

HB 270

RELATING TO THE COUNTIES

Eliminates the public auction requirement for the disposition of easements on county property
for a specific purpose.

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



MICHAEL R. HANSEN
DIRECTOR

March 17, 2011

The Honorable Will Espero, Chair
and Members of the Committee on Public Safety,
Government Operations, and Military Affairs
The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Water,
Land, and Housing
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Espero and Dela Cruz and Members:

Subject: House Bill 270 – Relating to the Counties

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

We are proposing the amendments to Section 46-66, HRS because our department receives many requests in which private property owners need easements for specific purposes over the City and County of Honolulu's properties. The easements that are requested have only benefited said property owners; however, because of the public auction requirement, we are required to set up the public auctions after we obtained the Honolulu City Council's approval, for these 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.

For example, the City Council's approval was received for an access easement as requested by a private property owner over a portion of the City's Waianae Refuse Convenience Center Site. In 1966, the City had acquired various properties for the Waianae-Iki Flood Control project, and as a result, severed access to this particular private property. While the access easement was necessary because the private property was landlocked, the City was still required to set up the public auction to grant the access easement after obtaining the City Council's approval. Another example involved a property owner that was granted a surface easement for sewer line purposes by the City Council over the City's Waialii Stream Channel that required the public auction process despite benefiting only that particular property owner.

The Honorable Will Espero, Chair
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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 approval of the City Council for the easements at public hearings provides the public forum and review of the easement grants.

We appreciate the opportunity to testify and respectfully urge the Committee to support the passage of HB 270.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Hansen", with a long horizontal flourish extending to the right.

Michael R. Hansen, Director
Budget and Fiscal Services

**Testimony before the
Committee on Public Safety, Government Operations & Military Affairs and
the Committee on Water, Land, and Housing
Senate, Regular Session of 2011**

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

March 22, 2011

House Bill 270, Relating to the Counties

Chairs Espero and Dela Cruz and Members of the Committees:

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.