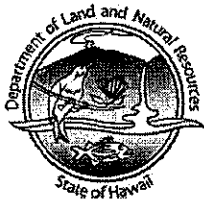


NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**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 House Committee on  
FINANCE**

**Wednesday, March 2, 2011  
11:00 AM  
State Capitol, Conference Room 308**

**In consideration of  
HOUSE BILL 324, HOUSE DRAFT 1  
RELATING TO HISTORIC PRESERVATION**

House Bill 324, House Draft 1 establishes the South Kona Wilderness Area, a primitive, wilderness area from Honomalino to Manuka, a concept that was initially proposed in 1971 by the Association of Hawaiian Civic Clubs with the support of the Bishop Museum. The Department of Land and Natural Resources (Department) supports the intent of this bill but asks that it be amended further.

The South Kona Wilderness Area was established under Act 59, of the 2003 Legislature. This Act however, was repealed in 2007 when the Kapua land acquisition did not take place.

Under this measure, approximately 22,000 acres are proposed for designation as a wilderness area, including portions of the shoreline consisting of five ahupua'a: Honomalino, Okoe, Kaulanamauna, Kapu'a, and Manukā. Except for the privately-owned lands in Kapu'a, and several in holdings in Honomalino, most of the other lands are owned by the State. The Department notes that there may be legal implications associated with this designation and the portion of the proposed wilderness area that is private land.

The current magnitude of public use at Manuka Beach along this portion of the coastline is not compatible with a designation as a Natural Area Reserve (NAR). The recreational use for overnight camping conflicts with the policy and management of the Manuka NAR and as such, would not be permitted. The Department requests that the House Draft 1 be amended to reflect the same language as is used in the companion Senate Bill 1154, Senate Draft 1, on Page 3, Lines 9 and 10:

(5) Manuka: [~~Extension of the Manuka natural area reserve boundary to the shoreline~~], change to:

WILLIAM J. AILA, JR.  
INTERIM 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

(5) Manuka: All lands from the shoreline to the Manuka natural area reserve boundary.

The Department supports the this measure, with the requested amendments, to preserve a 13 mile long coastline from urban/resort development and preserve the area's important historic, cultural, scenic, environmental and biological resources. Thank you for the opportunity to provide written testimony.

PHONE (808) 594-1888

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**STATE OF HAWAII**  
**OFFICE OF HAWAIIAN AFFAIRS**  
711 KAPI'OLANI BOULEVARD, SUITE 500  
HONOLULU, HAWAII 96813

March 1, 2011

Hawaii State House of Representatives  
Committee on Finance  
Wednesday, March 2, 2011  
11:00 am

**HB 324 -- Testimony in SUPPORT**

Aloha Chair Oshiro, Vice Chair Lee and members of the Committee on Finance,

Mahalo for this opportunity to offer **Testimony Supporting House Bill 324 Relating to Historic Preservation.**

There is much forethought and insight in this House Bill. From a **Growth Perspective** the future of Hawai'i is on Moku O Keawe, on the island of Hawai'i. Our island is relatively untouched; it is a "Sleeping Giant" waiting to be awakened from a long slumber.

As the island develops and urbanizes across time, keeping the lands identified in **HB 324 in Wilderness NOW**; Honomalino, Okoe, Kapu'a, Kaulanamauna and Manukā (portions of) will preserve these lands in **Open Space** for enjoyment by future generations **forever.**

Aloha 'Āina,

Robert K. Lindsey, Jr.  
Trustee, Hawai'i Island  
Office of Hawaiian Affairs

Testimony of The Nature Conservancy of Hawai'i  
Commenting on H.B. 324 HD 1 Relating to Historic Preservation  
House Committee on Finance  
Wednesday, March 2, 2011, 11:00AM, Rm. 308

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*The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawai'i's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i. We also work closely with government agencies, private parties and communities on cooperative land and marine management projects.*

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The Nature Conservancy of Hawai'i submits the following comments on H.B. 324 HD 1:

The lands proposed under this bill to become the South Kona Wilderness Area include cultural resources as well native dry land forest cover, which is becoming increasingly rare throughout the state. The Nature Conservancy is available to continue to work with the State, the landowners, and other interested parties to help achieve appropriate protection for the resources in this land area.

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THE RESORT GROUP

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY SIXTH LEGISLATURE  
Regular Session of 2011

Testimony of Abbey S. Mayer, Vice President, Government Relations  
THE RESORT GROUP

Supporting the INTENT of HB 324, HD1, Relating to Historic Preservation

Wednesday, March 2, 2011, 11:00 AM -- Room 308

Aloha Chair Oshiro, Vice-Chair Lee, and Members of the Committee,

The Honolulu-based The Resort Group (TRG) acquires, master develops, repositions and markets domestic and international mixed use and master-planned resort communities. Led by Jeffrey R. Stone, TRG's resort development projects are carefully designed to balance resident, visitor and employee needs with community interests, local cultural values and adjacent land use requirements. Current projects include Ko Olina Resort & Marina and Makaha Valley Country Club on O'ahu, Princeville at Hanalei (Kaua'i), Lands of Kapu'a (Big Island), the Newport Beach Hotel in California and Cape Eleuthera, Bahamas.

**BACKGROUND**

In 2003, Act 59 Session Laws established a South Kona Wilderness Area and provided for the creation of a management plan for the area. Act 59 was subsequently repealed in 2007 by Act 215, Session Laws of 2006.

Named in both Act 59 and this current proposal, HB 324, HD1 (§6E-B(a)), are the lands of Kapu'a, approximately 7,780 total acres, including four TMK's that are designated as Lots D-2-1, 2, 3 & 4 (TMK's 8-9-06-03, 19, 28 & 35). Approximately 902 acres in Lot D-2-1 are currently in the State Conservation District, while the remaining 6,878 acres are in the State Agricultural District.

Approximately 70% of the interest in the Kapu'a parcels noted above are owned by TRG-controlled companies. The remaining 30% are owned by other partners.

**HB 324, HD1:**

TRG has long supported, and continues to support the inclusion of the lands of Kapu'a in the South Kona Wilderness Area. We will work cooperatively with the State and other interested partners in the sale of these lands.

TRG opposes only one aspect of this proposal, **§6E-E Designation of Lands within the Conservation District**. Section §6E-E proposes to reclassify all lands described in §6E-B(a), including the lands of Kapu'a, automatically and immediately into the State Conservation District, without any proceedings before the State Land Use Commission (LUC), upon the effective date of this measure.

As stated in the State Attorney General's Office testimony on a similar bill (SB 1154, SD1) dated February 12, 2011, before the Joint Senate Committees on Water, Land & Housing and Hawaiian Affairs, TRG believes that this provision of HB 324, HD1 would be considered a **regulatory taking**. TRG believes that the State should only act to redistrict Kapu'a **AFTER** purchasing the lands.

HB 324, HD1 authorizes the State to purchase the lands of Kapu'a, but until the closing these lands will remain in private ownership. TRG believes the down-zoning and subsequent devaluation of these lands is not a just manner in which to open negotiations, and **could increase the ultimate cost of this measure to the State**. TRG believes that retaining Agricultural Classification of the approximately 6,878 acres of Kapu'a will not adversely impact the State's ability to acquire these lands for preservation. **TRG humbly requests that the Committee delete §6E-E of HB 324, HD1, especially inasmuch as it applies to the Kapu'a parcels.**

TRG would also like to note that Hawaii Revised Statutes, Chapter 205, gives sole authority for the redistricting of parcels greater than 15 acres in size to the State Land Use Commission (LUC), whose Administrative Rules provides a system of due process for all land owners seeking redistricting of their lands. This process allows for a comprehensive and holistic consideration of multiple, complex and often competing interests prior to deciding the appropriate disposition of the State Land Use Classification. Section §6E-E of HB 324, HD1 would deprive private land owners, immediate neighbors, other affected parties and the general public of the due process rights afforded by the LUC and its procedures.

TRG thanks the Committee for the opportunity to provide comments, and looks forward to partnering with the State on the protection of these precious lands.

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 1, 2011

The Honorable Marcus R. Oshiro, Chair  
The Honorable Marilyn B. Lee, Vice Chair

House Committee on Finance

**Re: HB 326; HD1 – Relating to Health**

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 326, HD1 which would authorize the Department of Human Services (DHS) to allow QUEST-eligible individuals to access telehealth services. HMSA supports this measure.

The Legislature authorized \$350,000 in Act 162, SLH 2009, for the purchase of a mobile medical van for services to the South Kona, Ka'u, and upper Puna areas of Hawaii Island, and Kona Hospital is just about to acquire the vehicle.

In 2010, the Legislature passed S.B. 2491, SD2, HD1, CD1, which would have authorized telehealth services under the Department of Human Services' Medicaid or QUEST program. However, the Governor vetoed that message indicating that federal funding was not authorized for that purpose, and State General Funds also were not appropriated for the medical van services. This Bill addresses the Governor's concerns by acknowledging the efforts of the Hospital to secure non-governmental funding for the operations of the van. Kona Hospital worked with HMSA, and we will be financing a two-year pilot medical van program. HMSA recognizes Hawaii Island's unique demographics – a population widely dispersed over a large geographic area – making a mobile medical van an ideal service.

In addition, we have been discussing this project with DHS and will continue working with them. Thank you for the opportunity to testify. Again, HMSA is pleased to support this Bill.

Sincerely,

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

Jennifer Diesman  
Vice President  
Government Relations