

TESTIMONY
HB 2923 HD2



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

33 South King Street, Suite 513, Honolulu, Hawai'i 96813
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www.hawaiiancouncil.org

March 16, 2010

The Honorable Clayton Hee, Chair
Committee on Water, Land, Agriculture, and Hawaiian Affairs
Hawaii State Senate
415 South Beretania Street, Conference Room 229
Honolulu, HI 96813

Re: Testimony in Strong Support of H.B. 2923 HD2

Aloha Senator Hee and Members of the Committee:

Thank you for the opportunity to testify on H.B. 2923 HD2, scheduled for a hearing in your committee on Wednesday, March 17, 2010, at 2:45 pm. The Council for Native Hawaiian Advancement (CNHA) is a network of Native Hawaiian Organizations, providing assistance in accessing capital and technical resources, and is a policy voice on issues important to Native Hawaiian communities. Our mission is to enhance the cultural, economic and community development of Native Hawaiians. The CNHA network consists of 106 member organizations that include homestead associations, civic clubs, halau hula and nonprofit social justice organizations. We work with and for a diverse range of Native Hawaiian organizations across the state.

CNHA is strongly supportive of the substitute bill developed by your office, in collaboration with Representative Ito, in recent days. We have passionately opposed this legislation in the past due to its single focus on creating a pathway for non-homesteading leases to be executed on Hawaiian home lands for up to 99 years. The substitute amendment you have presented creates an excellent balance of DHHL's desire for flexibility in issuing extensions on commercial leases while honoring the core priorities under which the Hawaiian Homes Commission Act was founded.

Our opposition of any legislation that would deliver trust lands into private hands for terms of 99 years remains strong. The trust lands that make up the Hawaiian Home Lands portfolio are for a particular purpose, specifically for homesteading by Hawaiians for residential, pastoral and agricultural purposes. The approach of limiting any extension of commercial leases to a one-time, 20-year term that is only eligible to be considered for such an extension after a minimum of one third of the original lease has expired narrows the scope to achieve the flexibility sought by DHHL. The additional language stating that an extension must be based on financing, improvements proposed, and alignment with the priorities of the Hawaiian Homes Commission at the time of the extension request is also very prudent for trust lands. Thank you, Senator, for acknowledging the trust land nature of these special lands.

We are particularly supportive of the components in the substitute bill that require beneficiary consultation and establish a Cultural and Community Development Fund with 10% of all

commercial lease revenues flowing into this fund. These approaches respect the nature of the Hawaiian Home Land Trust and its responsibility to beneficiaries and it most definitely acknowledges that beneficiary-serving organizations are as much a part of the fulfillment of the trust as the Department of Hawaiian Home Lands.

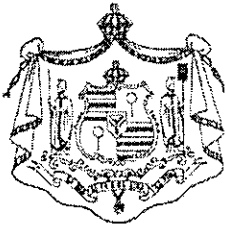
Senator Hee, we believe that your substitute bill is founded on the right principles, with the beneficiaries and the trust at the center of this legislation, rather than the interests of private entities. Thank you for working with DHHL, CNHA, the SCHHA and the Native Hawaiian Economic Alliance to advance a policy solution we can support. Mahalo.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin Puanani Danner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robin Puanani Danner
CNHA President and CEO

cc: Representative Ken Ito, Hawaii House of Representatives
Kaulana Park, HHC Chair
Kamaki Kanahale, SCHHA Chair
Billy Ornellas, NHEA Vice President



ASSOCIATION OF HAWAIIAN CIVIC CLUBS

P.O. Box 1135 Honolulu, Hawaii 96807

TESTIMONY OF LEIMOMI KHAN, PRESIDENT
ASSOCIATION OF HAWAIIAN CIVIC CLUBS
IN SUPPORT OF

HB 2923 HD2 – RELATING TO PUBLIC LANDS

**SENATE COMMITTEE ON WATER, LAND, AGRICULTURE
AND HAWAIIAN AFFAIRS**

Senator Clayton Hee, Chair
Senator Jill N. Tokuda, Vice Chair

Wednesday, March 17, 2010, 2:45 p.m., Conference Room 229

Aloha, Senator Hee, Chair; Senator Tokuda, Vice-Chair; and Members of the Committee:

The Association of Hawaiian Civic Clubs (AHCC) supports HB 2923. We are a proponent of this legislation that, by allowing the Department of Hawaiian Home Lands to extend its maximum lease terms, would support its efforts to achieve financial self-sufficiency for its trust and homestead communities.

The Association is a national confederation of 58 Hawaiian Civic Clubs located throughout Hawaii, Alaska, and on the continental U.S. Founded by Prince Kūhiō in 1918, we are the oldest community-based grassroots Hawaiian organization in the state, and we support initiatives that improve the health and social welfare of the native Hawaiian community. Our organization was also instrumental in assisting Prince Kūhiō in passing the Hawaiian Homes Commission Act of 1920.

In 2008, we unanimously adopted a resolution to support the Department's efforts to achieve self-sufficiency for the Hawaiian Home Lands trust. This bill is critical for the Department to attract top commercial and business lessees and investments that will sustain the trust and the Hawaiian homestead communities. HB 2923 is key for financial self-sufficiency and long-term economic growth.

We respectfully urge you to pass this bill and we thank you for this opportunity to testify in support of HB 2923, HD2.

TO: The Senate Twenty-Fifth Legislature Regular Session of 2010;
Committee On Water, Land, Agriculture, And Hawaiian Affairs:
Senator Clayton Hee, Chair; Senator Jill N. Tokuda, Vice Chair

Hearing Date: Wednesday, March 17, 2010

Time: 2:45 P.M.

Place: Conference Room 229, State Capitol, 415 South Beretania Street

Agenda: HB2923, HD2 *Relating to Public Lands: WTL, WAM*
Authorizes the Department of Hawaiian Home Lands
to extend leases of Hawaiian Home Lands for
commercial and multipurpose projects for 34 years
upon a development agreement to improve the leased land.
Effective July, 2020. (HB2923 HD2)

Email (**Testimony in opposition to the passing of HB2923, HD**) by Richard "Dickie"
Alihilani Nelson III, a Hawaiian Homes Beneficiary on the Wait list.

Committee Members, *Me 'oukou ka welina o ke aloha:*

I stand in opposition to the passing of HB2923, HD2 for the following reasons:

- For the first time in 20 years, Governor Linda Lingle and former Hawaiian Home lands Chair, Micah Kane jointly removed *all general funding from the Department of Hawaiian Homeland budget needs*, compelling DHHL to rely exclusively on rental revenues from its development projects such as those at Prince Kuhio Plaza in Hilo and Kapolei, Oahu.
- An attempt to promote a time-share project at Kealakehe, Kona-Hawaii resulted in a multi-million dollar loss to the Trust.
- DHHL's administration costs are now dependent on monies generated from these general lease revenues. Additionally, the current budget proposes further restrictions on DHHL trust funds impacting other DHHL departments.
- Extending general leases of trust lands another 34 years demonstrates arrogant disrespect for Hawaii's Constitutional obligation in which the State accepted as a condition of statehood to care of HHL program which currently has approximately 23,000 applicants. There are over 1,700 waiting over 30 years. On a personal note, a very close friend, Jimmy Akiona applied for a pastoral lot when he was 25 years of age. Jimmy was finally awarded his 300 acre pastoral lot at Honokaia-Waimea several years ago. Jimmy now 82 is convalescing at home after suffering a serious heart attack.
- *Native Hawaiian Legal Corporation* has a pending appeal re: trust obligations (Nelson v HHC) asking the appellate court to declare the State has breached its funding obligations as stated in the *Hawaii State Constitution*.

Mahalo nui loa

From: Rick Vidgen [RickVidgen@bigislandcarbon.com]
Sent: Tuesday, March 16, 2010 9:20 AM
To: WTLTestimony
Subject: Testimony HB 2932 HD2
Attachments: image001.jpg

March 17, 2010

Testimony in support of
HB 2923 HD2, Relating to Public Lands

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

I am Rick Vidgen, CEO of Big Island Carbon, which is a Bio-mass conversion, start-up company, currently leasing 13 acres of DHHL Industrial zoned land at Kawaihae on the Big Island. Big Island carbon will commence operations in July/August 2010 manufacturing around 1500 tons per year of high value Activated Carbon from macadamia shell produced on the Island. We will employ around 25 people in permanent jobs and operate 24/7 on 4 shifts. The jobs will have attractive and competitive wages and benefits and we are working with the DHHL (HOAP) group to attract qualified local people to our plant. We will be providing power for the operation through the use of a bio-fuel/diesel mix driving 3 generator units. The plant, a \$25 million investment, is currently equity financed through Denham Capital Management, a Houston/Boston based energy focused company.

We strongly support HB 2923 HD2 since a longer lease will support the value of this significant and long term undertaking.

This legislation would authorize the Department of Hawaiian Home Lands to, at its discretion, to grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to enable us to finance or re-finance projects and infrastructure on the DHHL parcel we currently lease. Ultimately, this legislation supports DHHL's long-term economic growth goals by generating sustained revenues for the Hawaiian Home Lands trust that will be used to develop more communities for DHHL's beneficiaries.

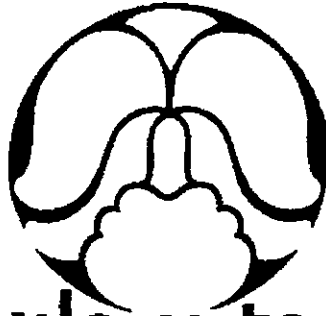
DHHL can attract and secure private sector commercial development projects that will support its homesteading programs, benefit the beneficiary population in the area of the commercial development by creating additional jobs, and create residential communities surrounding the commercial development with the revenues generated from the project.

We urge your support for HB 2923 and thank you for this opportunity to testify.

Sincerely

Rick Vidgen

FORD
LINCOLN
MERCURY



ISUZU

Orchid Isle Auto Center

March 17, 2010

Testimony in support of
HB 2923 HD2, Relating to Public Lands

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

[Introductory information on the organization and relationship (existing or potential) with DHHL]. We strongly support HB 2923 HD2.

This legislation would authorize the Department of Hawaiian Home Lands to, at its discretion, to grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to enable us to finance or re-finance projects and infrastructure on the DHHL parcel we currently lease. Ultimately, this legislation supports DHHL's long-term economic growth goals by generating sustained revenues for the Hawaiian Home Lands trust that will be used to develop more communities for DHHL's beneficiaries.

DHHL can attract and secure private sector commercial development projects that will support its homesteading programs, benefit the beneficiary population in the area of the commercial development by creating additional jobs, and create residential communities surrounding the commercial development with the revenues generated from the project.

We urge your support for HB 2923 and thank you for this opportunity to testify.


Joseph W Hanley, Jr.
President

B.F.R.

Bacon Finance & Realty, Inc.
918 Ahua Street, Honolulu, Hawaii 96819
Phone: (808) 839-7202 Fax: (808)839-9813

March 17, 2010

Testimony in support of
HB 2923 HD2, Relating to Public Lands

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

This testimony is from Bacon Finance & Realty, Inc. which is the Lessee of D.H.H.L. Lease No. 156 located at 215 Railroad Avenue, Hilo, Hawaii and comprises 7 acres of land under a 65 year lease terminating on March 31, 2035. We strongly support HB 2923 HD2.

This legislation would authorize the Department of Hawaiian Home Lands to, at its discretion, to grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to enable us to finance or re-finance projects and infrastructure on the DHHL parcel we currently lease. Ultimately, this legislation supports DHHL's long-term economic growth goals by generating sustained revenues for the Hawaiian Home Lands trust that will be used to develop more communities for DHHL's beneficiaries.

DHHL can attract and secure private sector commercial development projects that will support the its homesteading programs, benefit the beneficiary population in the area of the commercial development by creating additional jobs, and create residential communities surrounding the commercial development with the revenues generated from the project.

We urge your support for HB 2923 and thank you for this opportunity to testify.

Bacon Finance & Realty, Inc.

Phillip J. Silich
President & CEO

From: City Square Management [ixora1@hawaiiantel.net]
Sent: Tuesday, March 16, 2010 11:46 AM
To: WTLTestimony
Subject: HB 2923

Testimony in support of
HB 2923 HD2, Relating to Public Lands

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Clayton,

I request your endorsement to HB 2923. I speak as a Lessee of Hawaiian Home Lands for over 30 years. My lease was initially with the Department of Land and Natural Resources.

From a Lessee's standpoint especially in today's money market, longevity in leases makes it easier to plan, construct and finance projects.

I now have a lease with Hawaiian Home Lands and have a building that requires an expensive major renovation to justify the land value. Financing becomes easier with a longer term on the lease. Our improvement will enhance the value and will benefit Hawaiian Home Land.

Sincerely,

Glenn A. Kaya

Testimony for WTL 3/17/2010 2:45:00 PM HB2923

Conference room: 229

Testifier position: support

Testifier will be present: Yes

Submitted by: Kamaki Kanahale

Organization: SCHHA

Comments:

The Sovereign Councils of the Hawaiian Homeland Assembly (SCHHA), is an association of more than 28 homestead community homestead associations across the state. Our homestead associations are located on Kauai, Oahu, Hawaii, Lanai, Maui and Molokai. Founded in 1987, the SCHHA is the oldest advocacy organization formed to unify and address the priorities of homestead lessees under the Hawaiian Homes Commission Act (HHCA). The SCHHA is a partner organization of the Native Hawaiian Policy Center, administered by the Council for Native Hawaiian Advancement (CNHA). We work closely with CNHA to identify relevant policy and program priorities that serve the over 30,000 residents of Hawaiian home land communities.

For three years, the SCHHA has stood in strong opposition to legislation promoted by Governor Lingle and former DHHL Chairman Micah Kane to amend the Hawaiian Homes Commission Act to give carte blanche access to Hawaiian trust lands of 99 year leases for non-homesteading purposes, and in particular for commercial developers. We opposed because the legislation was never about the beneficiaries of the trust, and indeed never considered the priorities of homestead leaders. It was single focused in its purpose - to deliver Hawaiian lands without any regard to the priorities of the beneficiaries of the trust.

We have worked with CNHA and your office, to review substitute language for a bill that would provide more reasonable language including:

1. instead of 99 year leases, a 20 year extension with specific criteria that needs to be met;
2. revenue sharing of all commercial lease revenue to a cultural and community development fund for beneficiary organizations to implement community based projects in our respective homesteads;
3. annual reporting by DHHL on the status of commercial leasing in an effort to raise the awareness and priority of DHHL in creating commercial leasing opportunities for its beneficiaries;
4. beneficiary consultation on commercial leases so that our people are aware of the intent of DHHL when our trust lands will be leased for non-homesteading purposes.

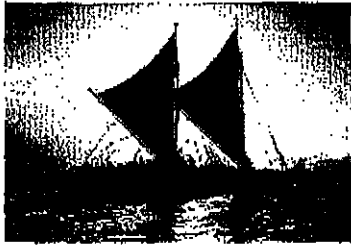
Senator Hee, thank you for hearing the priorities of the constituents of the Hawaiian home land trust, and crafting a substitute bill that represents the needs of the trust, as well as the priorities of its beneficiaries for the future.

We are opposed to the bill in its present form which was passed by the house, but fully supportive of the substitute amendment presented by your office. Mahalo.

Kamaki Kanahale, SCHHA Chairman

*Waianae Kai Hawaiian
Homestead Association*

3/16/2010



86-303 Hokupa'a St.
Waianae, Hawaii 96792
Ph. (808) 696-6138

President:
Kalena Hew Len

Vice-President:
James Kaleopaa

Secretary:
Laurcen Irvine

Treasurer:
Esther Smith

Director:
Julia Choi

**TO: Senator Clayton Hee, Chair
Senator Jill Tokuda, Vice Chair
Committee on Water, Land, Agriculture
and Hawaiian Affairs (WTL)**

FROM: Kalena Hew Len, President

**RE: HB2923 HD2 Relating to Public
Lands**

Date: Wednesday, March 17th, 2010

Time: 2:45 pm

**Place: Conference Room 229
State Capitol
415 South Beretania Street**

Aloha Chairman Hee and members of the Committee. I am Kalena Hew Len, Kahu of the SCHHA and President of the Waianae Kai Homestead Community Association.

We **DO NOT SUPPORT** this bill.

We have taken strong opposition to this legislation to amend the Hawaiian Homes Commission Act to give an "open door-welcome" to every Tom-Dick and Lingle" to access our Hawaiian trust lands for a lease term just short of 100 years for commercial developers but have fallen on Deaf DHHL ears. We oppose because this legislation is clearly designed for the self serving interest of the Lingle Administration and never about the beneficiaries or the Trust.

Please kokua and know that the substitute language for this bill would provide greater benefits to the beneficiaries and the Trust. We support the language which is being submitted as amendments by the SCHHA and CNHA.

Specifically:

1. A 20 year extension with specific criteria that needs to be met;
2. Revenue sharing of all commercial lease revenue to a cultural and community development fund for beneficiary organizations to implement community based projects in our respective homesteads;
3. Annual reporting by DHHL on the status of commercial leasing in an effort to raise the awareness and priority of DHHL in creating commercial leasing opportunities for its beneficiaries;
4. Beneficiary consultation on commercial leases so that our people are aware of the intent of DHHL when our trust lands will be leased for non-homesteading purposes.

Senator Hee, Mahalo again for your kokua in crafting a substitute bill that represents our needs as priorities for the future.



March 16, 2010

The Honorable Clayton Lee, Chairman
and Committee Members
Committee on Water Land, Agriculture and Hawaiian Affairs
415 S. Beretania St., Room 228
Honolulu, HI 96813

Dear Clayton Lee and Committee Members:

RE: HB 2923 Relating to Public Lands

My name is Erin Nellis, Development Officer for DeBartolo Development. DeBartolo Development is in support of HB 2923 Relating to the Hawaiian Homes Commission Act. It provides the Department of Hawaiian Home Lands (DHHL) with the ability to negotiate lease terms on commercial projects beyond the current 65 years for terms up to 99 years

This measure will give DHHL a tool in its quest to secure long term rental income streams and become self sufficient; it affords DHHL the flexibility to grant and extend commercial ground leases with terms which make a lease financeable thereby enabling the developer-lessee to obtain financing for construction, renovation and working capital, projects that ultimately provide revenues to DHHL-sponsored Native Hawaiian programs.

In today's financial market and for the foreseeable future, lenders have taken a decidedly conservative approach. For very large commercial projects on leasehold land such as Ka Makana Ali'i that DeBartolo is building in Kapolei, our lenders will be heavily scrutinizing all of the terms and conditions of the ground lease that in 2007, we felt would be financeable. A ground lease with a term of 99 years (instead of our current 65 years) will enhance our ability to obtain financing for the multi-million dollar project in the face of the economic and financial crisis of 2009.

Additionally, by allowing the extension of existing commercial leases for up to 99 years, the measure will encourage lessee investment in the property which in turn will lead to improvements in the area that the commercial property is located. Longer lease terms provide incentives for owners and investors to ensure that the property that they lease remains viable and attractive to the public and their tenants because the ground lessee will have the time necessary to realize a return on its additional investment in the commercial property.

For example, DHHL leases the Prince Kuhio Mall in Hilo to a third party ground lessee. The Mall has a few years remaining on its present DHHL ground lease. We understand that Prince Kuhio Mall would like to make improvements which would involve a major capital investment. Especially given the difficulty in today's market to access capital improvement loans, if the Prince Kuhio Mall had the ability to obtain an extension of their 65 year lease with DHHL, this would enhance their ability to get financing. The inability for Prince Kuhio Mall to make such an investment could lead to the Mall being put in a competitively disadvantaged position with respect to other retail venues as the ground lease terms wind down.

In conclusion, we look at this measure as a financial tool that can be used by DHHL and their lessees to ultimately provide income for the future of DHHL and sponsorship of DHHL programs. We ask for your support of this measure and ask that you pass HB2923. Thank you for this opportunity to testify.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

Gentry Pacific Design Center, Suite 215A • 560 N. Nimitz Highway, #50 • Honolulu, Hawaii 96817
(808) 524-2249 • FAX (808) 524-6893

NOLAN MORIWAKI

President
Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement Masons
Local 630

JOSEPH O'DONNELL

Vice President
Iron Workers Local 625

DAMIAN T.J. KIM

Financial Secretary
International Brotherhood of
Electrical Workers Local 1186

ART TOLENTINO

Treasurer
Sheet Metal Workers I.A. Local 293

MALCOLM K. AHLO

Sergeant At Arms
Carpet, Linoleum, & Soft Tile
Local 1296

REGINALD CASTANARES

Trustee
Plumbers & Fitters Local 675

THADDEUS TOMEI

Elevator Constructors Local 126

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

RICHARD TACGERE

Glaziers, Architectural Metal &
Glassworkers Local 1944

GARY AYCOCK

Boilermakers, Ironship Builders
Local 627

LYNN KINNEY

District Council 50
Painters & Allied Trades Local 1791

EUGENE SOQUEHA

Operating Engineers Local 3

DOUGLAS FULP

International Assoc. of Heat & Frost
Insulators & Allied Workers Local 132

RONAN KOZUMA

Hawaii Teamsters & Allied
Workers Local 996

PETER GANABAN

Laborers' International Union of
North America Local 368

VAUGHN CHONG

Roofers, Waterproofers & Allied
Workers United Union of Roofer
Local 221

March 16, 2010

Honorable Senator Clayton Hee, Chair
Honorable Senator Jill N. Tokuda, Vice Chair
Members of the Senate Committee on Water, Land, Agriculture and
Hawaiian Affairs
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF HB 2923**
RELATING TO PUBLIC LANDS.

Hearing: Friday, March 17, 2010, 2:45 p.m., Room 229

Dear Chair Hee, Vice Chair Tokuda, and the Senate Committee on
Water, Land, Agriculture and Hawaiian Affairs:

For the Record my name is Buzz Hong the Executive Director for the
Hawaii Building & Construction Trades Council, AFL-CIO. Our Council
is comprised of 16-construction unions and a membership of 26,000
statewide.

The Council SUPPORTS the passage of HB 2923 that authorizes the
Department of Hawaiian Home Lands to extend leases of DHHL lands
for commercial and multipurpose lands for 34 years upon a develop-
ment agreement to improve the leased land. This will help increase
the construction of commercial and multipurpose building projects,
and increasing employment for local workers.

Thank you for the opportunity to submit this testimony in support of
HB 2923.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/hm



March 17, 2010

Testimony in support of
HB 2923 HD2, Relating to Public Lands

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

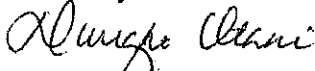
I am Dwight Otani, President and owner of D. Otani Produce, Inc. In 2006 we were fortunate to obtain a 65 year lease with the Department of Hawaiian Home Lands and to realize our goal of building our facility at 1321 Hart Street. We strongly support HB 2923 HD2.

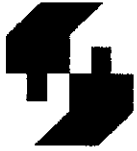
This legislation would authorize the Department of Hawaiian Home Lands, at its discretion, to grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to enable us to finance or re-finance projects and infrastructure on the DHHL parcel we currently lease. Ultimately, this legislation supports DHHL's long-term economic growth goals by generating sustained revenues for the Hawaiian Home Lands trust that will be used to develop more communities for DHHL's beneficiaries.

DHHL can attract and secure private sector commercial development projects that will support its homesteading programs, benefit the beneficiary population in the area of the commercial development by creating additional jobs, and create residential communities surrounding the commercial development with the revenues generated from the project.

We urge your support for HB 2923 and thank you for this opportunity to testify.

Sincerely:


Dwight Otani



Shewmaker *Real Estate*

321 Kinoole Street. Hilo. Hawaii 96720

March 17, 2010

**Testimony in support of
HB 2923 HD2, Relating to Public Lands**

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

[Introductory information on the organization and relationship (existing or potential) with DHHL]. We strongly support HB 2923 HD2.

This legislation would authorize the Department of Hawaiian Home Lands to, at its discretion, to grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to enable us to finance or re-finance projects and infrastructure on the DHHL parcel we currently lease. Ultimately, this legislation supports DHHL's long-term economic growth goals by generating sustained revenues for the Hawaiian Home Lands trust that will be used to develop more communities for DHHL's beneficiaries.

DHHL can attract and secure private sector commercial development projects that will support the its homesteading programs, benefit the beneficiary population in the area of the commercial development by creating additional jobs, and create residential communities surrounding the commercial development with the revenues generated from the project.

We urge your support for HB 2923 and thank you for this opportunity to testify.

Sincerely,

Michael Shewmaker
Principal Broker

General Growth Properties, Inc.

March 16, 2010

RE: Testimony in support of HB 2923 HD2, Relating to Public Lands
Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

Prince Kuhio Plaza is owned and managed by General Growth Properties, Inc. GGP currently has ownership interest in, or management responsibility for more than 200 regional shopping malls in 43 states, as well as ownership in planned community developments and commercial office buildings. We are currently a Lessee of the Department of Hawaiian Homelands for the ground lease upon which Prince Kuhio Plaza sits. Therefore, we strongly support HB 2923 HD2.

This legislation would authorize the Department of Hawaiian Home Lands to, at its discretion; grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to justify financing projects or infrastructure on the DHHL parcel we currently lease. Passage of this legislation would allow GGP to continue to remain a contributor to the DHHL and its beneficiaries in the years to come.

We urge your support for HB 2923 and thank you for this opportunity to testify.

Mahalo,



Kimberly Shimabuku
General Manager
Prince Kuhio Plaza



Prince Kuhio Plaza

111 East Puainako Street

Hilo, HI 96720-5266

808-959-3555

fax 808-959-3655

www.ggp.com

Equal Opportunity Employer



LANAI OIL COMPANY, INC.

P.O. Box 66, Kahului, Maui, Hawaii, 96733

Phone: (808) 871-6220

Fax: (808) 871-7411

March 17, 2010

Testimony in support of
HB 2923 HD2, Relating to Public Lands

Senate Committee on Water, Land, Agriculture and Hawaiian Affairs

Dear Chair Hee, Vice-Chair Tokuda and Members of the Committee:

[Introductory information on the organization and relationship (existing or potential) with DHHL]. We strongly support HB 2923 HD2.

This legislation would authorize the Department of Hawaiian Home Lands to, at its discretion, to grant a one-time 20-year extension to the terms of its general leases allowing for a maximum lease term of 85 years. This lease extension opportunity is an important tool for our organization to enable us to finance or re-finance projects and infrastructure on the DHHL parcel we currently lease. Ultimately, this legislation supports DHHL's long-term economic growth goals by generating sustained revenues for the Hawaiian Home Lands trust that will be used to develop more communities for DHHL's beneficiaries.

DHHL can attract and secure private sector commercial development projects that will support the its homesteading programs, benefit the beneficiary population in the area of the commercial development by creating additional jobs, and create residential communities surrounding the commercial development with the revenues generated from the project.

We urge your support for HB 2923 and thank you for this opportunity to testify.

*Aloha,
Terry McBarrett
President, Lanai Oil Company*



March 16, 2010

The Honorable Clayton Hee, Chair,
Honorable Jill Tokuda, Vice-Chair and
Members on Committee on
Water, Land, Agriculture and
Hawaiian Affairs
State Capitol
415 S. Beretania St.
Honolulu, HI 96813

RE: HB 2923 HD2, Relating to Public Lands

Dear Chair Hee, Vice-Chair Tokuda and Committee Members:

On behalf of Diversified Equity Investment Corporation, I would like to take this opportunity to express my support for the bill pending before you referenced as HB 2923 HD2 Relating to Public Lands. HB 2923 HD2 provides the Department of Hawaiian Home Lands (DHHL) with the ability to negotiate lease terms and to grant a one-time 20 year extension to general leases allowing for a maximum lease term of 85 years.

We support this measure as it provides commercial owners who operate on DHHL land with an important tool to attract long term investment and financing to these projects, which ultimately generate revenue which support programs for Native Hawaiians.

Additionally, by allowing the extension of leaseholds to up to maximum 85 years, you are in fact encouraging commercial owners and operators to invest in larger capital projects, including further development, construction and betterment of the property, since the costs associated with such activities can be spread throughout a longer term.

Not only does this better enhance the communities in which DHHL lands are located, but it will help create desperately needed jobs, particularly in the construction and design industries where jobs are scarce in today's difficult economic environment. Granting of the Bill will assist leasehold owners of DHHL land to attract the very best retailers and operators to their projects.

Furthermore, for large commercial projects such as the Waiakea Center which we own and operate in Hilo, lenders look more favorably upon long term leases than short term ones, to cover the cost of the project. If longer term ground leases were to be permitted, this would attract more investment dollars for large projects such as the Prince Kuhio

Mall located across from our shopping center. We would welcome the improvement to these surrounding areas, which would go a long way to creating a more vibrant and thriving commercial destination. The incremental tax dollars and/or revenues to be captured by underfunded municipalities and governmental agencies, including DHHL, would be significant.

As such, we seek your support in passing HB 2923 HD2. We are available for further comment or testimony should you desire such. Thank you for your consideration of this Measure.

Very truly yours,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Greg Swedelson
Director

TESTIMONY
HB 2923 HD2
(END)