12 are exempted from this Act.

13 PART II

14 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
15 amended by adding a new part to be appropriately designated and
16 to read as follows:



1 "PART . OFFICE OF PUBLIC-PRIVATE PARTNERSHIP

2 §201- Office of public-private partnership; established.

3 There is established within the department of business, economic
4 development, and tourism an office of public-private partnership
5 to increase economic development in the State through
6 collaboration between the public and private sectors.

7 §201- Duties. The office of public-private partnership
8 shall:

- 9 (1) Create a strategic plan that includes:
 - 10 (A) Objectives and goals for the office and criteria
 - 11 to measure the goals;
 - 12 (B) Potential public-private projects that meet the
 - 13 office's objectives and goals;
 - 14 (C) The necessary finances to establish and maintain
 - 15 the office; and
 - 16 (D) The necessary finances to develop, implement, and
 - 17 maintain the potential public-private projects;
- 18 (2) Coordinate collaboration among state agencies to
- 19 analyze and develop public-private partnership
- 20 projects based on the needs and goals of the agency
- 21 and State, including proposed economic benefits,



- 1 financial outcomes, contract terms and conditions, and
2 social benefits;
- 3 (3) Create and maintain an analysis report for each
4 public-private partnership project that shall include:
- 5 (A) Proposed economic benefits;
 - 6 (B) Potential financial outcomes;
 - 7 (C) Contract terms and conditions; and
 - 8 (D) Social benefits;
- 9 (4) Develop and analyze plans for future public-private
10 partnership projects, including objectives and
11 criteria to measure the accomplishment of objectives,
12 develop and implement programs through which the
13 objectives are to be attained, and determine financial
14 requirements for public resources based on the needs
15 and goals of the State;
- 16 (5) Assist those departments having interests in public-
17 private partnerships, coordinate those activities that
18 involve the responsibilities of multiple state
19 agencies, and encourage the timely and effective
20 implementation and completion of project milestones
21 and objectives;



- 1 (6) Develop programs to continuously encourage public-
- 2 private partnership projects that will result in the
- 3 development of improved infrastructure and government
- 4 services in Hawaii;
- 5 (7) Formulate and assist state agencies in formulating
- 6 specific program and project proposals to solicit
- 7 public-private partnerships;
- 8 (8) In collaboration with agencies and private businesses,
- 9 oversee and implement each public-private partnership
- 10 project; and
- 11 (9) Initiate Aloha Stadium redevelopment as its initial
- 12 public-private partnership project."

PART III

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$150,000 or so much
16 thereof as may be necessary for fiscal year 2017-2018 and the
17 same sum or so much thereof as may be necessary for fiscal year
18 2018-2019 to:

- 19 (1) Establish and fill one full-time equivalent (1.00 FTE)
- 20 state public-private partnership coordinator position
- 21 pursuant to part I of this Act; provided that the

1 position may be added to the position count for the
2 department of business, economic development, and
3 tourism; and

4 (2) Establish and operate the office of public-private
5 partnership.

6 The sums appropriated shall be expended by the department
7 of business, economic development, and tourism for the purposes
8 of this Act.

9 SECTION 4. This Act shall take effect on July 1, 2017.

APPROVED this day of , 2017

GOVERNOR OF THE STATE OF HAWAII

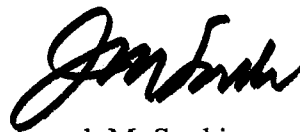


HB No. 627, HD 2, SD 2, CD 1

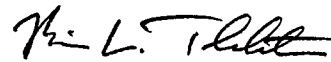
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives





Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.


President of the Senate


Clerk of the Senate