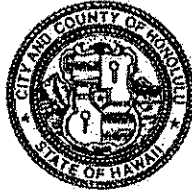


DEPARTMENT OF BUDGET AND FISCAL SERVICES
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ACTING DIRECTOR

February 11, 2011

The Honorable Jerry L. Chang, Chair
and Members
Committee on Water, Land, & Ocean Resources
House of Representatives
The Twenty-Sixth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chair Chang 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 Flood 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 Wai'alii

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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 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, Acting Director
Budget & Fiscal Services