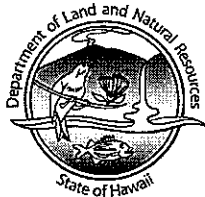


TESTIMONY
HCR 112

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
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CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
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 –
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 SENATE COMMITTEE ON
WATER AND LAND**

April 21, 2008

House Concurrent Resolution 112 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 this resolution but believes it is 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.

At this time, the Department does not have any intention of seeking to change the uses or zoning of the lands under lease to the various KIAA members. Therefore, as these leases approach expiration, the Department currently intends to offer new long term leases by public auction for any uses permitted under the existing zoning. However, most of these leases are not due to expire in the near future, and as such, the Department may need to reconsider its plans based on market and economic conditions prevailing at that time.

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 this Committee to amend this measure to incorporate the language from House Concurrent Resolution 289/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.



Kanoelehua Industrial Area Assn., Inc.

820 Piilani Street, Suite 201

Hilo, Hawaii 96720

Phone (808) 961-5422 • Fax (808) 935-9740

April 18, 2008

Senator Russell Kokubun, Vice Chair
415 South Beretania Street #407
Honolulu, Hawaii 96813

Dear Senator Kokubun,

We ask that you please support HCR 112, 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.

As you may know, Hilo is faced with a situation that a large number of its industrial lots are leased from DLNR and these leases are about to expire. There is currently very limited land available within the Hilo area to create a new industrial park. Support of this resolution will help us find a solution to this situation.

Thank you for your time and consideration.

Sincerely,

Allan Onishi

Allan Onishi, KIAA
President 07-08

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HILO FISH COMPANY, INC.



55 Holomua St. ~ Hilo, Hawaii 96720
Phone: (808) 961-0877 ~ Fax: (808) 934-8783
Email: christine@hilofish.com ~ Internet: www.hilofish.com

To: Chairman Sen. Clayton Hee
Vice-chair Sen. Russell Kokubun

From: David Yee/General Manager
Hilo Fish Company, Inc.

Monday, April 21, 2008
Time: 9:30 am

My name is David Yee
I am testifying in support/favor of Resolution HCR 112 Kanoelehua Industrial Park.

Hilo Fish Company, Inc. is a wholesaler of fresh fish, and frozen seafood. Many local fishermen in Hilo rely on Hilo Fish Company, Inc. to buy, process, and resale their local fish to the Big Island restaurants, institutional, and retail customers.

Without Hilo Fish Company Inc., the local fisherman will be faced with the uncertainty of where, and how to peddle their daily catch. Also, the local fisherman will incur extra labor, and fuel expense to go from place to place to try and peddle their catch.

Reasons why we are in support of these resolutions are:
Hilo Fish Company, Inc. cannot make any major improvements, repairs, and upgrades to our facility due to the few remaining years of our lease, and the uncertainty of the outcome at the end of the lease year 2016.

Thank you for hearing my testimony,

David Yee

David Yee
Hilo Fish Company, Inc.



East Coast Sales: Phone: (732) 324-6345 ~ Fax: (732) 324-6348
West Coast Sales: Phone: (310) 645-7866 ~ Fax: (310) 645-7852



TESTIMONY
HCR 112
(END)