

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1292

S.D. 1

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

Sir:

Your Committees on Economic Development, Tourism, and Technology and Water and Land, to which was referred S.B. No. 1292 entitled:

"A BILL FOR AN ACT RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT,"

beg leave to report as follows:

The purpose and intent of this measure is to establish the Hilo community economic district to facilitate efficient and effective improvement, and economic opportunity, in the area.

Your Committees received testimony in support of this measure from the East Hawaii Region of Hawaii Health Systems Corporation; University of Hawaii; County of Hawaii, Office of the Mayor; Hawaii County Council; Chamber of Commerce Hawaii; Hawaii Island Chamber of Commerce; Japanese Chamber of Commerce & Industry of Hawaii; ILWU Local 142; Hawaii Island Contractors' Association; Kanoiehua Industrial Area Association; HPM Building Supply; Mauna Kea Infrared, LLC; Kadota Liquor; Building Industry Association Hawaii; Hawaii Farm Bureau; McCully Works; Blue Ginger General Construction, Inc.; Hawaii Island REALTORS; and nine individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Hawaii Community Development Authority, Department of Land and Natural Resources, Department of Hawaiian Home Lands, and Office of Hawaiian Affairs.

Your Committees find that Hilo has the potential for increased growth that can improve workforce and affordable



housing, parks and open space, public facilities, and commercial, industrial, and hotel facilities. Your Committees find that the Legislature created the Hawaii Community Development Authority to revitalize urban areas that were underused and declining economically. Your Committees further find that the establishment of the Hilo Community Economic District would help coordinate redevelopment and encourage new investment and infrastructure in the area.

Your Committees find that although the Hawaii Community Development Authority can provide valuable guidance in the short term to revitalize the Hilo Community Economic District, the redevelopment authority of this district should ultimately reside at the local, county level. Furthermore, your Committees intend to minimize changes to the Hawaii Community Development Authority's management of existing community development districts in the city and county of Honolulu. Your Committees believe that amendments to this measure are necessary to effectuate these goals.

Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of "district", under the new part establishing the Hilo Community Economic District, to exclude all lands owned or managed by the Department of Hawaiian Home Lands;
- (2) Removing the three additional Hilo Community Economic District voting members to the Authority, as appointed by the Governor, established under the new part creating the Hilo Community Economic District;
- (3) Creating two Hawaii Community Development Authorities distinguished by population between counties with a population of five hundred thousand or greater and counties with a population of less than five hundred thousand;
- (4) Substituting the term "Hawaii Community Development Authorities" wherever the term "Hawaii Community Development Authority" appears;
- (5) Providing a description of Authority membership for counties with a population of less than five hundred thousand;



- (6) Adding a definition of "community", as it relates to membership of the Authority for counties with a population less than five hundred thousand, to mean individuals who reside or work within a one-mile radius of the district boundary;
- (7) Adding a twenty-year sunset provision for the Act if either a redevelopment area or an improvement district have been established after twenty years;
- (8) Requiring the Hawaii Community Development Authority established pursuant to section 206E-3(c), Hawaii Revised Statutes, to engage in discussions with the County of Hawaii to determine the feasibility of the County of Hawaii:
  - (A) Assuming the redevelopment powers and duties over the lands within the Hilo Community Economic District as a redevelopment area pursuant to chapter 53, Hawaii Revised Statutes; or
  - (B) Establishing a special improvement district, pursuant to section 46-80.5, Hawaii Revised Statutes, that encompasses the lands within the Hilo community economic district;
- (9) Inserting a sunset date of the first to occur of the following:
  - (A) June 30, 2037;
  - (B) Inclusion of the lands within the Hilo Community Economic District within a redevelopment area pursuant to chapter 53, Hawaii Revised Statutes; or
  - (C) Establishment of a special improvement district that encompasses the lands within the Hilo community economic district; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Water and Land that are attached to this report, your Committees



are in accord with the intent and purpose of S.B. No. 1292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1292, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development, Tourism, and  
Technology and Water and Land,



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KARL RHOADS, Chair



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GLENN WAKAI, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

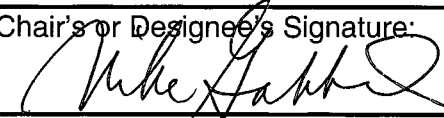
**Record of Votes**  
**Committee on Economic Development, Tourism, and Technology**  
**ETT**

Bill / Resolution No.:* <b>SB 1292</b>	Committee Referral: <b>ETT/WTL, WAM</b>	Date: <b>2/13/17</b>		
<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
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)		✓		
BAKER, Rosalyn H.				✓
GALUTERIA, Brickwood	✓			
THIELEN, Laura H.				✓
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

Bill / Resolution No.:* <b>SB 1292</b>	Committee Referral: <b>ETT/WTL, WAM</b>	Date: <b>02-13-2017</b>		
<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
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
INOUYE, Lorraine R.				✓
KIM, Donna Mercado				✓
THIELEN, Laura H.		✓		
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>—</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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