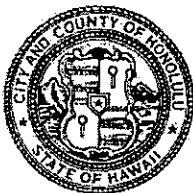


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

March 1, 2011

The Honorable Marcus R. Oshiro, Chair
and Members
Committee on Finance
House of Representatives
The Twenty-Sixth State Legislature
State Capital
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: House Bill 270- Relating to the Counties

The City and County of Honolulu strongly supports H.B. 270, which will eliminate the public auction requirement in the disposition of easements to the private property owners.

Without the requirement of the public auction, there will be savings in labor, time and costs for the Counties and the private property owners requesting the easements. Conducting a public auction may imply that an interest in County property is being offered on a fair and equal basis to the public. However, an easement request over County property will generally only benefit the requestor, and will not have any detrimental impact on other requestors because of the nonexclusivity of the easements. Obtaining the prior approval of the City Council for the easements at public hearings provides the public forum and review of the easement grants.

As an illustration, the City received a request from a private property owner for an access easement over a portion of the City's Waianae Refuse Convenience Center Site. The City had acquired various properties for the Waianae-Iki Food Control project, and as a result, had severed access to this particular private property. The granting of the access easement was necessary to the private owner because the private property was landlocked. After obtaining the City Council's approval, the City was still required to set up the public auction to grant the access easement that would only benefit the particular private owner. Another example involved a private property owner that had requested a sewer easement for his home over the City's Waialii Stream Channel. Although the private sewer line would only service his property, the public auction had to be conducted because of the public auction requirement.

The Honorable Marcus R. Oshiro, Chair
and Members
Committee on Finance
House Bill 270- Relating to the Counties
Page 2

The elimination of the public auction requirement does not affect the easement grants for governmental or public utility purposes or for renewable energy seawater air conditioning district cooling systems that are granted without public auctions. The proposed revisions were provided to the Counties of Hawaii, Maui, and Kauai, the various utility companies, and the State Department of Land and Natural Resources, and no objections were received.

H.B. 270 has no cost impact to the State and provides greater efficiencies to the Counties. We respectfully request the passage of H.B. 270.

Sincerely,



Michael R. Hansen, Director
Department of Budget and Fiscal Services

**Testimony before the
Committee on Finance
House of Representatives, Regular Session of 2011**

**by Philip Hauret
Senior Land Agent, Land & Rights of Way Department
Hawaiian Electric Company, Inc.**

**March 2, 2011
Agenda #4**

House Bill 270, Relating to the Counties

Chair Oshiro and Members of the Committee:

My name is Phil Hauret and I am testifying on behalf of the Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company.

We support House Bill 270. This bill streamlines the process whereby the counties, upon approval of the respective county council, can grant easements over county land for various purposes, including public utility purposes. In particular, the bill clarifies that these easements can be granted in perpetuity by direct negotiation and eliminates the need to conduct public auctions. Since the granting of such easements is almost always to parties who are proposing very specific uses of county property, the conducting of a public auction becomes an unnecessary step for the simple reason that no other member of the public would be interested in obtaining the easement. Therefore, a public auction does nothing to enhance value to the county.

For these reasons, we believe that the proposed language of HB 270 will streamline the process by which these easements are granted while ensuring that the county receives fair value. We urge the committees to pass HB 270 in its current form.

Thank you for the opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, March 01, 2011 8:42 AM
To: FINTestimony
Cc: marcia.wright@heco.com
Subject: Testimony for HB270 on 3/2/2011 1:00:00 PM
Attachments: HB270 FIN Testimony 3-2-11.pdf

Attachment was
blank

Testimony for FIN 3/2/2011 1:00:00 PM HB270

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: Philip Hauret
Organization: Hawaiian Electric company
Address:
Phone:
E-mail: marcia.wright@heco.com
Submitted on: 3/1/2011

Comments: