
A BILL FOR AN ACT

RELATING TO PUBLIC LANDS.

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

1 PART I

2 SECTION 1. The legislature finds that because of the
3 policies guiding the management of public lands with commercial,
4 industrial, resort, and hotel uses, there has been little
5 incentive for the lessees to make major improvements to their
6 infrastructure, resulting in the deterioration of infrastructure
7 and facilities. The lack of improvements in many of these areas
8 has resulted in dilapidation, deterioration, or obsolescence of
9 the buildings and structures.

10 The department of land and natural resources has the
11 responsibility of planning for the disposition of commercial,
12 industrial, and hotel and resort classes of public lands to
13 determine specific uses, the minimum sizes of parcels, required
14 building construction or improvements, and lease terms and
15 requirements.

16 The legislature finds that the rejuvenation of areas of
17 public lands that have become dilapidated, obsolete, or have



1 deteriorated over time is in the public interest and constitutes
2 a valid public purpose.

3 The purpose of this Act is to authorize the designation of
4 areas or regions of public lands classified as commercial,
5 industrial, resort and hotel, and the establishment and
6 implementation of guidelines for the redevelopment of the areas
7 or regions that will:

- 8 (1) Modernize the policies for the management of public
9 lands in the designated area;
- 10 (2) Establish a plan for the designated area, including
11 district-wide improvements, that is coordinated with
12 state and county land use and planning policies; and
- 13 (3) Implement asset and property management concepts that
14 can optimize income from the properties and evolve in
15 response to changing principles of property
16 administration.

17 PART II

18 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
19 amended by adding a new part to be appropriately designated and
20 to read as follows:



1 **"PART A. PUBLIC LANDS REDEVELOPMENT**

2 **§171-A Definitions.** As used in this part, unless the
3 context requires otherwise:

4 "Planning committee" or "committee" means the policy-making
5 committee established for a redevelopment district pursuant to
6 section 171-C.

7 "Premises" means the property that is being leased or
8 rented in a designated district.

9 "Public facilities" include streets and highways, storm
10 drainage systems, water systems, street lighting systems, off-
11 street parking facilities, and sanitary sewerage systems.

12 "Redevelopment district" or "designated district" means an
13 area of public lands designated for redevelopment pursuant to
14 section 171-B.

15 **§171-B Designation of redevelopment district; boundaries.**

16 (a) The legislature may designate redevelopment districts by
17 statute for any area of public lands classified as commercial
18 and industrial; hotel, apartment, and motel; or resort use
19 pursuant to section 171-10, if the legislature determines that
20 there is a need for planning, development, or redevelopment



1 because the buildings and infrastructures in the area are
2 dilapidated or have deteriorated due to age or obsolescence.

3 (b) The designation shall specify the boundaries of the
4 redevelopment district.

5 **§171-C Planning committee; members; district**

6 **administrator; repeal.** (a) Upon the designation of a
7 redevelopment district pursuant to section 171-B, a planning
8 committee for the designated district shall be established
9 within the department for administrative purposes.

10 (b) The committee shall be a policy-making committee for
11 the designated district and shall consist of nine voting
12 members.

13 (c) The committee shall elect its chairperson from among
14 its members of the public.

15 (d) The members of the committee shall serve without
16 compensation but shall be reimbursed for reasonable expenses,
17 including travel expenses, incurred in the performance of their
18 duties. This subsection shall not be construed to prohibit the
19 ex-officio members of the committee from receiving their
20 salaries and wages for their work as public officials.



1 (e) The committee shall appoint a district administrator,
 2 who shall be the chief executive officer for the designated
 3 district. The district administrator shall have expertise in
 4 development of commercial, industrial, resort, or hotel lands as
 5 well as expertise in at least one of the following areas and
 6 shall be selected on the basis of the person's knowledge,
 7 experience, and expertise in management of small or large
 8 businesses; economics, banking, investment, or finance; real
 9 estate development; real estate management; law; marketing; or
 10 hotel and resort management. The committee shall set the
 11 district administrator's duties, responsibilities, holidays,
 12 vacations, leaves, hours of work, and working conditions. The
 13 committee shall set the salary of the district administrator,
 14 who shall serve at the pleasure of the committee and shall be
 15 exempt from chapter 76.

16 (f) The committee shall be dissolved upon the completion
 17 of the redevelopment project.

18 **§171-D Powers and duties; generally; exemption from**
 19 **administrative supervision of boards and commissions.** (a) The
 20 committee shall have the following powers and duties:



- 1 (1) Through its district administrator, appoint staff and
2 employees, prescribe their duties and qualifications,
3 and fix their salaries, without regard to chapter 76;
- 4 (2) Through its district administrator:
 - 5 (A) Allocate space or spaces that are to be occupied
6 by the committee and appropriate staff; and
 - 7 (B) Purchase necessary supplies, equipment, or
8 furniture;
- 9 (3) Prepare a development plan for the designated district
10 that will be submitted to the board for review and
11 approval;
- 12 (4) Notwithstanding any other law to the contrary, lease
13 public lands in a designated redevelopment district
14 and renew or renegotiate any lease in connection with
15 any project contained in the development plan for the
16 designated district, on terms and conditions pursuant
17 to section 171-F and consistent with the development
18 plan;
- 19 (5) Prepare or cause to be prepared plans, design
20 criteria, landscaping, and estimates of costs for the
21 construction, rehabilitation, or repair of any project



1 contained in the development plan for the designated
2 district, and from time to time to modify the plans,
3 or estimates;

4 (6) Conduct studies in conjunction with county and state
5 agencies necessary to determine the appropriate
6 activities for development in the designated district;

7 (7) Reduce or waive the lease rental on any lease of
8 public land for any project in the designated district
9 that requires substantial improvements; provided that
10 the reduction or waiver shall not exceed one year;

11 (8) Make and execute all contracts and instruments
12 necessary for the exercise of its powers and functions
13 relating to the designated district, including the
14 engaging the services of consultants to render
15 professional and technical assistance and advice;

16 (9) Enter into a development agreement with a developer or
17 developers for any project contained in the
18 development plan; provided that the development
19 agreement shall contain:

20 (A) A description of the location, area, and size of
21 the parcel to be developed;



1 (B) The use or uses to which the parcel shall be put
2 in conformance with the development plan, and
3 with applicable state and county laws and
4 ordinances;

5 (C) The period of time for the construction and
6 completion of the development; and

7 (D) Other terms and conditions that the committee
8 deems necessary;

9 (10) Work closely and communicate with the county to
10 coordinate the execution of the designated district's
11 planning, incremental projects, work schedules, public
12 works, and budget; and

13 (11) Do any and all things necessary to carry out its
14 purposes and exercise the powers given and granted in
15 this part.

16 (b) Notwithstanding any law to the contrary, the committee
17 shall be exempt from section 26-35(a)(1), (4), (5), and (6).

18 **§171-E District redevelopment plan.** (a) The committee
19 shall prepare a redevelopment plan for the designated district,
20 including district development policies, the district
21 improvement program, necessary public facilities, and the



1 development guidelines and rules for the designated development
2 district. In carrying out its planning activities, the
3 committee shall comply with chapter 205A and applicable county
4 building and zoning ordinances.

5 (b) The committee shall prepare a redevelopment plan for
6 the designated district that:

- 7 (1) Establishes, if applicable, areas principally for:
- 8 (A) Commercial activities;
 - 9 (B) Processing, construction, manufacturing,
10 transportation, wholesaling, storage and similar
11 industrial activities;
 - 12 (C) Resort and hotel activities, including uses that
13 provide facilities and services for visitors; and
 - 14 (D) Public facilities and recreational facilities;
15 with detailed standards for height, bulk, size,
16 and location of buildings;
- 17 (2) Includes a district-wide improvement program for
18 necessary district-wide public facilities within the
19 designated district;
- 20 (3) Includes plans, specifications, and estimates of the
21 costs for the development, construction,



- 1 reconstruction, or improvement of any project in the
2 designated district, and from time to time modify the
3 plans, specifications, or estimates;
- 4 (4) If possible, identifies specific uses for areas in the
5 designated district and the required parceling of land
6 into minimum size areas related to the specific uses;
- 7 (5) Determines the lease rental that should be established
8 for the specific uses and the terms and conditions of
9 the leases;
- 10 (6) Establishes interim development controls to be
11 implemented during the transition to the execution of
12 the redevelopment plan, such as recommending the
13 holdover of a lessee pursuant to section 171-40 or
14 issuance of permits pursuant to section 171-55 to
15 existing lessees upon the expiration of their lease
16 terms; and
- 17 (7) Allows the use of land or any building existing on the
18 date the redevelopment plan is adopted to continue as
19 a nonconforming use; provided that no nonconforming
20 building shall be replaced, expanded, or changed to
21 another nonconforming use.



1 (c) The district redevelopment plan may provide for the
2 withdrawal or taking for public purposes of public land or
3 portion of public land under a lease. The rental shall be
4 reduced in proportion to the value of the portion of the
5 premises condemned, and the lessee shall be entitled to receive
6 the proportionate value of the permanent improvements legally
7 made to or constructed upon the land by the lessee taken in the
8 proportion that it bears to the unexpired term of the lease.

9 (d) Prior to adoption, the committee shall hold a public
10 hearing on a proposed redevelopment plan for the designated
11 district and shall consider the comments received and
12 incorporate any revisions to the plan that may be necessary.

13 (e) The committee shall submit an annual report on the
14 progress of the redevelopment project to the board. The report
15 may include the development plan recommended by the committee
16 with its recommendations for appropriations by the legislature
17 or the authorization of bonds or both, to implement the
18 development plan in a timely manner. The board shall review and
19 approve the recommended development plan and shall submit the
20 report to the governor and the legislature with a request for
21 the required appropriations and bond authorization.



1 **§171-F Designated redevelopment district revolving fund.**

2 (a) A separate revolving fund shall be established for each
3 redevelopment district designated pursuant to section 171-B,
4 into which shall be deposited:

5 (1) Fifty per cent of the revenues, income, and receipts
6 of the department from the public lands in the
7 designated district, notwithstanding section 171-19;

8 (2) Moneys appropriated by the legislature to the
9 revolving fund; and

10 (3) Any gifts, grants, and other funds accepted by the
11 committee.

12 Each revolving fund shall bear the name used by the legislature
13 in designating the redevelopment district.

14 (b) Moneys in each designated redevelopment district
15 revolving fund shall be expended by the department and used in
16 the designated district for the purposes of this part; provided
17 that no expenditure shall be made from the fund and no
18 obligation shall be incurred against the fund in excess of the
19 amount standing to the credit of the fund.

20 (c) After the committee is dissolved, the unencumbered
21 balance remaining in the corresponding redevelopment district



1 revolving fund shall be transferred to the special land and
2 development fund established pursuant to section 171-19."

3 PART III

4 SECTION 3. There is established the Waiakea peninsula
5 redevelopment district revolving fund, into which shall be
6 deposited:

7 (1) Fifty per cent of the revenues, income, and receipts
8 from the public lands in the Waiakea peninsula
9 redevelopment district;

10 (2) Moneys appropriated by the legislature to the
11 revolving fund; and

12 (3) Any gifts, grants, and other funds accepted by the
13 Waiakea peninsula redevelopment district planning
14 committee.

15 The moneys in the revolving fund shall be used in the Waiakea
16 peninsula redevelopment district for the purposes described in
17 chapter 171, part A, Hawaii Revised Statutes.

18 SECTION 4. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2019-2020 to be



1 deposited into Waiakea peninsula redevelopment district
2 revolving fund.

3 SECTION 5. There is appropriated out of the Waiakea
4 peninsula redevelopment district revolving fund the sum of
5 \$ or so much thereof as may be necessary for fiscal year
6 2019-2020 and the same sum or so much thereof as may be
7 necessary for fiscal year 2020-2021 for the purposes of this
8 part.

9 The sums appropriated shall be expended by the department
10 of land and natural resources for the purposes of this part.

11 PART IV

12 SECTION 6. In codifying the new part and sections added by
13 section 2 of this Act, the revisor of statutes shall substitute
14 appropriate part and section numbers for the letters used in
15 designating the new sections in this Act.

16 SECTION 7. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

19 SECTION 8. This Act shall take effect on July 1, 2050;
20 provided that part III shall be repealed on June 30, 2029.



Report Title:

Public Lands; Redevelopment; Waiakea Peninsula; Appropriation

Description:

Allows the designation of areas or regions of public lands according to certain categories. Allows the establishment and implementation of guidelines for the redevelopment of the areas or regions. Establishes and appropriates funds for the Waiakea Peninsula Redevelopment District Revolving Fund. (HB1219 HD1)

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