

LINDA LINGLE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committees on
WATER, LAND, & OCEAN RESOURCES
and
TOURISM, CULTURE, & INTERNATIONAL AFFAIRS**

**Monday, February 1, 2010
10:30 AM
State Capitol, Conference Room 325**

**In consideration of
HOUSE BILL 2923
RELATING TO PUBLIC LANDS**

House Bill 2923 would allow leases of public lands used for commercial, hotel, industrial, or resort purposes to be extended for up to an additional 65 years beyond the existing term. The Department of Land and Natural Resources (Department) opposes this bill.

House Bill 2923 requires a proposed lease extension to be subject to the Department and lessee negotiating and agreeing upon a development agreement, which would require the Department to, among other things, review the lessee's plans and specifications for improvements to the property and subsequently negotiate the value of the proposed improvements, length of the lease extension, market value of the demised premises, and annual rent to be paid under the extended lease.

The Department continues to face severe budget cutbacks. The Department's general fund appropriations and special fund revenues have dropped over 32% and 35%, respectively, in less than three years, and the Department lost more than 10% of its positions (over 80 positions) this past year. The bill imposes duties that would require a substantial amount of staff time and funding for appraisals to determine the value of the improvements, demised premises, and new annual rent. The Department simply does not have the resources and staffing necessary to undertake the additional duties that would be required under this bill.

Furthermore, leases of public lands are governed by Chapter 171, Hawaii Revised Statutes, which imposes a maximum lease term of 65 years. This limit is intended to allow a lessee sufficient time to occupy the property and recoup its investment, while also precluding that

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

lessee from using and occupying public lands in perpetuity. House Bill 2923 ignores these public policies and grants commercial, hotel, industrial, or resort leases special status over all public land leases by allowing a commercial, hotel, industrial, or resort lessee to have exclusive use of public lands for up to 130 years.

LATE TESTIMONY

**HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2010
COMMITTEE ON WATER, LAND, & OCEAN RESOURCES**

Rep. Ken Ito, Chair
Rep. Sharon E. Har, Vice Chair

Monday, February 1, 2010
Time: 10:30 a.m.

Conference Room 325
RELATING TO PUBLIC LANDS.
HB 2923

OPPOSE

Aloha Chair Ito, Rep Har and committee on water, land and ocean resources, I oppose HB 2923 which allows the board of land and natural resources and the department of Hawaiian Home lands to extend leases of public lands and Hawaiian Home Lands, respectively, for commercial or industrial uses for 65 years upon a development agreement to improve leased land.

I am a Hawaiian Homestead Sweet Potato Grower on the island of Molokai. The biggest individually owned in the state of Hawaii, and I believe it is not right that they are entered into long term leasing without first considering allowing myself as well as other Hawaiians to be allowed to also have a long term lease with Hawaiian Homes. As it stands today I have a month to month lease with Hawaiian Homes. Which means harder time for me to secure loans, federal programs and thinking also twice before investing my own capital into a lease like that, only to be told that by the end of the month I may be evicted.

I oppose this Bill until Hawaiian Homes can consult its beneficiaries and first address our issues of commercial leasing before engaging into other commercial leases with non homestead entities.

Mahalo,
Lynn DeCoite

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



KAULANA H. R. PARK
CHAIRMAN
HAWAIIAN HOMES COMMISSION

ANITA S. WONG
DEPUTY TO THE CHAIRMAN

ROBERT J. HALL
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KAULANA H. R. PARK, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEES ON WATER, LAND, AND OCEAN RESOURCES AND
TOURISM, CULTURE AND INTERNATIONAL AFFAIRS

ON HB 2923 - RELATING TO PUBLIC LANDS

February 1, 2010

Chair Ito, Chair Manahan and Members of the Committees:

The Hawaiian Homes Commission and the Department of Hawaiian Home Lands support the intent of HB 2923. In the previous legislative session we testified in strong support of similar measures which would authorize DHHL to, at its discretion, extend the maximum lease term for our commercial leases from 65 to 99 years for the purpose of maximizing our ability to generate revenue for our trust. Unlike the measures of previous sessions, HB 2923 outlines specific requirements and processes that may apply to only a small portion of our commercial leases and allows for a total lease term of 130 years.

Our ability to carry out our mission to provide homeownership opportunities to native Hawaiians is directly tied to the Hawaiian Homes Commission's ability to obtain necessary resources through federal and state funds, private and public grants, and income-

generating opportunities. Over the past five years, we have supported our homesteading program with income generated through the commercial leases of our non-homestead lands. The current 65-year term has limited DHHL's ability to attract substantial investments in the proposed commercial lease properties. Legislation for a lease extension increases the value of DHHL's property and provides an improved tool which DHHL can use to ultimately better serve its beneficiaries. We support the intent of HB 2923 which allows for the extension of our commercial leases, but have not had sufficient time to consider the implications of the proposed changes to the Hawaiian Homes Commission Act.

Mahalo for this opportunity to testify on this measure.

WAIMEA HAWAIIAN HOMESTEADERS' ASSOCIATION, INC.

P. O. Box 6753
Kamuela, Hawaii 96743
February 1, 2010

LATE TESTIMONY

M KANANI KAPUNIAI
Pu'ukapu-Pastoral '90+
Director- **President**

BETTY LAU
Kuhio Village
Director – **Vice-President**

MAXINE KAHAULELIO
Pu'u Pulehu
Director – **Secretary**

A HOPPY BROWN
Pu'ukapu Pastoral '90+
Director – **Treasurer**

Kamoku/WaikoloaNienie
Director

Pauahi
Director

ROBERT TERUKINA
Kuhio Village
Director

BERNARD ALANI, JR
Pu'ukapu-Farm >'85
Director

JOSEPH KEALOHA
Pu'ukapu-Farm '85+
Director

HENRY "SOLI" NIHEU
Pu'ukapu-Farm '85+
Director

TIARE FLORES
Pu'ukapu-Pastoral <90
Director

TO: Representative Ken Ito, Chair
Representative Sharon E Har, Vice Chair
Committee on Water, Land, & Ocean Resources

Representative Joey Manahan, Chair
Representative James Kunane Tokioka, Vice Chair
Committee on Tourism, Culture, & International Affairs

FROM: M Kapuniai, President

RE: **HB2923**

RELATING TO PUBLIC LANDS

Date/Time: Monday, February 1, 2010 10:30a.m.
Place: Conference Room 325
State Capitol
415 South Beretania Street

We **DO NOT SUPPORT** this bill. We do not support any renewals for leases extended by the *board of land and natural resources*, nor by the *department of Hawaiian home lands*.

- 1) For the board of land and natural resources, we request a full review and a published report on current status of all public trust lands, for public review
- 2) For the department of Hawaiian home lands, we request:
 - a) An analysis of the current and prospective non-homestead leases, terms, method of procurement and, most of all, benefit to the trust and to the beneficiaries for which the program exists.
 - b) An analysis which would reflect the fact that the tracts of land are **NOT NEEDED** for homestead development
 - c) A report which would list Revenue-sharing opportunities for neighboring Homestead Associations to enhance their economic self-sufficiency
 - d) Annual submittal for the Annual Executive Budget for "sufficient funds"

We appreciate the opportunity to participate in this process.

Phone: (808) 890-2311 (Res) 936-0157(Cell)
Email: duke@sandwichisles.net

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2010 9:55 AM
To: WLOtestimony
Cc: lahelakhudson@gmail.com
Subject: Testimony for HB2923 on 2/1/2010 10:30:00 AM

LATE TESTIMONY

Testimony for WLO/TCI 2/1/2010 10:30:00 AM HB2923

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Lahela Hudson
Organization: Kewalo Hawaiian Homestead Community Association
Address: 2136 Kapahu Street Honolulu, Hawaii
Phone: 808-861-9448
E-mail: lahelakhudson@gmail.com
Submitted on: 2/1/2010

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2010 9:40 AM
To: WLOtestimony
Cc: annie@schha.org
Subject: Testimony for HB2923 on 2/1/2010 10:30:00 AM

LATE TESTIMONY

Testimony for WLO/TCI 2/1/2010 10:30:00 AM HB2923

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Annie K. Au Hoon
Organization: Kewalo Hawaiian Homestead Community Association
Address: 236 Kapahu St. Honoullu, HI
Phone: 808.529.1627
E-mail: annie@schha.org
Submitted on: 2/1/2010

Comments:

The beneficiaries and the SCHHA have continuously provided ample opportunity for the DHHL to work with its constituencies and for the DHHL to build support and develop partnership approaches that the simple requirement of consultation, designed by the DHHL, has, as yet, to be practiced by the DHHL on ALL areas that will impact the beneficiaries.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2010 9:27 AM
To: WLOtestimony
Cc: soor001@hawaii.rr.com
Subject: Testimony for HB2923 on 2/1/2010 10:30:00 AM

LATE TESTIMONY

Testimony for WLO/TCI 2/1/2010 10:30:00 AM HB2923

Conference room: 325
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Richard Soo
Organization: SCHHA
Address: 1050 Queen St., Suite 200 Hon, Hi.
Phone: 529-1627
E-mail: soor001@hawaii.rr.com
Submitted on: 2/1/2010

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2010 9:26 AM
To: WLOtestimony
Cc: mkahikina@gmail.com
Subject: Testimony for HB2923 on 2/1/2010 10:30:00 AM

LATE TESTIMONY

Testimony for WLO/TCI 2/1/2010 10:30:00 AM HB2923

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Mike Kahikina
Organization: SCHHA
Address: 1050 Queen St., Suite 200 Hon, Hi.
Phone: 529-1627
E-mail: mkahikina@gmail.com
Submitted on: 2/1/2010

Comments:

The SCHHA requests that the bill be replaced with language to direct that DHHL conduct a report and analysis of the current non-homestead leases, terms, method of procurement and benefit to the trust and its beneficiaries.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2010 9:23 AM
To: WLOtestimony
Cc: kamaki@att.blackberry.net
Subject: Testimony for HB2923 on 2/1/2010 10:30:00 AM

LATE TESTIMONY

Testimony for WLO/TCI 2/1/2010 10:30:00 AM HB2923

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Kamaki Kanahale
Organization: SCHHA
Address: 1050 Queen St., Suite 200 Hon, Hi.
Phone: 529-1627
E-mail: kamaki@att.blackberry.net
Submitted on: 2/1/2010

Comments:

The SCHHA wishes to add amendments to HB2923: Sec. 2 (3) add...as determined by an appraiser for the department...(add) and shall provide, if and/or when requested by SCHHA or other beneficiary orgs a second appraiser opinion...

LATE TESTIMONY

January 31, 2010

TESTIMONY
HB 2923
OPPOSE

For hearing: Monday, February 1, 2010

To: CHairs Rep. Ken Ito, and Rep. Rida Cabanilla,

To allow this bill, is to allow continuing abuse of and speculation with, trust land.
This is unacceptable.

I oppose this bill.

Thank you for consideration of my statement,



Ms. Kaliko Chun
Kona, Hawaii Island