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GOVERNOR



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IN REPLY REFER TO:

February 8, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HCR NO. 47, REQUESTING AUTHORIZATION TO ENTER INTO  
A DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF  
KEEHI INDUSTRIAL LOTS, ISLAND OF OAHU.

COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

The Department of Transportation (DOT) supports this concurrent resolution to enable the development of the Keehi Industrial Lots for maritime or maritime related uses through a development agreement. This concurrent resolution is an Administration Measure.

Section 171-60, Hawaii Revised Statutes, provides that the Board of Land and Natural Resources, with the prior approval of the governor and authorization of the legislature by concurrent resolution approving a development project, may lease public lands to a private developer or developers, or enter into a development agreement with a private developer or developers, for the development and subdivision of lands as a leasehold project for various purposes, including industrial, commercial or business uses. Section 171-60 further identifies the specific requirements that must be met in order for the Board to approve the lease or development contract with a developer or developers.

Approximately twenty (20) acres of land situated near Keehi Lagoon and Honolulu Harbor are currently underutilized due to the lack of infrastructure. There is potential for the property to be developed as an industrial park to accommodate maritime or maritime related uses. However, our financial resources are presently committed to more pressing priorities. Entering into a development agreement may provide the DOT with a mechanism to accomplish the development of the property in an expedited manner with private resources.

We are seeking the legislature's authorization by concurrent resolution as a first step in following the requirements set forth under Section 171-60. Private developers require assurance that concurrence has been obtained by the Governor and the legislature before they will expend time and financial resources in preparing their development proposals. The DOT further needs the legislature's assurance that it concurs with this development project for the Keehi lands before assigning resources to this effort. Your support to enable the DOT to move forward in this process is greatly appreciated.