

Honolulu, Hawaii

APR 05 2017

RE: H.B. No. 1469
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1469, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC LANDS,"

begs leave to report as follows:

The purpose and intent of this measure is to promote the redevelopment of districts that have been identified as being in need of revitalization.

Specifically, this measure:

- (1) Requires the Legislature to designate redevelopment districts in certain land classifications;
- (2) Requires the establishment of a planning committee for each designated redevelopment district;
- (3) Requires the planning committee to prepare a redevelopment plan for the designated district;
- (4) Establishes a process to create a separate revolving fund for each redevelopment district;
- (5) Appropriates an unspecified sum for the purposes of redevelopment districts; and



- (6) Establishes the Waiakea peninsula redevelopment district, planning committee, and revolving fund, to be repealed on June 30, 2027.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawaii, HPM Building Supply, Kanoelehua Industrial Area Association, OceanFront 121 Residential Hotel, Hilo Health Cooperative, The Chamber of Commerce Hawaii, Takamine Construction, Inc., BIA-Hawaii, and two individuals.

Your Committee received testimony in opposition to this measure from UNITE HERE, Local 5; Common Cause Hawaii; League of Women Voters of Hawaii; The Outdoor Circle; and nine individuals.

Your Committee received comments on this measure from the Department of Budget and Finance, the Department of Land and Natural Resources, the Department of the Attorney General, the County of Hawaii Planning Department, and one individual.

Your Committee finds that in leases of state lands with a fixed termination date, lessees have little incentive to invest in the property over the last ten to fifteen years of the lease. This results in deteriorating conditions of many properties. Your Committee further finds that designation of redevelopment districts, along with a process to address the needs for investment, will help to revitalize areas by encouraging investment in state-leased properties throughout the term of each lease.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee notes the following legal concerns identified in the testimony of the Department of the Attorney General:

- (1) The Board of Land and Natural Resources may not delegate authority to a planning committee pursuant to section 171-E(8), Hawaii Revised Statutes, in light of the limitations of section 26-35(a), Hawaii Revised Statutes;



- (2) The authority given to a planning committee to renew or renegotiate leases may be inconsistent with the establishment of the planning committee as a policy-making committee; and
- (3) The planning committee would have no authority to amend the terms of a lease, despite the language in the measure, without a provision in the measure transferring leases to the planning committee.

Your Committee respectfully requests that if this measure goes to Conference, these issues be considered by the Conference Committee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1469, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1469, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

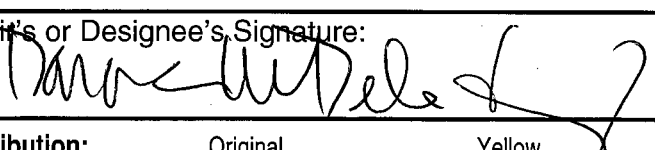


JILL N. TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1469, HD1, SD1	ETT/WTL, WAM	3/31/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.				/
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	10			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes