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From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]  
Sent: Friday, January 29, 2010 2:18 PM  
To: WLOtestimony  
Cc: RawcoHI@cs.com  
Subject: Testimony for HB2833 on 2/1/2010 9:30:00 AM

Testimony for WLO 2/1/2010 9:30:00 AM HB2833

Conference room: 325  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Reg White  
Organization: Individual  
Address: 1540 S. King St. Honolulu, HI  
Phone: 808-222-9794  
E-mail: RawcoHI@cs.com  
Submitted on: 1/29/2010

Comments:

Monday, 1 February, 2010 in room 325 at 0930

The House Committee on Water, Land and Ocean Resources

In Support of HB 2833 Relating to Extension of Commercial or Industrial Leases

Chair Ito and Respected Members of the Committee,

House Bill 2833 is a good bill as it will encourage improvement of business facilities on leased state lands at no cost to the state. This results in a stronger economy and more jobs, both during the construction phase and then after completion in the ongoing business usage of the improved leased lands. Improved and modernized facilities are good for the image that we project as a visitor industry destination.

I support this bill.

Thank you,

Reg White  
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# Hawai'i Tourism Authority

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Testimony of  
**Mike McCartney**  
President and Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**H.B. 2833**  
**Relating to Public Lands**

House Committee on Water, Land, & Ocean Resources  
Monday, February 1, 2010  
9:30 a.m.  
Conference Room 325

The Hawai'i Tourism Authority (HTA) strongly supports H.B. 2833 which provides for the extension of leases of public lands for commercial, hotel, resort, or industrial use if substantial improvements are made to the premises.

The HTA is tasked with marketing and promoting Hawai'i as a visitor destination, with the goal of increasing visitor spending. One of the keys to branding Hawai'i's visitor industry and increasing visitor spending is the improvement of the tourism product, which includes the physical infrastructure. For this reason, H.B. 2833 is particularly important for the upgrading of visitor industry facilities in the Banyan Drive area on the Island of Hawai'i. Banyan Drive is the only significant resort area in East Hawai'i and is on land entirely owned by the State. With the majority of leases expiring in 2015, there is little incentive for the lessees to reinvest in their premises.

It should also be noted that during the HTA's annual meeting with stakeholders of the visitor industry in East Hawai'i, the subject of up-grading the visitor facilities on Banyan Drive is always raised. These facilities are vital to events such as the Merrie Monarch Festival, the Hawaii Island Festival-30 Days of Aloha, Hawaii Volcanoes National Park's Cultural Festival, and the Hilo Chinese New Year's Festival. In addition, East Hawaii is being considered as the site for an educational tourism experience, however, the lack of facilities from a quantitative and qualitative standpoint, may prevent the full development of this niche market.

As such, the HTA supports H.B. 2833 which would provide for a lease extension to enable the private sector the incentive to improve Hawai'i's hotel facilities which in turn, ensures that Hawai'i remains competitive as a destination while providing enhancements to the visitor experience.

Furthermore, when improvements are made to these facilities, the real property assessments and the average daily room rate should rise, resulting in a rise in real property taxes and transient accommodations taxes.

We urge you favorable consideration of this measure.