

HB 1164 HD1

RELATING TO PUBLIC LANDS.

Requires the Department of Land and Natural Resources to consider the sale or exchange of Sand Island parcels to leaseholders. Requires a report of findings and recommendation to the Legislature. Effective January 1, 3000. (HB1164 HD1)

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
WATER, LAND, AND HOUSING**

**Tuesday, March 15, 2011
1:15 PM
State Capitol, Conference Room 225**

**In consideration of
HOUSE BILL 1164, HOUSE DRAFT 1
RELATING TO PUBLIC LANDS**

House Bill 1164, House Draft 1 would require the Department of Land and Natural Resources (Department) to consider the sale or exchange of Sand Island parcels to the lessees, and report its findings and recommendations to the Legislature. The Department **opposes** this bill.

First, the industrial lands on Sand Island targeted by this bill are encumbered by a master lease issued by the Department and Board of Land and Natural Resources (BLNR) to the Sand Island Business Association (SIBA), who in turn has issued numerous (e.g., close to a hundred) subleases to numerous individual businesses. The Department has repeatedly stated that the BLNR is not interested in selling or exchanging these lands on Sand Island, and will definitely **not** consider the sale or exchange of the lands under the SIBA Master Lease into a hundred small lot transfers that would result in a hundred separate land transactions. Having said that, the Department has also stated in the past that in the event SIBA or anyone else has identified and owns suitable replacement industrial or commercial lands of equal or greater value, with an income stream and term of years that are both equal to, or greater than that of the SIBA Master Lease, then the Department and the BLNR would consider such a proposal. However, to this date, neither SIBA nor anyone else has been able come forward with any such suitable land exchange proposal. As such, the Department is befuddled by this bill as there is no such suitable and viable land exchange proposal on the table or in the horizon. In any event, until such time as a suitable and viable land exchange proposal is brought forward to the Department for it and the BLNR's consideration, the Department does not believe it should be required to expend its limited resources (i.e., limited manpower and funds) to perform those tasks identified in SECTION 2 of this bill.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
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

Second and probably more importantly, the Department is responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these fiduciary duties, the BLNR determined that the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs. This is especially critical at this time due to the current condition of the State's economy. The industrial lands on Sand Island targeted by this bill have been identified by the Department (and supported by the BLNR) as revenue producing assets and represent one of the Department's primary sources of revenues. The lease revenues¹ generated by the Sand Island lands constitute roughly 60% of all lease revenues currently supporting the Special Land and Development Fund ("SLDF").

As detailed in the Department's report to this Legislature, the balance of the SLDF has steadily decreased in recent years (from \$8.1 million in FYE 2008 to \$4.6 million in FYE 2010) and is projected to be a deficit three to four years unless the Department is able to substantially decrease expenditures or increase revenues, or both.

The Department is constantly considering and pursuing other sources of revenue. However, the loss of a consistent revenue source through a sale or exchange of the fee simple interest in the Sand Island parcels lands would deprive the Department of a substantial portion of its revenue source and seriously jeopardize the Department's operations. Such sale would not be in the best interest of the beneficiaries of the public land trust, valuable natural and cultural resources, the Department, and the State's economy.

The SLDF is a critical and increasingly important funding source for the entire Department to deal with emergency response to natural catastrophe such as fire, rockfall, flood or earthquake and hazard investigation and mitigation. The SLDF also is critical for staff support of various programs and funding conservation projects on all state lands. It has also become an important source of state match for federally funded endangered species and invasive species initiatives that otherwise would not go forward.

The following are examples of the impacts to certain programs should funding support from the SLDF be curtailed:

Division of Forestry and Wildlife

For the last five years, the SLDF has provided approximately \$800,000 annually to the Division of Forestry and Wildlife to support the recovery of threatened and endangered species and the control of invasive species. These funds match approximately \$1,500,000 in federal grants from the Endangered Species Act Section 6 Recovery Program and the State Wildlife Grants Program

¹ As noted above, the lands are under a Master Lease to SIBA.

to recover the state's most critically endangered species. Examples of this work includes successful captive propagation of Alala, Palila, Puaiohi, and Maui Parrotbill, establishing new populations of Palila on Mauna Kea, fencing and eradicating ungulates from Puu Waawaa Forest Bird Sanctuary, habitat restoration on leeward Haleakala for Maui's forest birds, wetland and waterbird conservation at Hamakua, Kawai Nui, and Pouhala wetlands on Oahu, studies on Kauai's nesting seabirds, and reintroduction of Puaiohi into the Alakai Wilderness Area. This funding is helping make significant progress toward preventing the loss of native species, habitats, and biodiversity and the Division urges you to continue to generate and collect revenues for these purposes.

Engineering Division

The SLDF is critical for operations of the Engineering Division, as it supports staffing and expenses for multiple programs. In fiscal year 2009-2010, the fund provided: over \$570,000 for the Mineral Resources/Geothermal program to manage the geothermal resource to protect public health and safety and to ensure its continued viability for the future; over \$815,000 for the Dam Safety/Flood Control Program to regulate dams and reservoirs to protect life and property, and administer the National Flood Control Program to ensure the availability of flood insurance to property owners; and over \$350,000 for the Land Maintenance Crew to manage and maintain various State-owned lands, remove vegetation and debris from streams, and perform evictions on state lease lands. Without these funds, the Division will not be able to ensure the safety of all dams and reservoirs and respond to dam emergencies or perform other mandated duties.

Division of State Parks

The SLDF is critical for operations of the Division of State Parks, which has previously received nearly \$500,000 from the SLDF to make up for consistent general fund budget shortfalls for operation and payroll that keep our parks open. In recent years, the SLDF provided an additional \$584,216 for lifeguard services at Ka'ena Point State Park for public health and safety of park users. In addition to managing and protecting natural and cultural resources, the Division of State Parks serves to provide recreational access for both residents and visitors. Our Hawai'i State Park system serves as a significant destination of Hawai'i's visitor industry, with 6.7 million out-of-state visits annually.

Office of Conservation and Coastal Lands

The Office of Conservation and Coastal Lands (OCCL) has been entirely funded by the SLDF. OCCL's annual allocation for salaries and fringe benefits is approximately \$450,000 (6.5 FTP), with operating costs running approximately \$200,000. Most of the operating costs are from Contested Case Hearings, supplies, and equipment. A severe reduction in the income generating capacity of the SLDF could result in the elimination of OCCL functions. OCCL is the State's zoning authority for all Conservation District lands in the State of Hawai'i, this includes terrestrial and marine areas out to three miles in the ocean, including fast and submerged lands. This entails processing permits for land uses involving private and public entities and prosecuting land use violations, with the intent to ensure the conservation of these unique and fragile areas. In terms of land area, we are responsible for more area than all of the counties combined (albeit less population density). OCCL has been able to perform its function

efficiently and effectively even with a relatively small staff, and any reduction in staffing would severely limit our ability to service the public. Loss of this government function would essentially result in the loss of projects within conservation lands because there would be no one available to process regulatory permits pursuant to Section 183C, Hawaii Revised Statutes. This would have a major impact to business; 1000's of private landowners, government agencies, the university, marine users for energy and mariculture, just to name a few. These entities need OCCL to process their applications for use of conservation district lands, such as in the case of telescopes, renewable energy projects, single-family homes, and public infrastructure.

Commission on Water Resource Management

The SLDF supports critical activities and essential programs undertaken by the Commission on Water Resource Management (Commission). Annual supplemental funding of \$300,000 from the SLDF provides payroll costs for three key Planning Branch positions: State Drought and Water Conservation Coordinator, Hydrologist VI, and Hydrologist IV. These three positions comprise the entire professional nonsupervisory staff of the Planning Branch, which is responsible for the establishment of an integrated program for the protection, conservation, and management of the waters of the State. The Commission's General Fund Personal Service budget is not adequate to pay for these three positions at this time. Efforts to convert these special-funded personnel to general-funds in the past were denied. In addition, future pay raises, pay adjustments (e.g., reallocations and step movements) and increases in the fringe benefit rates for these positions will require additional funding.

The SLDF is also used to fund Commission programs, activities, and the implementation of Commission priority projects, such as the 20-year Water Use Permit Review; Estimating Plant Water Use for Water Use Permitting; Modified RAM2 for Estimating Sustainable Yields; and Implementation of Interim Instream Flow Standards in East Maui. Due to the limitations of Commission's general fund, funding from the SLDF is also used for advancing invoice payments for reimbursable federal grants for projects and to fulfill non-federal cost share obligations required under some federal grants. The uncertainty of grant opportunities requires that Commission funding be available in order to qualify for these federal grants.

Funding allotted from the SLDF enables the Commission to implement the State Water Code's declaration of policy by funding personnel, programs activities, and projects that are essential for water resource planning and fulfillment of State Water Code mandates. To date, the Commission has effectively utilized its SLDF allotments to further the management of our most precious public trust resource.

For all of the foregoing reasons, the Department strongly opposes House Bill 1164, House Draft 1, and asks that it be held.



HB 1164, HD 1
RELATING TO PUBLIC LANDS
Senate Committee on Water, Land and Housing

March 15, 2011

1:15 p.m.

Room 225

The Office of Hawaiian Affairs (OHA) **OPPOSES** HB 1164, HD1, which instructs the Department of Land and Natural Resources (DLNR) to consider the sale or exchange of ceded land currently leased to the Sand Island Business Association.

The land leased to Sand Island Business Association is comprised of ceded land. See Final Report on the Public Land Trust, a Report to the Legislature of the State of Hawaii, Submitted by the Legislative Auditor of the State of Hawaii (December 1986), page 50.

OHA maintains that the state cannot diminish the ceded land corpus until the Native Hawaiian people's claim to ceded lands has been resolved. See, e.g., P.L. 103-150 (1993) ("the Republic of Hawaii . . . ceded 1,800,000 acres of crown, government and public lands of the Kingdom of Hawaii, without the consent of or compensation to the Native Hawaiian people of Hawaii or their sovereign government").

Therefore, OHA urges the committee to HOLD HB 1164, HD 1. Mahalo for the opportunity to testify on this important measure.



PO Box 17603 • Honolulu, HI 96817-0603 • (808) 842.1359 • Fax (808) 841.1270
www.siba-hawaii.org

Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street room 225
Honolulu, HI 96813

LATE

Support for HB 1164 HD 1, Relating to Public Lands

Dear Chair Dela Cruz and Committee Members:

House Bill 1164, House Draft 1, would require the Department of Land and Natural Resources (DLNR) to analyze the sale or exchange of the Sand Island Industrial Park (SIIP) to the Sand Island Business Association (SIBA), and report its findings and recommendation to the 2012 Legislature.

SIBA is on record as in support of H.B. 1164, HD1. We have submitted testimony and now respond to DLNR's new argument.

Replacement: Maybe considered if, SIBA finds industrial or commercial lands of equal value or greater, with an income stream of the same and term of years that are both equal or greater than that of SIBA's master lease.

SIBA has attempted to locate replacement lands under the restrictive terms stated by DLNR. However, we have not found any lands that fit their terms.

However, the study required by H.B. 1164, HD1 may recommend that a fair exchange may be of land greater value but with a lesser income stream. On the other hand the recommendation may state the opposite, lesser land value but with a greater income stream. Isn't this why you do an analysis? DLNR's current terms for exchange, makes it impossible to do.

Fiduciary. DLNR correctly calls itself a fiduciary regarding public lands under its control. As a fiduciary DLNR has the duty to maximize the return on the lands it controls. Return could mean use or revenue. Therefore, shouldn't DLNR at least consider whether the sale of SIIP may be a greater benefit to its position?

The request in H.B. 1164 HD1 of DLNR is reasonable and not a burden relative to its fiduciary duty.

SIBA strongly supports the passage of H.B. 1164 HD1.

Very truly yours,

Rodney Kim
Executive Director and Secretary, SIBA

March 14, 2011

To: Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Hawaii State Senate
415 South Beretania Street room 225
Honolulu, HI 96813

From: Glenn M. Nohara
Chairman
Koga Engineering & Construction, Inc.
1162 Mikole St.
Honolulu, HI 96819

Re: **Support** for House Bill 1164, HD1 Relating to Public Lands

Dear Chair Dela Cruz and Members of the Committee:

We are a member of the Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP), we support of HB 1164, HD1.

Over the last 12 years we all have contributed over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and our company has invested over \$1,000,000.00 into our leasehold improvements. All infrastructure improvements were made by SIBA members at no cost to the DNLR or the State. We believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual property, our hope is to have the option to purchase the fee. This would allow us to continue to invest in our improvements and at some point be able to realize the benefit of our investment.

Therefore, we favor passage of HB 1164, HD 1, because it benefits the State as well as all the small business in SIBA.

Yours truly,



Glenn M. Nohara
Chairman



525 Kokea Street, Bldg. B-3 • Honolulu, Hawaii 96817 • Phone: (808) 845-6477 • Fax: (808) 845-6471 • E-mail: rmkaya@hawaii.r.com
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March 14, 2011

Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing, Senate
415 South Beretania Street, Room 225
Honolulu, HI 96813

Subject: Support for **House Bill 1164**, Relating to Public Lands

Dear Honorable Donovan M. Dela Cruz and Committee Members,

I am a small business owner of a general contracting company and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP), I am in **support of HB 1164**.

Over the last 25 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$257,752 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

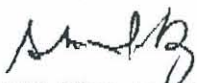
Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

We humbly ask for your thoughtful consideration of our request.

Sincerely,

ROBERT M. KAYA BUILDERS, INC.


Scott I. Higa, President

From: SIBA

+1 808 841 1270

03/14/2011 14:41

#310 P.002/002

fax • 586 6091

To: Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street room 225
Honolulu, HI 96813

From: Name
Title
Company
Address

BOB SAKAMOTO WELDING INC.
1052 Ulupono St.
Honolulu, HI 96819
Phone: (808) 845-4333
Fax: (808) 842-7630

Support for House Bill 1164, Relating to Public Lands

Dear Donovan M. Dela Cruz, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 18 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$ 500,000 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164 in its original form or HB 1164 HD 1, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

Bob Sakamoto Pres.
BOB SAKAMOTO Welding Inc



TOMCO CORP.

General Contractors

To: Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street room 225
Honolulu, HI 96813

From: Glenn Ushio
President
Tomco Corp.
500 Alakawa St. #100A
Honolulu, Hawaii 96817

Support for **House Bill 1164**, Relating to Public Lands

Dear Donovan M. Dela Cruz, Chair and Committee Members


I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am **in support of HB 1164**.

Over the last 11 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$3 Million into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164 in its original form or HB 1164 HD 1, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,


Glenn Ushio
President,
Tomco Corp.

500 Alakawa Street #100A, Honolulu, Hawaii 96817
Ph. (808) 845-0755 Fax (808) 845-1021
License # ABC 16941

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"AWESOME"

Ikaika Builders, Inc.

General Contractor

99-1240 Halawa Heights Road

Aiea, Hawaii 96701

Residential & Commercial

(808) 847-0000

To: Honorable Donovan M. Dela Cruz, **847-0000 (BUS) / 842-3707 (FAX)**
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street room 225
Honolulu, HI 96813

From: J Carvalho
President & Owner
Ikaika Builders, Inc.
1001 Pu'uwai Street
Honolulu, HI 96819

Re: Support for **House Bill 1164**, Relating to Public Lands

Dear Donovan M. Dela Cruz, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am **in support of HB 1164.**

Over the last 20 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$750,000 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164 in its original form or HB 1164 HD 1, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

A handwritten signature in cursive script that reads "J. Carvalho". The signature is written in black ink and is positioned above a horizontal line.

**IDEAL CONSTRUCTION, INC.**

1038 ULUPONO ST., SAND ISLAND
HONOLULU, HAWAII 96819
TELEPHONE: (808) 848-0502
FAX: (808) 842-7010

March 14, 2011

Honorable Dondvan M. Dela Cruz
Chair Committee on Water, Land and Housing Senate
415 South Beretania Street, Room 225
Honolulu, Hawaii 96813

Aileen Enos
Secretary, Treasurer
Ideal Construction, Inc.
1038 Ulupono Street
Honolulu, Hi. 96819

Support for **Senate Bill SB 1164**, Relating to Public Lands

Dear Donovan M. Dela Cruz, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in **support of SB 608, SD1.**

Over the last 40 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$700,000 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DLNR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in the sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of SB 1164 in its original form or HB 1164 HD 1, because it benefits the State as well as all the small business of SIBA.

Sincerely,

Aileen Enos



To: Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street room 225
Honolulu, HI 96813

Support for **House Bill 1164**, Relating to Public Lands

Dear Donovan M. Dela Cruz, Chair and Committee Members,

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in **support of HB 1164**.

Over the last 17 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$1,000,000 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164 in its original form or HB 1164 HD 1, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

A handwritten signature in black ink, appearing to read 'James K. Kobatake', written over a horizontal line.

James K. Kobatake
President

**ECONOMY PLUMBING & SHEET METAL, INC.**

1029 Ulupono Street Honolulu, Hawaii 96819-4334

Phone: (808) 842-5100 Fax: (808) 848-2703

March 15, 2011

To: Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Hawaii Senate
415 South Beretania Street Room 225
Honolulu, HI 96813

LATE

From: Kent Matsuzaki, President
Economy Plumbing & Sheetmetal, Inc

RE: House Bill 1164, Relating to Public Lands – Support
Hearing: 3/15/2011, 1:15 pm, Room 225

Dear Honorable Donovan M. Dela Cruz, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Our business and family moved to Sand Island in 1958 when there was nothing here but sand, koa bushes, a river and a dirt road. We were on month to month lease for over 30 years. Finally, in 1992 SIBA was able to negotiate a long term lease for us and we were finally able to invest monies into long term leasehold improvements. Since 1992, SIBA has now contributed over \$41,000,000 for infrastructure improvements to the Sand Island Industrial Park. All of these improvements were made by SIBA members at no cost to the State. The State can now realize a substantial profit for the sale of the Sand Island Industrial Park since originally it was just raw filled land and today, it is a fully developed Industrial Park.

In today's tough economic times, the State could benefit from the additional income and the future increased spending generated when businesses actually own the land they sit on.

We as SIBA business owners like other small business owners have put in substantial capital and sweat labor into our businesses and towards the infrastructure improvements of Sand Island. Our hope and dream as small business owners is to one day own the land we do business on and have the option to purchase the fee.

Therefore, I am in favor of passage of HB 1164 in its original form or HB 1164 HD 1, because it benefits the State as well as all the small businesses in the Sand Island Industrial Park.

Sincerely,

Kent Matsuzaki
for Kent Matsuzaki
President

S AND M WELDING CO., LTD.

1320 Kalani Street, #202 Honolulu, HI 96817-4920

Telephone: (808) 848-0090 Fax: (808) 848-0323

License No. C-2652

LATE

FAKED

March 15, 2011

Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street, Room 225
Honolulu, Hawaii 96813

SUPPORT FOR HOUSE BILL 1164, RELATING TO PUBLIC LANDS

Dear Donovan M. Dela Cruz, Chair and Committee Members:

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 18 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$1,000,000.00 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Very truly yours,
S AND M WELDING CO., LTD.

Daniel P. Woo
Daniel P. Woo, President

DPW:ag

IMUA SALES & SERVICE Inc.
335 Hookela Place
Honolulu, HI 96819
PH: (808) 845-2579

LATE

March 14, 2011

To: Honorable Donovan M. Dela Cruz,
Chair Committee on Water, Land and Housing
Senate
415 South Beretania Street room 225
Honolulu, HI 96813

From: Keith Souza
Vice President
Imua Sales and Service Inc.
335 Hookela Place
Honolulu, HI 96819

RE: **Support for House Bill 1164, Relating to Public Lands**

Dear Donovan M. Dela Cruz, Chair and Committee Members:


I am a small business owner with a company involved in the sales and service of low voltage equipment. As a member of Sand Island Business Association (SIBA) and one of the 112 leaseholders of the Sand Island Industrial Park (SIIP I am in support of HB 1164.

Over the last 18 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$500,000 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements, re-invest in my business, and make long term plans. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164 in its original formor HB 1164 HD 1, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,



Keith J. Souza
Vice President
Imua Sales & Service Inc.