

STAND. COM. REP. NO.

1224

Honolulu, Hawaii

MAR 21 2023

RE: H.B. No. 1385
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 1385, H.D. 2, 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:

- (1) Establish a framework for designating certain public lands for redevelopment;
- (2) Amend the generally applicable lease requirements for public lands to promote redevelopment;
- (3) Designate the public lands on the Waiakea Peninsula on the island of Hawaii as the Waiakea Peninsula Redevelopment District; and
- (4) Appropriate funds for the Waiakea Peninsula Redevelopment District.

Your Committee received testimony in support of this measure from one member of the Hawai'i County Council and one individual. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources, Sierra Club of Hawai'i, Ke Kula O Waimanalo, Native Hawaiian Legal Corporation,



League of Women Voters of Hawaii, Kupuna for the Mo'opuna, Hawai'i Alliance for Progressive Action, UNITE HERE Local 5, Chamber of Sustainable Commerce, Ka Lahui Hawaii, and one hundred twelve individuals. Your Committee received comments on this measure from the Department of Budget and Finance and Office of Hawaiian Affairs.

Your Committee finds that the State, as majority landowner in East Hawaii, has an enormous influence on the vision, economic development, and overall success of the East Hawaii community. However, because many public land lessees face uncertain futures following the expiration of their leases, there is little incentive for lessees to make major improvements to their infrastructure. Consequently, the accumulation of deferred maintenance has led to the dilapidation, deterioration, or obsolescence of many formerly vibrant buildings and structures. This measure would establish and authorize planning committees to redevelop districts on public lands and, among other things, negotiate leases in redevelopment districts, beginning with the Waiakea Peninsula in Hilo, Hawaii island.

Your Committee notes that a separate measure, S.B. No. 97, S.D. 1 (Regular Session of 2023), which was passed by your Committee, is a similar measure that would refine and limit the Board of Land and Natural Resources' authority regarding certain lease extensions made pursuant to Act 149, Session Laws of Hawaii 2018 (Act 149). Notably, Act 149 was enacted to help facilitate improvements and economic opportunities in the Hilo Community Economic District (HCED) -- which encompasses the Waiakea Peninsula -- by establishing a ten-year pilot project to authorize the Board of Land and Natural Resources to extend leases in the HCED for up to forty years for lessees who commit to making substantial improvements to their property through new construction or renovations. Your Committee concludes that the language in S.B. No. 97, S.D. 1, is preferable because it would better address the issues involving Kanoelehua Industrial Area leases in the Waiakea Peninsula. Your Committee also notes that the issues surrounding the Banyan Drive leases and the condemned Uncle Billy's Hilo Bay Hotel property are better addressed administratively.

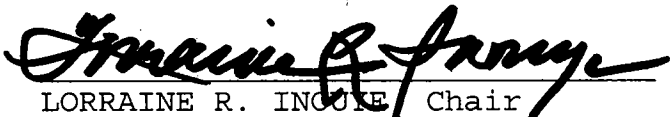


Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 97, S.D. 1, a similar measure, which:

- (1) Clarifies that the Board of Land and Natural Resources shall not unilaterally amend the terms and conditions of any lease of public lands being extended pursuant to Act 149, codified at part X of chapter 171, Hawaii Revised Statutes, except as otherwise provided therein;
- (2) Clarifies that if the Board of Land and Natural Resources wishes to amend the terms and conditions of any lease of public lands being extended pursuant to Act 149 to reflect the Board's most current lease form and leasing practices and policies, such lease form and leasing practices and policies must be included in the rules of the Board governing the extension of leases pursuant to Act 149 or chapter 171, Hawaii Revised Statutes, adopted by the Board in accordance with chapter 91, Hawaii Revised Statutes, and
- (3) Inserts an effective date of July 1, 2050.

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. 1385, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1385, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

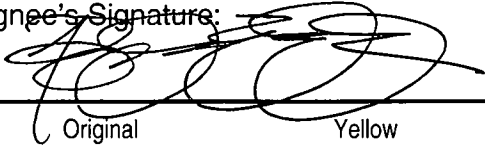
Respectfully submitted on
behalf of the members of the
Committee on Water and Land,


LORRAINE R. INOUÉ Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* HB 1385, HD 2	Committee Referral: WTL, WAM	Date: 3/15/23		
<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
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)		✓		
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt			✓	
TOTAL	3	1	1	0
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