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## United to revive Hilo: Community urged to rally behind bills to spur economic development

### e-Edition

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By **IVY ASHE** Hawaii Tribune-Herald

East Hawaii legislators are encouraging residents to stay active in efforts to pass a series of bills aimed at the long-term economic revitalization of Hilo.

More than 50 people representing organizations including the Kanoelehua Industrial Area Association, the Japanese Chamber of Commerce and Industry Hawaii and the Hawaii Island Economic Development Board turned out Tuesday night for a meeting to learn more about the measures and their goals.

Hawaii County Council members Aaron Chung and Sue Lee Loy also attended the meeting at the Hawaii Innovation Center.

"If we want to make an impact and make this happen, it requires our community to take action together," said Jason Fujimoto, senior vice president and COO of HPM Building Supply.

Taken as a whole, the bills address one of the biggest challenges facing many Hilo business owners: the impending expiration of the state leases for their properties.

The Kanoelehua Industrial Area is unique statewide because nearly all lessees there have the same term, which began after the 1960 tsunami. Businesses destroyed by the tsunami were moved inland to their current locations.

The leases have a 65-year term and are set to expire in 2026.

One pair of bills, Senate Bill 274 and House Bill 575, would amend the Hawaii Revised Statutes, allowing the state Board of Land and Natural Resources to extend leases beyond that term, provided lessees make improvements equal to 50 percent of the property's value.

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Such a program existed from 2011-15 in the form of Act 219, but the bills state that because it expired, "the future tenure of these public lands is once again uncertain."

"The two are intertwined," said KIAA member Jim McCully about the revitalization and lease terms. "You can't (solve) one without solving the problems of the other."

SB 1185 and its companion, HB 1469, also would add to the state statutes by establishing a procedure for creating public land redevelopment districts. A related pairing, SB 1184 and HB 1310, would create a Waikeia Peninsula Redevelopment District.

A fourth pair of bills, SB 1292/HB 1479, would designate the Kanoehua Industrial Area, the Waikeia Peninsula and Wailoa River State Park as a community economic district.

This would place the area under the management of the Hawaii Community Development Authority and allow it to use rents from the state leases to fund improvements. There are three other community economic districts statewide, all on Oahu.

State Sen. Kai Kahele, D-Hilo, who introduced SB 1292 and attended Tuesday's meeting, said he spoke with HCDA Executive Director Jesse Souki about the initiative and received positive feedback.

He stressed that the bill package was a joint effort of all East Hawaii legislators — Sen. Lorraine Inouye and Reps. Mark Nakashima, Richard Onishi and Chris Todd — and that it now needed to become the "community's bill."

"We need to send a message that East Hawaii Island is united behind something that is better for Hilo," Kahele said.

It's not the first time legislators tried to direct state attention to the lease problem, but those efforts have not always been successful.

"The sad part is that I've been working on this since I was elected in 1998," Inouye told the Tribune-Herald on Wednesday. She said county representatives and the mayor's office also would need to be involved.

"We need some economic development or viable industries to occur in the next five years," Inouye said.

McCully said an ad hoc committee would be created to help provide testimony for the bills once they are scheduled for hearings.

HB 575 and HB 1292 are scheduled for Friday morning hearings before the Water and Land Committee and Economic Development and Business/Tourism committees, respectively.

"Hilo people are real, we're there, and we want results," McCully said. "We want to see some development occur that promotes our community."

Last year, the Banyan Drive Redevelopment Agency was created to address economic development for that specific area, which was declared blighted. The five-member board approved a conceptual plan in November and the Hawaii County Planning Department is moving ahead with commissioning an environmental statement for possible renewal projects.

Still, the board does not have direct funding for its proposals and would have to go back to the Land Board regarding lease agreements.

Banyan Drive Redevelopment Agency board chairman Brian Delima attended the Tuesday meeting and said he was in support of the new bills because they focused on the big picture as well as the concerns of the agency.

"We've got to be all-encompassing and take advantage of all the assets of Hilo," he said. "I feel good about our future, and we've all got to work together. The bottom line is Hawaii is capital-poor. We need capital investment from elsewhere."

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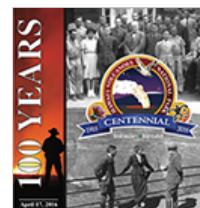
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SHAUN sheep • 24 days ago

We want, we need!...blah, blah, blah...but when capital investment comes from ELSEWHERE, we swindle them to death so OHA can get their cut and the local cultural bs gets the best of them. Or worse, goes to finance the drinking problem of some fouled mouth, flavor of the month grand kahuna local Mayor

Hear it out Delima! Hilo has no assets that could possibly interest anyone, the word gets around you know

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Kia • 25 days ago

please start tomorrow! such great new!!! unlock this town's potential and job and economy so our kids will have jobs and be able to stay. Create spaces that families can go enjoy with new businesses that will make our community prosper.

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L moore • 23 days ago

\*\*\*Everybody can huff and puff hot air, but it is all wasted time. Most people think that government creates jobs. It does not. If they have a stagnant population, then they get set amounts of tax revenue. No new taxes, usually only means no new raises for established gov employees. Business people look at the economy of a given area and with simple history checks will find that if the population is barely growing, then how can it sustain a new business. Established businesses only have so much growth and most on BI barely grow at all. On BI, only natural work attrition will become new jobs. How many people know that if a new company came to town with 100 new jobs, that it creates 10 other jobs that provide support to it and in return 1 other new job to support the 10? Even if the gov has road work that is temporary. If a new higher state minimum wage is enacted, that continually increases, you just wait and see how many people get laid off. The gov is its own enemy. Most of them have never had real jobs and no idea how a real business works. Real businesses have to have certain amounts of income from customers to stay open. The gov gets its income from honest hard working people that bust their butts. And as all gov goes, have you really, ever seen a gov run efficiently? Will they create a new 'Task Force', to do studies, have meetings and accomplish nothing? DeLima wants capital investment? From where, from who? BI is an island, 3,000 miles from anywhere, with extremely limited assets. Can DeLima be more specific and tell us publicly what 'all' those assets are? Just one?

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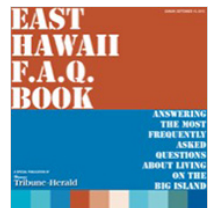


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