

HB331 HD2 SD2

Proposed SD2: Restricts the rental period of certain leases granted by BLNR to not more than 65 years. Amends the definition of "wildlife" in chapter 197, Hawaii Revised Statutes. Prohibits the introduction of wildlife on state lands by any persons without the authorization of the department of land and natural resources. Establishes a public corporation to administer an appropriate and culturally-sensitive public land development program. Places Ala Wai boat harbor under the management of the public land development corporation. Allows the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi harbors. Provides for future mooring fees to be established by appraisal by a state-licensed appraiser. Directs DLNR to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai small boat harbor facilities that are presently under-used to maximize the revenue potential from its facilities. Effective 7/1/2050.

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 Committees on
WATER, LAND, AND HOUSING
and
WAYS AND MEANS**

**Thursday, March 31, 2011
1:30 PM
State Capitol, Conference Room 225**

**In consideration of
HOUSE BILL 331, HOUSE DRAFT 2, SENATE DRAFT 1, PROPOSED SENATE
DRAFT 2
RELATING TO PUBLIC LANDS**

House Bill 331, House Draft 2, Senate Draft 1, Proposed Senate Draft 2 meshes four separate prior measures into one, by: (1) Amending Section 171-36, Hawaii Revised Statutes (HRS) authorizing the Department of Land and Natural Resources (Department) to extend the term of certain public land leases to a maximum aggregate term of sixty-five (65) years; (2) Amending the definition of "wildlife" in Chapter 197, HRS, and prohibiting the introduction of wildlife on state lands by any persons without the authorization of the department of land and natural resources; (3) Establishing a public corporation to administer an appropriate and culturally-sensitive public land development program and placing Ala Wai Small Boat Harbor under the jurisdiction of the corporation; and (4) Amending certain provisions relating to small boat harbors that include (a) Allowing the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi Harbors; (b) Providing for future mooring fees to be established by appraisal by a state-licensed appraiser; and (c) Directing the Department to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai Small Boat Harbor facilities that are presently underused to maximize the revenue potential from its facilities. The Department supports the substantive intent of this measure, but opposes the placement of the Ala Wai Boat Small Harbor in the proposed Public Land Development Corporation at this time and recommends certain technical amendments to the bill as described below.

Lease Extensions, Section 171-36, HRS

Leases of public lands are governed by Chapter 171, HRS. In particular, Section 171-36(a)(2), HRS, imposes a maximum term of sixty-five (65) years for leases of public lands.

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
KAIHOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Section 171-36(b)(3), HRS, allows the Department to extend the term of public land leases in certain situations and subject to certain requirements and restrictions. One of the restrictions is provided in Section 171-36(b)(3)(2), HRS, which provides that the aggregate of the initial term and any extension shall not exceed fifty-five (55) years. The Department does not know why the aggregate term of extended leases is limited to 55 years when the overall maximum term for public land leases is 65 years.

The Department believes the intent of House Bill 331, House Draft 2, Senate Draft 1 is to amend Section 171-36(b), HRS, to make the maximum term allowed for extended leases to be 65 years, which is the same as the overall maximum term allowable under Section 171-36(a), HRS when initially issuing the lease by auction or other public process provided with Chapter 171, HRS. However, the bill seeks to accomplish this by amending Section 171-36(b)(2), HRS, and a portion of the existing Section 171-36(b)(3)(2), HRS to be relabeled as a new subsection 171-36(c).¹

The existing law, Section 171-36(b)(2), HRS, addresses extensions to the fixed rental period of a lease, not to the overall term of a lease. Therefore, the Department believes the intent of the bill can be accomplished by simply amending the existing Section 171-36(b)(3), HRS, rather than Section 171-36(b)(2), HRS, etc. as aforesaid. The Department believes the following amendment to subsection 171-36(b) is a more simplified method of accomplishing the goal of allowing lease extensions up to the maximum allowable term of 65 years:

"(b) The board, from time to time, upon the issuance or during the term of any intensive agricultural, aquaculture, commercial, mariculture, special livestock, pasture, or industrial lease, may:

- (1) Modify or eliminate any of the restrictions specified in subsection (a);
- (2) Extend or modify the fixed rental period of the lease; or
- (3) Extend the term of the lease

to the extent necessary to qualify the lease for mortgage lending or guaranty purposes with any federal mortgage lending agency, to qualify the lessee for any state or private lending institution loan, private loan guaranteed by the State, or any loan in which the State and any private lender participates, or to amortize the cost of substantial improvements to the demised premises that are paid for by the lessee without institutional financing, such extension being based on the economic life of the improvements as determined by the board or an independent appraiser; provided that the approval of any extension shall be subject to the following:

- (1) The demised premises have been used substantially for the purpose for which they were originally leased;
- (2) The aggregate of the initial term and any extension granted shall not be for more than [~~fifty-five~~] sixty-five years;
- (3) In the event of a reopening, the rental for any ensuing period shall be the fair market rental at the time of reopening;

¹ Senate Draft 1 divided and relabeled portions of the existing Section 171-36(b) to a new Section 171-36(c), and relabeled existing subsections (c) through (e) as new subsections (d) through (f). The Department believes the Section 171-36 amendment in this bill is more complicated than is necessary and offers a very simple amendment of Section 171-36(b) as noted above.

- (4) Any federal or private lending institution shall be qualified to do business in the State;
- (5) Proceeds of any mortgage or loan shall be used solely for the operations or improvements on the demised premises;
- (6) Where improvements are financed by the lessee, the lessee shall submit receipts of expenditures within a time period specified by the board, otherwise the lease extension shall be canceled; and
- (7) The rules of the board, setting forth any additional terms and conditions, which shall ensure and promote the purposes of the demised lands."

Accordingly, the Department recommends that SECTION 1 of the bill be amended to simply amend Section 171-36(b), HRS, as noted above.

The Department also notes that if the intent of this portion of the bill is to make the maximum term for extended leases to be consistent with the overall maximum term for leases of public land, i.e., 65 years, your Committee may also consider amending Section 171-36(e)(2), HRS, to make the maximum term for leases extended due to the lessee suffering economic hardship also 65 years.

Aquatic Resources and Wildlife, Chapter 197, HRS

The Department supports the intent of the Senate amendments in SECTIONs 2 and 3 of House Bill 331, House Draft 2, Senate Draft 2, to amend Chapter 197, HRS, to define "wildlife" and prohibit the introduction of non-domesticated mammals such as wild pigs, deer, and rabbits to public or private lands by anyone without the authorization of the Department. The Department agrees with the policy intention that damaging or invasive, non-native wildlife should not be introduced into areas of the state where they do not occur. However, the Department notes that the amendment pertains to private lands and the title of the bill may be too narrow for this amendment. This amendment may be appropriate for another bill with a broader title. Additionally, the Department has concerns about the proposed change in definition of wildlife to include "certain mammals obtained after being reared". The definition is too broad for wildlife, and would place domesticated farm and ranch animals and pets such as cats and dogs under the regulatory oversight and responsibility of the Department on private lands. The Department recommends retaining the definition as it currently is (no change) which will still prevent the spread of exotic game and wild animals to new areas of the state, which is needed, but not impede on management and movement of domestic and personal animals regulated by the Hawaii Department of Agriculture or the Counties.

In the event the Chapter 197, HRS, amendments remain in this bill, the Department recommends a severability clause be added.

Public Land Development Corporation

The Department appreciates and supports the intent of the bill to create a development arm of the Department to assist in making optimal use of public lands by creating recreation and leisure areas and revenue-generating opportunities for the new corporation and the Department.

It is the Department's understanding that public land parcels to be developed by this corporation are intended to be leased to the corporation by the agencies having jurisdiction over those parcels. This arrangement is intended to provide some lease revenue income for those agencies

while the property is being developed. As such, the Department recommends that the following language be inserted into Section -16 of PART III of this bill to expressly allow leasing of lands from other entities: " If the corporation finds that state lands under the control and management of other public agencies are suitable for its purposes under this chapter, the corporation may lease the lands from the agency having the control and management of those lands, upon such terms and conditions as may be agreed to by the parties."

The Department notes that most if not all of the lands that would be befitting to be transferred to the new corporation would be vacant undeveloped parcels that currently do not generate any revenues. Because these parcels would require at least five (5)+ years to be developed and leased out before seeing any significant revenues, an appropriation of an adequate amount is contemplated in Section -5 of PART III of the bill.

A conservative estimate of the annual costs to support a new 5-member Board, Board secretary, an Executive Director and an initial professional support staff of two², the procurement of consultants³, and adequate funding to pay rent on vacant lands to agencies having management control over lands transferred to the corporation as noted in the above Departmental proposed amendment to the bill, would at least be one (1) million annually. As noted above, because the corporation would not see any significant revenues from vacant undeveloped lands for at least five (5) years, the Department requests that Section -5 of PART III of the bill be amended to include a two (2) million dollar (\$2,000,000) appropriation for the biennium from the General Fund, with an understanding that continued funding support would be required at least through years 3 to 5 from the passage of this bill.

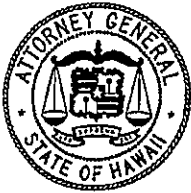
The Department opposes the placement of the Ala Wai Small Boat Harbor in the public land development corporation because the Department has already made substantial progress in developing the Harbor and transfer of development responsibilities to the corporation at this time would be disruptive and counterproductive. Moreover, while all revenue attributable to the Ala Wai Boat Small Harbor should be deposited into the Boating Special Fund, the corporation's fiscal structure requires those excess funds to be deposited into the Special Land and Development Fund.

Small Boat Harbors (Ala Wai Small Boat Harbor)

Regarding PART IV, Rehabilitation of the Ala Wai Small Boat Harbor, the department supports the amendments to the HRS but, as stated above, does not support the transfer of the Ala Wai small boat harbor from the Department's Division of Boating and Ocean Recreation (DOBOR) to the newly created Public Lands Development Corporation. The State Small Boat Harbor Program was created because the majority of the small boat harbors are not self-sufficient and rely on revenues generated from the larger facilities to subsidize their operating expenses. The Department is also responsible for maintaining all state launch ramps and managing all state waters. The revenues generated from the fast lands within the state small boat harbors is used to support these functions. Should the Ala Wai Small Boat Harbor be transferred out of DOBOR, the Division will not be able to meet the basic operating expenses of the remaining facilities on Oahu as well as some on the neighbor islands. The Department supports the amendments to the HRS and requests that the Ala Wai Small Boat Harbor remain under the jurisdiction of DOBOR.

² Anticipated costs of a Board include members air travel, auto and a per diem for meals; anticipated costs for office supplies for a Board secretary, Executive Director, planner and project development specialist.

³ Such as real estate consultants and appraisers.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2011**

ON THE FOLLOWING MEASURE:

H.B. NO. 331, H.D. 2, S.D. 2, RELATING TO PUBLIC LANDS.

BEFORE THE:

SENATE COMMITTEES ON WATER, LAND, AND HOUSING AND ON
WAYS AND MEANS

DATE: Thursday, March 31, 2011 **TIME:** 1:30 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): David M. Louie, Attorney General, or
Pamela K. Matsukawa, Deputy Attorney General

Chairs Dela Cruz and Ige and Members of the Committees:

The Department of the Attorney General opposes part II of this measure (Wildlife on Public Lands) as being unconstitutional under the subject and title of the bill.

The purpose of the bill is (1) to increase the aggregate term of an intensive agricultural, aquaculture, commercial, mariculture, special livestock, pasture, or industrial lease that is being extended for financing purposes, from fifty-five to sixty-five years; (2) to amend the definition of "wildlife" and prohibit "any persons," in addition to the Department of Land and Natural Resources, from deliberately introducing aquatic life and wildlife into any habitat within the State, unless the introduction is recommended by the department and authorized by the department's rules; (3) to establish a public land development corporation; and (4) to transfer jurisdiction of commercial and residential use of the Ala Wai Small Boat Harbor to the public land development corporation and provide for rehabilitation of the harbor.

Article III, section 14, of the Hawaii Constitution provides in part that, "Each law shall embrace but one subject,

which shall be expressed in its title." The subject expressed in the title of this bill is "Public Lands." The focus of part II of the bill is wildlife, not public lands.

Furthermore, the prohibition on introducing aquatic life and wildlife applies to all lands within the State, whether publicly or privately owned. Section 197-3(a), Hawaii Revised Statutes (HRS), provides that "No species of aquatic life and wildlife shall be deliberately introduced . . . into any habitat within the State." "Habitat" is defined in section 197-1, HRS, as meaning "a locality or environment in which aquatic life, wildlife or land plants (as defined in chapter 195D) grow or live." This definition clearly applies to both public lands and private lands.

In conclusion, the provisions on "wildlife" in the bill go beyond the subject and title of "Public Lands" and are unconstitutional. We respectfully request that part II be removed from the bill.

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON WATER, LAND AND HOUSING
AND WAYS AND MEANS
ON
HOUSE BILL NO. 331, H.D. 2,S.D. 1, PROPOSED S.D. 2

March 31, 2011

RELATING TO PUBLIC LANDS

House Bill No. 331, H.D. 2,S.D. 1, Proposed S.D. 2,e establishes the public land development corporation and the Hawaii public land development revolving fund into which any moneys appropriated to the fund by the Legislature or other moneys made available to the fund shall be deposited.

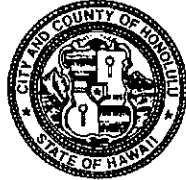
The department recognizes the benefit of user fees to offset operational expenses and costs. However, as a matter of general policy, the Department of Budget and Finance expects the creation of any revolving fund would meet the requirements of Section 37-52.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 331, H.D. 2, S.D. 1, Proposed S.D. 2, it is difficult to determine whether the fund will be self-sustaining.

In addition, the Public Land Development Corporation, as a for profit entity, may not be able to issue tax-exempt revenue bonds. Taxable revenue bonds, with interest rates higher than those of tax-exempt revenue bonds, may need to be issued to finance the projects.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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PETER B. CARLISLE
MAYOR



DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

March 31, 2011

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Water, Land
and Housing

The Honorable David Y. Ige, Chair
and Members of the Committee on Ways
and Means

State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Dela Cruz, Ige, and Members:

**Subject: House Bill No. 331, HD2, Proposed SD2
Relating to Public Lands**

The Department of Planning and Permitting **opposes Section 4, § -19** of House Bill No. 331, HD2, Proposed SD2. This new chapter, pertaining to the Public Land Development Corporation specifically exempts the corporation from compliance with otherwise applicable county zoning, subdivision, and permitting requirements, which is an infringement of "home rule".

The proposed exemption is too broad, and the intended purpose is unexplained. Further, there is no statement of purpose, description of the issue or an identified problem with county regulations or requirements that the proposed exemption is supposed to address.

Accordingly, we believe that Section 4, § -19 of House Bill No. 331, HD2, Proposed SD2 should be deleted from this bill.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

DT:
hb331hd2sd2draft-PublicLands-ms.doc



Ocean Tourism Coalition

The Voice for Hawaii's Ocean Tourism Industry
Century Square-1188 Bishop St., Ste. 1003
Honolulu, HI 96813-3304
(808) 537-4308 Phone (808) 533-2739 Fax
timlyons@hawaiiantel.net

March 31, 2011

Testimony To: Senate Committee on Water, Land, and Housing
Senator Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means
Senator David Y. Ige, Chair

Presented By: Tim Lyons, CAE
Executive Director

Subject: H.B. 331, HD 2, SD 1, Proposed SD 2 - RELATING TO PUBLIC LANDS

Chair Dela Cruz, Chair Ige and Members of the Joint Committees:

I am Tim Lyons, Executive Director of the Ocean Tourism Coalition and we would like to request a small amendment on this bill.

Section 11 allows the Department to establish and pass on common area and maintenance fees including water and electrical charges.

We need to point out to this Committee that the commercial tourism operators took a fifty percent (50%) increase in their fees quite recently while recreational boaters have not seen

such an increase therefore, it is our opinion that the utility fees ought to be considered as inclusive when we pay our fees.

For the Committee's information, commercial boaters pay three percent (3%) fee on their gross sales so combined with the general excise tax, they are paying a seven (or 7 1/2% Oahu) tax on their gross sales. An unheard of amount. Particularly with the recent tsunami disaster in Japan, our members are experiencing a number of cancellations from tours that are coming up and we expect that to continue beyond the effective date of this bill. Therefore, we do not think at this time, commercial operators should be burdened with these extra charges since they already pay far more than their fair share. As a footnote we would like you to know that while our commercial boats only comprise about three percent (3%) of the entire boating fleet, we pay about fifty percent (50%) of the fees and, therefore, we think that we are already paying more than our fair share.

Thank you.

H.B. 331, HD 2, SD 1, Proposed SD 2 - Relating to Public Lands

- (6) In addition, the department is authorized to assess and collect utility fees, including electrical and water charges, and common area maintenance fees in small boat harbors; provided that the fees referenced in Section 200-10(c)(5) shall be considered inclusive of all utility and common area maintenance fees.

Notes:

Commercial boaters now pay 3% of their gross sales as a moorage fee (so, the equivalent of a 7% GET). This was raised 50% (from 2% to 3% of gross sales) only a few years ago in advance of any increase for the recreational boaters.

Commercial boaters account for something less than 3% of the total number of boats but pay around 50% of the total fees.



THE HOUSE
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2011

COMMITTEE ON WATER, LAND, AND HOUSING
Senator Donovan M. Dela Cruz, Chair
Senator Malama Solomon, Vice Chair

COMMITTEE ON WAYS AND MEANS
Senator David Y. Ige, Chair
Senator Michelle Kidani, Vice Chair

DATE: Friday, March 31, 2011

TIME: 1:30pm

PLACE: Conference Room 225, State Capitol
415 South Beretania Street

RE: Testimony In Opposition to HB331 HD2 SD2 Relating to Public Lands, as presently written, although in support of HB331 HD2 with amendments previously provided.

Aloha Chairs Dela Cruz and Ige, Vice Chairs Solomon and Kidani, and Committee Members,

The Hawaii Aquaculture and Aquaponics Association (HAAA) supported the basic concept of HB331 HD2 with the three recommended changes previously submitted. However, HB331 HD2 SD2 is substantially changed, retaining the problematic provisions noted previously, while adding additional provisions of concern.

Specifically, the HAAA objects to the wording “aggregate sum” which is used throughout Part I of this bill, eg., p 5, lines 8-10, that places a finite of 65 years on the initial term and any extension whereby a longstanding good tenant and demonstrated steward of the land would be forced off their developed property in favor of a potentially unknown and problematic tenant, a non-resident land speculator, or potentially in favor of no tenant at all. Is this truly in the best interest of our current State goals of improving our economy, increasing our food security, and striving to meet our Constitutional mandate to become self sufficient in our food production?

The HAAA is also confused by the apparent discrepancy in maximum lease terms noted on p5, lines 8-10, which states 65 years, and p.8, lines 20 and 21; which states 55 years.

The HAAA is particularly concerned about Part II, page 10, lines 3-5 which prohibits any person from introducing any species of aquatic life into any habitat unless recommended and authorized by DLNR. This would appear to overstep the existing authority of the HDOA Plant Quarantine and the Board of Agriculture, and bypass the existing review process of the Technical Advisory Committee and the Plant and Animal Committee of which the DLNR is a standing member. Strictly interpreted as worded, this would also appear to prohibit the stocking of any aquaculture pond unless approved by DLNR. As such, this would not allow for the balanced review afforded by the current HDOA review process and would likely pose a crippling blow to the Hawaii aquaculture industry.

Part III of this measure is entirely new and very extensive. Inadequate time exists at this late date in the Legislative session to adequately review and comment on this substantial revision.

In summary, the HAAA could strongly support HB331 HD2 if amended to delete the term "aggregate sum". However, HB331 HD2 SD2, as currently written, appears very problematic.

Thank you for the opportunity to comment on this bill.

Ronald P. Weidenbach

A handwritten signature in black ink that reads "Ronald P. Weidenbach". The signature is written in a cursive, flowing style.

HAAA President

Hilo Bay Printing Co., Ltd.

since 1989

12 Po'okela Street • Hilo, Hawai'i 96720
(808) 969-1077 • hilo.bayprinting@hawaiiantel.net

3/30/11

In SUPPORT of HB331- Restricts the rental period of certain leases granted by the board of land and natural resources to not more than 65 years. Amends the definition of "wildlife" in chapter 197, Hawaii Revised Statutes, to include certain mammals that are non-domesticated but have been obtained after being reared, including but not limited to wild pigs, deer, and rabbits. Prohibits the introduction of wildlife on public or private lands by any persons without the authorization of the department of land and natural resources. (SD1)

COMMITTEE ON WATER, LAND, AND HOUSING

Senator Donovan M. Dela Cruz, Chair
Senator Malama Solomon, Vice Chair

COMMITTEE ON WAYS AND MEANS

Senator David Y. Ige, Chair
Senator Michelle Kidani, Vice Chair

Aloha Senators,

My name is Don O'Reilly, my family and I have owned and operated a commercial printing business in Hilo for over twenty years. In 2000, we acquired a DLNR industrial land lease, and invested a significant amount of our own money, blood, sweat and tears in renovating this neglected property.

In reading testimony on this bill, I think that just about everything that can be said has been said; small businesses need a place to conduct business, and in Hilo, the State is the largest landholder. If the legislature sees the value in, and the economic and social importance of our small businesses, let HB331 become law.

As a final thought, I would like to remind us all that Hilo once had a Western Auto, a Pennys, and a Borders. Once things got tough for them, they left. On the other hand, it is those of us with a love for our families and this special place we call home that continue to work it out, and contribute to our economy and this community, in good times and in bad.

Mahalo Nui,



Don O'Reilly



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March 25, 2011

Senator Donovan M. Dela Cruz
Chairman of the Senate Water, Land and Housing Committee
Hawaii State Capital
415 S. Beretania Street
Honolulu, Hawaii 96813

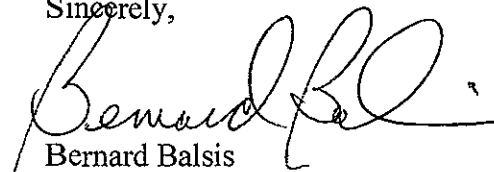
Dear Senator Dela Cruz,

I am writing in support of the businesses in Hilo Industrial Area future House Bill HB331. This legislation allows businesses who currently lease State land the opportunity to invest in their future and continue doing business in Hilo. As you know lease lands account for the vast majority of Industrial lands in Hilo and an uncertain future with the status of these lands only increases the hardship felt by businesses in this economic recession. Currently the Hilo Industrial Area is a blighted area, with many buildings in disrepair, by extending the current leases, Lenders will be able to lend to these businesses and they will be able to get the much needed funding to make capital improvements.

The recent economic recession has hit the Big Island hard, especially East Hawaii. During these times, it is critical that small business be given opportunities to invest in themselves and to survive. This Bill will provide that opportunity.

Thank you for introducing this bill into the Hawaii State Legislature. If it passes, the affected Lessees will be able to plan accordingly. Please convey my wholehearted support to the relevant legislative committees and leaders of each chamber.

Sincerely,



Bernard Balsis
President