

 **BACON
UNIVERSAL**
COMPANY, INC.
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March 24, 2008

Mr. P.J. Silich – President & CEO
Bacon Universal Co., Inc.
918 Ahua Street
Honolulu, HI 96819

Re: HCR 246/ HR 208

HEARING BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND
BUSINESS CONCERNS 9 a.m., March 25 Conference Room 325

Aloha Chair Yamashita and members of the House Committee on Economic Development and Business Concerns. My name is Phillip J. Silich and I am the owner of Bacon Universal Co., Inc. I am writing to ask that you support HCR 246 and HR 208 which would encourage the development of good faith valuation standards and negotiating practices for long-term industrial and commercial real estate leases in Hawaii.

We are MEMBERS OF the Citizens for Fair Valuation, (CFV) a newly founded non-profit organization committed to ensuring fair valuation of the commercial and industrial ground leases in the Sand Island, Mapunapuna and Kalihi Kai areas. CFV represents businesses that employ thousands of Hawaii workers and represent millions of dollars of economic activity and tax revenue for the state of Hawaii. We believe that fair interpretation of the lease provisions is essential to the preservation of small businesses that constitute the backbone of our state's economy.

At present the major land owner of the three Industrial areas described above are contemplating a major deviation from the terms of our lease which call for a "Fair and Reasonable" Valuation.

Any such deviation from the stated terms of our long term leases will impose unsustainable rents which simply cannot be absorbed or passed on to the Hawaiian Public.

Your assistance in helping to clarify this matter would be greatly appreciated and of immense benefit to all Hawaiian.

In summary, I ask for your support of HCR 246 and HR 208.

BACON UNIVERSAL CO., INC.

Phillip J. Silich
President & CEO



SERVCO PACIFIC INC.

P.O. Box 2788 • Honolulu, Hawaii 96803-2788 • Telephone: (808) 564-1300 • Facsimile: (808) 523-3937 • www.servco.com

To: Representative Kyle T. Yamashita, Chair
Representative Glenn Wakai, Vice-Chair
Committee on Economic Development and Business Concerns
State Capitol, Conference Room 325
Honolulu, Honolulu 96813

From: Carol K. Lam (B)
Senior Vice President
Servco Pacific Inc.
2850 Pukoloa Street, Suite 300
Honolulu, Hawaii 96819

Hearing Date: Tuesday, March 25, 2008 (9:00 a.m.), Conference Room 325

In Support of HCR 246/HR 208, Encouraging the Development of Good Faith Valuation Standards and Negotiating Practices for Long-Term Industrial and Commercial Real Estate Leases in Hawaii.

On behalf of Servco Pacific Inc. ("*Servco*"), I am writing to ask that you support the adoption of HCR 246 and HR 208 (the "*Resolution*") which would encourage the development of good faith valuation standards and negotiating practices for long-term industrial and commercial real estate leases in Hawaii. Commercial and industrial ground lessees in the Sand Island, Mapunapuna and Kalihi Kai areas have the phrase "fair and reasonable rent" in their ground leases. The adoption of the Resolution will support an equitable interpretation of that term in the ground rent renegotiation process.

Servco Pacific Inc. is a member of the Citizens for Fair Valuation ("*CFV*"), a newly founded non-profit organization committed to ensuring fair valuation of the commercial and industrial ground leases in the Sand Island, Mapunapuna and Kalihi Kai areas. CFV represents businesses that employ thousands of Hawaii workers and represent millions of dollars of economic activity and tax revenue for the State of Hawaii. We believe that fair interpretation of the lease provisions is essential to the preservation of small businesses that constitute the backbone of our state's economy.

Thank you for your consideration and we again ask for your support of HCR 246 and HR 208.

BENDET, FIDELL, SAKAI & LEE

EDWARD R. BENDET
JAY M. FIDELL
WESLEY H. SAKAI, JR.
DENIS LEE
YURIKO J. SUGIMURA
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March 24, 2008

Representative Kyle Yamashita, Chair
Representative Glenn Wakai, Vice-Chair
House Committee on Economic Development
& Business Concerns

RE: Testimony in Support of HCR 246/HR 208 Encouraging
The Development of Good Faith Valuation Standards and
Negotiating Practices for Long-Term Industrial and
Commercial Real Estate Leases in Hawaii
Hearing: Tues., March 25, 2008, 9 a.m. Conf. Rm. #325

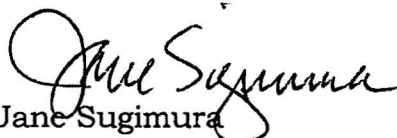
Chair Yamashita, Vice-Chair Wakai and Members of the Committee:

My name is Jane Sugimura and my firm represents Citizens for Fair Valuation, a newly founded non-profit organization committed to ensuring fair valuation of the commercial and industrial ground leases in the Sand Island, Mapunapuna and Kalihi Kai areas.

CFV represents businesses that employ thousands of Hawaii workers and represent millions of dollars of economic activity and tax revenue for the state of Hawaii. We believe that fair interpretation of the lease provisions is essential to the preservation of small businesses that constitute the backbone of our state's economy.

CFV is asking that you support HCR 246 and HR 208 which would encourage the development of good faith valuation standards and negotiating practices for long-term industrial and commercial real estate leases in Hawaii. This would ensure the continued viability of the businesses affected and the continued employment of local workers.

Thank you for allowing me to testify on this very important issue.


Jane Sugimura

March 25, 2008

Robert Creps
1414 Mokulua Drive
Kailua, Hawaii 96734

Re: HCR 246/ HR 208

HEARING BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND
BUSINESS CONCERNS

9 a.m., March 25
Conference Room 325

Aloha Chair Yamashita and members of the House Committee on Economic
Development and Business Concerns.

My name is Robert Creps and I am the Senior Vice President, Administration for Grace
Pacific Corporation. I am writing to ask that you support HCR 246 and HR 208 to
encourage good faith negotiating practices for long-term industrial and commercial rent
re-openings in Hawaii.

Grace Pacific is a member of the Citizens for Fair Valuation, a non-profit organization
committed to advocating for fair valuation, particularly the use of the economic approach,
in the ground lease rent re-openings in the Sand Island, Mapunapuna and Kalihi Kai
areas. While Grace Pacific is not presently participating in re-opening negotiations, we
see this legislation to be very significant in ensuring the stability of Honolulu's industrial
and commercial business resources.

I ask for your support of HCR 246 and HR 208.

Sincerely, Robert Creps