

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 1219
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 1219, H.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 authorize the designation of areas or regions of public lands classified as commercial and industrial use or hotel, apartment, and motel use and the establishment and implementation of guidelines for the redevelopment of the areas or regions that will:

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

Your Committee received testimony in support of this measure from HPM Building Supply and two individuals. Your Committee



received comments on this measure from the Office of Hawaiian Affairs.

Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 retained the contents of this measure and also inserted provisions that:

- (1) Provide that the law designating the redevelopment district shall, rather than may, be designated by the Legislature and shall transfer the management of the public lands within the district to the planning committee;
- (2) Establish the membership of the planning committee and change the committee from a policy-making committee to an executive committee;
- (3) Designate the public lands on the Waiakea Peninsula on the island of Hawaii as the Waiakea Peninsula Redevelopment District and establishes the Waiakea Peninsula Redevelopment District Planning Committee;
- (4) Authorize a local redevelopment agency to contract with a developer for construction of non-residential projects on public land within a redevelopment area;
- (5) Exempt the costs of construction of work or improvements of a redevelopment project from general excise and use taxes;
- (6) Require the County of Hawaii to repeal the Banyan Drive Hawaii Redevelopment Authority in order for the measure to become effective; and
- (7) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee received testimony in support of the proposed S.D. 1 from McCully Works. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Land and Natural Resources and League of Women Voters of Hawaii. Your Committee received comments on the proposed S.D. 1 from the



Department of Budget and Finance, Office of the Mayor of the County of Hawai'i, and Kohala Coast Resort Association.

Your Committee finds that the State has a fiduciary duty to manage state lands in the best interests of the public by enhancing state revenues and promoting the social, environmental, and economic well-being of Hawaii's people. The Banyan Drive Hawaii Redevelopment Authority, while well intentioned, has been unable to accomplish its mandate to redevelop state lands on Banyan Drive. This measure would replace the Banyan Drive Hawaii Redevelopment Authority with a new authority to allow for state funding and control of public lands and help support crucial economic growth and development in the Hilo area and other areas of the State.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

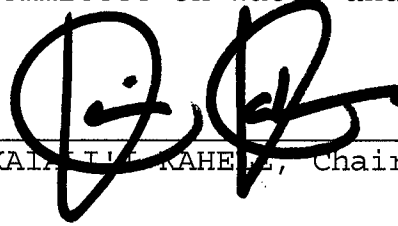
- (1) Inserting the language from the introduced version of this measure regarding the membership of the redevelopment district planning committee;
- (2) Authorizing the Board of Land and Natural Resources to approve a reduction or waiver of up to twenty years for a lease for resort, commercial, industrial, other business, or residential purposes that requires a lessee to demolish existing improvements or provide basic infrastructure including drainage, sewer, water, electricity, and other utilities before it can make productive use of the land, that shall not exceed the amount of the lessee's total expenditures for demolition or provision of such infrastructure;
- (3) Making it effective upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1219, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1219,



H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,



KAITIAKI RAHEKA, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* HB1219, HD1	Committee Referral: WTL, WAM	Date: 3/18/2019		
<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
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)				X
NISHIHARA, Clarence K.	X			
RIVIERE, Gil	X			
FEVELLA, Kurt				X
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>[Signature]</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes