

DEPARTMENT OF HAWAIIAN HOME LANDS
Amendment and Compilation of Chapters 10-4.

_____, 2014

1. Chapter 4 of Title 10, Hawaii Administrative Rules, is amended by adding a new section to read as follows:

"§10-4-3 General lease; extension of term. (a)

The department may extend the term of a general lease of Hawaiian home lands for commercial or multipurpose projects to make improvements to the leased property, or obtain financing for the improvement of the leased lands. Such extension requires approval by the department of a written agreement proposed by the general lessee, or the general lessee and developer, as provided by section 228 of the act.

(b) The general lessee, or the general lessee and general developer, shall meet and satisfy all requirements as referenced in Section 228 of the act.

(c) The lease extension shall be based upon the improvement made or to be made, shall be no more than twenty years, and shall be granted only once.

(d) Before the written agreement is approved, the lessee, or the lessee and developer, shall submit to the department the plans and specifications for the proposed development. The department shall review the plans, specifications, and the written agreement and determine:

(1) Whether the development is of sufficient value and meets the priorities of the commission to justify an extension of the lease;

(2) The estimated time needed to complete the improvements and expected date of completion of the improvements; and

(3) The minimum revised annual rent based on the fair market value of the lands to be developed, as determined by an appraiser for the Department, and percentage rent where gross receipts exceed a specified amount.

(e) The approval of any extension shall be subject to the following:

(1) The demised premises are used in a manner substantially consistent with the use and

purpose for which they were originally
leased;

- (2) The rental shall not be less than the rental
for the preceding term; and
- (3) Any additional terms and conditions set forth
by the commission and deemed prudent and
responsible. [Eff _____] (Auth:
HHC Act §222) (Imp: HHC Act §228)

2. Material, except source notes, to be repealed
is bracketed. New material is underscored.

3. Additions to update source notes to reflect
these amendments and compilation are not underscored.

4. The amendment to chapter 10-4, Hawaii
Administrative Rules, shall take effect ten days after
filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of rules
drafted in the Ramseyer format, pursuant to the
requirements of section 91-4.1, Hawaii Revised
Statutes, which were adopted on _____, and
filed with the Office of the lieutenant Governor.

Jobie M. K. Masagatani
Chairman
Hawaiian Homes Commission

APPROVED AS TO FORM:

Deputy Attorney General