

Report to the Twenty-Seventh Legislature
Regular Session of 2013

**PLANS AND ACTIVITIES OF THE
PUBLIC LAND DEVELOPMENT CORPORATION
CALENDAR YEAR 2012**



Prepared by the

Public Land Development Corporation
State of Hawaii

In response to
Section 171C-20, Hawaii Revised Statutes

December 2012

PLANS AND ACTIVITIES OF THE PUBLIC LAND DEVELOPMENT CORPORATION CALENDAR YEAR 2012

This report is prepared pursuant to Section 171C-20, Hawaii Revised Statutes (HRS), and covers the Calendar Year 2012 (January 1 through December 31, 2012). Section 171C-20, HRS, reads as follows:

[§171C-20] – Annual report. The corporation shall submit to the governor and the legislature, no later than twenty days prior to the convening of each regular session, a complete and detailed report of its plans and activities. [L 2011, c 55, pt of §1]

The following is a broad chronology of the Public Land Development Corporation (PLDC) activities for calendar year 2012:

- January, 2012
 - 1st draft of administrative rules submitted to the Board of Directors of the PLDC (Board) for review

- March, 2012
 - Revised draft administrative rules submitted to Board
 - Office of Hawaiian Affairs (OHA), Sierra Club, Local 5 express concerns

- April, 2012
 - Draft administrative rules approved by Board

- May, 2012
 - Meeting with Honolulu City and County Planning Department

- June, 2012
 - Governor approves conducting Public Hearings
 - Native Hawaiian Legal Corp., Oahu Burial Council and Michelle Matson testify against current version of draft Administrative Rules
 - Meeting with Honolulu City and County Planning Department

- July, 2012
 - Act 282, Session Laws of Hawaii 2012, transfers development rights at Honokohau Small Boat Harbor to the PLDC
 - Request to go to the Board for three parcels: Puako Forest (Island of Hawaii), Olomana Golf Course (Oahu) and East Kapolei Parcels (Oahu) – indefinitely deferred by the Board
 - Many testified against transfer of development rights until administrative rules completed

- August, 2012
 - Public hearings held on Hawaii, Maui, Molokai, Oahu and Kauai
 - Meeting with Hawaii County Planning Department
- September, 2012
 - Discussion regarding Strategic Plan and Project Flowchart
 - Discussion regarding public hearings
 - Discussion regarding draft administrative rules
 - Many testified against Strategic Plan and administrative rules, a few testified in support
- October, 2012
 - Meeting with Maui County Council Member Joseph Pontanilla
 - Strategic Plan and Project Flowchart adopted by Board
 - Revised draft administrative rules approved by Board
 - OHA, Native Hawaiian Legal Corp., Sierra Club and others testify that their comments have not been incorporated and Strategic Plan has no legal standing
- November, 2012
 - Meeting with Hawaii County Planning Department
 - Public hearing on revised administrative rules held at the Department of Land and Natural Resources' Board Room, Oahu
 - In response to public testimony received, the PLDC decides to hold stakeholder meeting to revisit concerns voiced by the public for and in opposition to the administrative rules
 - Meeting with Maui County Mayor Alan Arakawa and Council Members
 - Meeting with Honolulu City and County Planning Department
- December, 2012
 - The PLDC conducts stakeholder meetings regarding administrative rules

PLDC STRATEGIC PLAN AND PROJECT FLOWCHART:

The following is the Strategic Plan and Project Flowchart adopted by the Board in October 2012.

MISSION:

The mission of the PLDC is to create and facilitate partnerships between state and county agencies, departments, businesses, non-profits, and community groups to improve communities, create jobs, and expand public benefit.

GUIDELINES:

- PLDC shall comply with the following laws:
 - Chapter 343 (Environmental Impact Statement), HRS
 - Chapter 6E (Historic Preservation), HRS
 - Chapter 92 (Sunshine Law), HRS
 - Chapter 104 (Wage and Hours), HRS
 - Section 171-64.7 (Restriction on sale of ceded lands), HRS
 - Chapter 444 (Contractors), HRS
- The PLDC shall comply with title agency conditions
- Each identified state parcel must have approval from the Board of Land and Natural Resources or title agency prior to the PLDC participation subject to Chapter 92 (Hawaii Sunshine Law), HRS
- The PLDC will not develop agricultural lands eligible for designation as Important Agricultural Lands (IAL)
- The PLDC will comply with conditions required by the counties for infrastructure connection

VISION:

- The PLDC assists state and county agencies and departments to increase public benefit by facilitating partnerships that allow for reinvestment and enhancement of existing state assets
- The PLDC works with agencies to establish new programs and initiatives of public benefit
- The PLDC assists state agencies in achieving their core missions and increasing their department's revenues
- The PLDC works to create jobs and small business opportunities that are achieved through partnerships with state agencies and departments

VALUES:

- Achieve through partnerships
- Facilitate and connect
- Support and aid
- Be fair
- Problem solve and achieve solutions

KEY ELEMENTS OF PLDC PROJECTS:

1. Projects that achieve department and agency goals, providing assistance available through the PLDC
2. Projects that have value and significance to the community
3. Projects that help preserve culture, agriculture, conservation and preservation
4. Projects that are self-sustaining
5. Projects that have a positive economic impact
6. Projects that have long-term value

GOALS AND OBJECTIVES:

Goal 1: Establish a process to identify potential projects within the guidelines which encourage partnerships between communities, the public and small businesses.

Objective 1: Establish project application requirements;

Objective 2: Create application that includes amongst others, title agency requirements, county and infrastructure requirements, specific tax map keys, and possible partners;

Objective 3: Solicit possible projects from communities, individuals, small businesses, labor, departments and agencies.

Goal 2: Detail process of agency involvement and agency approvals that are required for a project to be achieved.

Objective 1: Solicit potential conditions of various title holding agencies;

Objective 2: Establish an understanding with each county for infrastructure requirements and create a procedure of consistent communication for project review;

Objective 3: Work with title agencies in determining a process of selecting non-profit, management, or project partners.

Goal 3: Work with departments that are pursuing new initiatives that increase public benefit.

Objective 1: Establish an agreement with the title agency;

Objective 2: Include community stakeholder groups determined by the title agency;

Objective 3: Facilitate partnership agreements

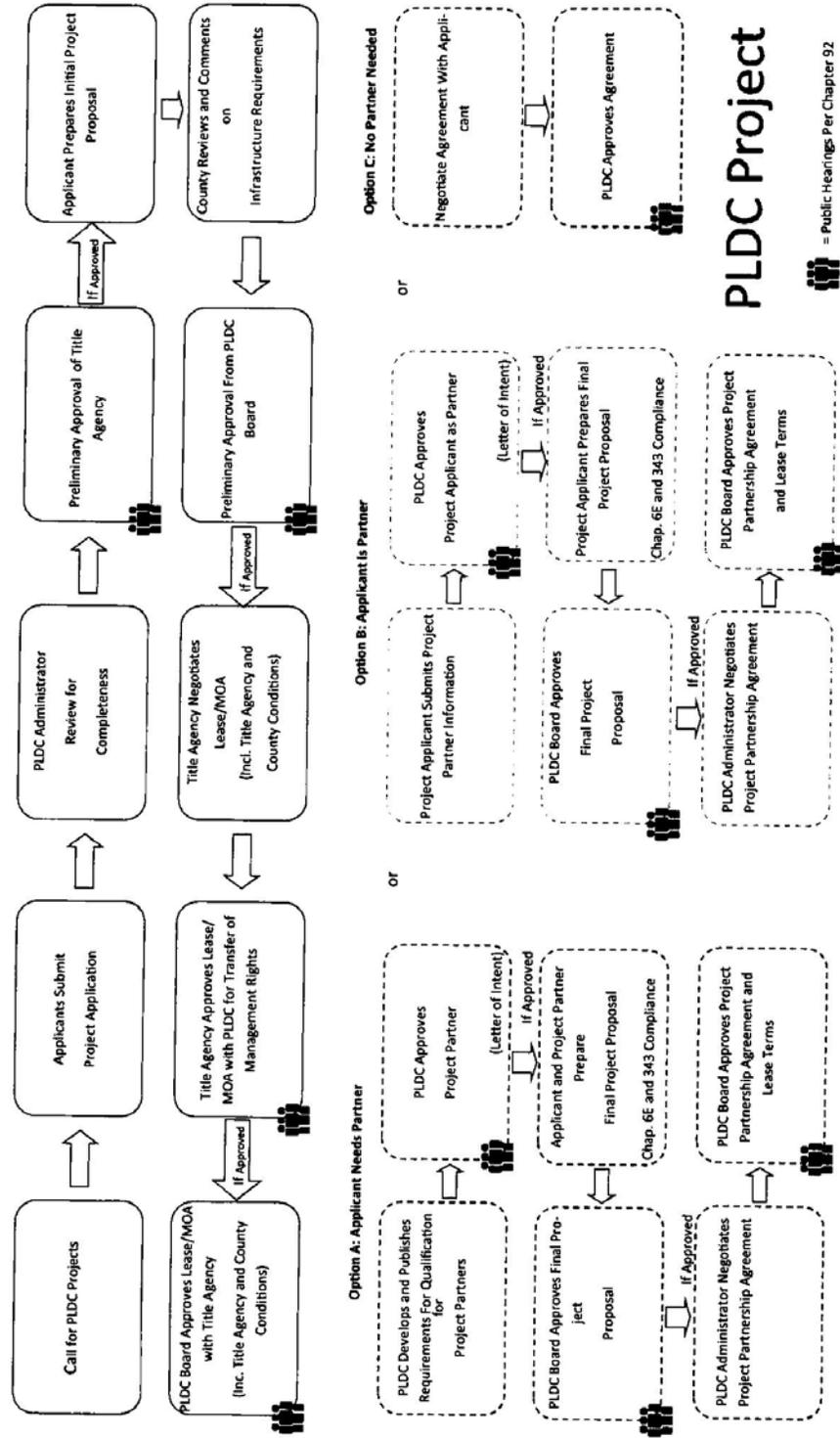
Goal 4: Help communities attract partners for community reinvestment projects that support community needs.

Objective 1: Identify community groups that submit a completed project application;

Objective 2: Identify state stakeholders that can support community initiatives;

Objective 3: Facilitate partnerships and establish project path.

PLDC PROJECT FLOWCHART:



SECTION 171C-5, HRS – HAWAII PUBLIC LAND OPTIMIZATION PLAN:
The PLDC is required to prepare and include in its' report to the Governor and Legislature the Hawaii Public Land Optimization Plan as per Section 171C-5, HRS.

HAWAII PUBLIC LAND OPTIMIZATION PLAN

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[§171C-5] Hawaii public land optimization plan. (a) The corporation shall prepare the Hawaii public land optimization plan, which shall define and establish goals, objectives, policies, and priority guidelines for its public land optimization development strategy. The plan shall include:

(1) An inventory of public lands with suitable, adequate development potential that are or will become available that can be used to meet present and future land development needs;

(2) Protection of culturally-sensitive areas;

(3) Feasible strategies for the promotion and marketing of any projects, including but not limited to leisure, recreational, commercial, residential, time share, hotel, office space, and business projects, in local, national, and international markets;

(4) Proposals to improve the gathering of data and the timely presentation of information on market demands and trends that can be used to plan future projects; and

(5) Strategies for federal and state legislative actions that will promote the development and enhancement of Hawaii's public lands.

(b) The corporation shall revise the Hawaii public [land] optimization plan from time to time and shall incorporate the plan in its annual report to the governor and the legislature as provided in section 171C-20. [L 2011, c 55, pt of §1]

GOALS, OBJECTIVES AND GUIDELINES:

The PLDC Board approved the PLDC Strategic Plan in October 2012. The Strategic Plan contains the following PLDC Goals, Objectives and Guidelines:

Goal 1: Establish a process to identify potential projects within the guidelines which encourage partnerships between communities, the public and small businesses.

Objective 1: Establish project application requirements;

Objective 2: Create application that includes amongst others, title agency requirements, county and infrastructure requirements, specific TMKs, and possible partners;

Objective 3: Solicit possible projects from communities, individuals, small businesses, labor, departments and agencies.

Goal 2: Detail process of agency involvement and agency approvals that are required for a project to be achieved.

Objective 1: Solicit potential conditions of various title holding agencies;

Objective 2: Establish an understanding with each county for infrastructure requirements and create a procedure of consistent communication for project review;

Objective 3: Work with title agencies in determining a process of selecting non-profit, management, or project partners.

Goal 3: Work with departments that are pursuing new initiatives that increase public benefit.

Objective 1: Establish an agreement with the title agency;

Objective 2: Include community stakeholder groups determined by the title agency;

Objective 3: Facilitate partnership agreements

Goal 4: Help communities attract partners for community reinvestment projects that support community needs.

Objective 1: Identify community groups that submit a completed project application;

Objective 2: Identify state stakeholders that can support community initiatives;

Objective 3: Facilitate partnerships and establish project path.

Guidelines:

- PLDC shall comply with the following laws:
 - Chapter 343 (Environmental Impact Statement), HRS
 - Chapter 6E (Historic Preservation), HRS
 - Chapter 92 (Sunshine Law), HRS
 - Chapter 104 (Wage and Hours), HRS
 - Section 171-64.7 (Restriction on sale of ceded lands), HRS
 - Chapter 444 (Contractors), HRS

- The PLDC shall comply with title agency conditions
- Each identified state parcel must have approval from the Board of Land and Natural Resources or title agency prior to the PLDC participation subject to Chapter 92 (Hawaii Sunshine Law), HRS
- The PLDC will not develop agricultural lands eligible for designation as Important Agricultural Lands (IAL)
- The PLDC will comply with conditions required by the counties for infrastructure connection
- The PLDC assists state and county agencies and departments to increase public benefit by facilitating partnerships that allow for reinvestment and enhancement of existing state assets
- The PLDC works with agencies to establish new programs and initiatives of public benefit
- The PLDC assists state agencies in achieving their core missions and increasing their department's revenues
- The PLDC works to create jobs and small business opportunities that are achieved through partnerships with state agencies and departments

POLICIES:

In December 2012, the Board of Land and Natural Resources approved the following policies regarding the transfer of land or development rights to the PLDC:

1. The Board of Land and Natural Resources will not transfer lands in fee to the PLDC.
2. The Board of Land and Natural Resources will not transfer development rights to the PLDC for lands within the conservation district. Waivers may be considered on a case-by-case basis by the Board of Land and Natural Resources if the PLDC has successfully gone through the Department of Land and Natural Resources Conservation District Use Application permitting process and the project meets all requirements for the issuance of a conservation district use permit pursuant to Section 13-5-30(c), Hawaii Administrative Rules
3. The Board of Land and Natural Resources will not transfer development rights to the PLDC for lands within Koke'e State Park (Kauai) for the purpose of developing a hotel.

INVENTORY OF PUBLIC LANDS:

In April of 2012, the PLDC contracted PBR Hawaii to assist in the land inventory and prioritization process. The initial data provided by the Department of Land and Natural Resources – Land Division contained 7,894 parcels totaling 1,418,361 acres of state land; cross referencing this with state GIS data, PBR Hawaii was able to demonstrate an optimization process by applying sample guidelines and criteria, which resulted in prioritizing 90 parcels totaling 6,285 acres of state land.

The PLDC is in the process of contracting for the second phase of the land inventory and prioritization process which would take the established data processing technique and apply the recently adopted guidelines and policies. The policies for the transfer of development rights that were approved by the Board of Land and Natural Resources partially respond to concerns regarding the protection of culturally sensitive areas.

The second phase would further refine the protection of culturally-sensitive areas; identify feasible strategies for the promotion and marketing of any projects; develop proposals to improve the gathering of data and the timely presentation of information on market demands and trends that can be used to plan future projects; and identify strategies for federal and state legislative actions that will promote the development and enhancement of Hawaii's public lands that have not been fully addressed at this time as the direction is to revisit concerns voiced through the public hearing process.

The Board of Land and Natural Resources will discuss the Land Inventory portion of the draft Public Land Optimization Plan after the PLDC concludes and adopts administrative rules; the Executive Director of the PLDC estimates delivery of a complete Public Land Optimization Plan during the summer of 2013.