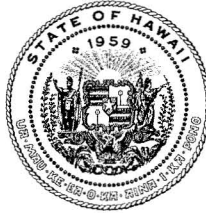


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CONSERVATION AND RESOURCES ENFORCEMENT
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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

**House Concurrent Resolution 112/House Resolution 95 –
URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES
AND THE COUNTY OF HAWAII TO PREPARE A COORDINATED,
COMPREHENSIVE PLAN TO ADDRESS THE NEEDS AND CONCERNS OF THE
LESSEES FACING EVICTION UPON THE EXPIRATION OF THE LEASES AT THE
KANOELEHUA INDUSTRIAL PARK**

**BEFORE THE HOUSE COMMITTEE ON
WATER, LAND, OCEAN RESOURCES, AND HAWAIIAN AFFAIRS**

March 24, 2008

House Concurrent Resolution 112/House Resolution 95 urges the Department of Land and Natural Resources (Department) and the County of Hawaii to prepare a coordinated, comprehensive plan to address the needs and concerns of the lessees facing eviction upon the expiration of the leases at the Kanoelehua Industrial Park. The Department understands the intent of these resolutions but believes they are unnecessary at this time.

In 1961, the Department issued leases to assist Hilo business owners along Hilo Bay Front that were displaced by the 1960 tsunami. The lease term for those leases was the statutorily allowed maximum of 55 years, and as such those leases cannot be extended.

The Kanoelehua Industrial Area Association (KIAA) invited Department and the Department of Hawaiian Home Lands (DHHL) to attend a question/answer meeting on November 15, 2006 in Hilo. At that meeting the Department and DHHL staff explained the statutory requirements for the leases, potential long term plans, and possible solutions to the dilemma facing the KIAA members. Staff continues to have discussions with KIAA representatives.

The Department and DHHL is currently working collaboratively to develop a new Kanoelehua Industrial and Commercial Center near the old Hilo Airport to increase the availability of industrial and commercial space in the Hilo area. This project will alleviate some of the critical shortage of industrial space in Hilo while also generating significant lease rent revenues to the State. The Department urges the Legislature to hear and adopt House Concurrent Resolution 289 or Senate Concurrent Resolution 178, introduced this legislative session, to authorize that portion of the joint project under the Department's jurisdiction to be designated as an industrial park, to enable the Department to proceed with this possible alternative for the KIAA members.

Given the Department's and DHHL's proactive efforts to address the concerns raised by the measure, a comprehensive plan at this time is unnecessary. The Department believes that the proposed solutions that are currently being implemented and continued dialogue among the stakeholders should be sufficient to allay the 'fears of eviction' that appear to be the motivating impetus for the measure.