

**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:
H.B. NO. 1829, RELATING TO LEASES.

BEFORE THE:
HOUSE COMMITTEE ON ECONOMIC REVITALIZATION AND BUSINESS

DATE: Tuesday, February 14, 2012 **TIME:** 8:30 a.m.

LOCATION: State Capitol, Room 312

TESTIFIER(S): David M. Louie, Attorney General, or
Craig Y. Iha, Deputy Attorney General

Chair McKelvey and Members of the Committee:

The Department of the Attorney General (the "Department") appreciates the intent of this bill to assist local small businesses but must oppose it.

Purpose

The purpose of the bill is to alter the contractual relationship between lessors and lessees of commercial and industrial property. The bill gives lessees the option to extend otherwise expired leases for at least 35 years. The lease rent for the new term is to be set by a formula stated in the bill. If the lessor and lessee cannot agree on lease terms, then the lessee is given the right to purchase the property at a formula set by the bill. If the lessee neither renews the lease nor buys the property, then a "one hundred percent windfall surcharge tax" is levied on the lessor.

In addition, section 3 of the bill appears to broaden existing section 519-1, Hawaii Revised Statutes (HRS), so that it also covers State-owned land.

Discussion

As written, it is not clear whether the bill is intended to apply only to new leases that are entered into after passage or whether it applies to all leases that expire after passage. Generally speaking a retroactive law is one that takes away or impairs vested rights acquired under existing laws or attaches a new obligation, imposes a new duty, or attaches a new disability with respect to transactions or considerations already concluded. Employees Retirement Sys. v. Chang, 42 Haw. 532, 535 (1958). Retroactive laws are not favored and all laws will be construed as prospective unless retrospective application is clearly intended and expressly declared, or is

necessarily implied from the language used. Clark v. Cassidy, 64 Haw. 74 (1981). This principle is particularly applicable where the statute or amendment involves substantive, as opposed to procedural, rights. Clark, 64 Haw. at 77; Dash v. Wayne, 700 F. Supp. 1056 (D. Haw. 1988).

If the bill is passed and challenged, a court considering it would construe the statute to avoid the constitutional problem if at all possible. Matsuda v. Wada, 128 F. Supp. 2d 659, 665 (D. Haw. 2000). Such a construction would also favor its application only to new leases.

In any event, rather than leaving the issue open to interpretation, we recommend clarifying the intent of the bill. If it applies only to new leases that are entered into after passage, it may not have any practical effect for decades. If it applies to all existing leases that expire after passage, it is likely unconstitutional for reasons we now address.

First the bill proposes to alter the contractual relationship between lessors and lessees in favor of lessees. The Contract Clause of the United States Constitution, article I, section 10, clause 1, provides that “No State shall . . . pass any . . . Law impairing the Obligation of Contracts.”

Although the wording of the Contract Clause is facially absolute, there are circumstances in which the State may constitutionally affect existing contractual rights. The more drastic the change, the more closely a court will examine it.

If there is a substantial impairment, the State must have a significant and legitimate public purpose behind the regulation such as the remedying of a broad and general social or economic problem. Once the legitimate public purpose is identified, a court would consider whether the change to the contract is “based upon reasonable conditions” and is reasonably designed to promote the purpose.

The bill substantially alters existing contracts by forcing lessors to extend the terms of existing leases and regulating the lease rents they may charge. The articulated purpose for doing so is that otherwise “thousands of businesses” could be looking for properties to rent in an environment of “artificially created, speculative land values that do not reflect actual fair market values.”

Hawai‘i land values are undoubtedly high compared to some other states. However, it would be difficult or impossible to support the proposition that these values are artificial or due

to speculation instead of scarcity and desirability. Moreover, case law indicates that a court would likely find the measure provides a windfall to lessees, rather than effectively addresses the perceived problem. Richardson v. City and County of Honolulu, 124 F.3d 1150, 1165–66 (9th Cir. 1997); Chevron U.S.A., Inc. v. Cayetano, 198 F. Supp. 2d 1182, 1192 (D. Haw. 2002). These cases were overruled on other grounds in Lingle v. Chevron U.S.A. Inc., 544 U.S. 528 (2005), but their discussion of economic issues remains pertinent.

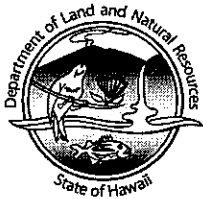
It is noteworthy that United States District Judge Susan Mollway found a recent, less pervasive law affecting leases unconstitutional in violation of the Contract Clause. HRPT Properties Trust v. Lingle, 715 F. Supp. 2d 1115 (D. Haw. 2010). See also Anthony v. Kualoa Ranch, Inc., 69 Haw. 112, 736 P.2d 55 (1987) (law that required lessors to pay, at the sole option of the lessees, for improvements built upon the leased premises in order to get the leased premises back, substantially impaired the contractual rights of the parties and was unconstitutional).

Second, we believe the bill also runs afoul of the Fifth Amendment to the United States Constitution. That amendment provides that private property can be taken only for a public purpose upon paying just compensation. The provision requiring lessors to rent their property for an additional thirty-five years is likely a taking. The provision requiring lessors to sell the property to tenants is certainly a taking. Requiring the transfer from one private owner to another (whether by lease or sale) probably does not satisfy the public purpose requirement under the circumstances. Restricting the price to be paid violates the constitutional requirement of just compensation.

Finally, the third section of the bill closely tracks existing chapter 519, HRS, except that the definition of lessor and lessee also includes the State (page 5, lines 13-15). We note that this definition is not consistent with later wording that restricts the bill to “the lease of private lands” (page 6, lines 5-6).

As a result of these several constitutional concerns, we respectfully ask the Committee to hold this bill.

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
ECONOMIC REVITALIZATION AND BUSINESS**

**Tuesday, February 14, 2012
8:30AM
State Capitol, Conference Room 312**

**In consideration of
HOUSE BILL 1829
RELATING TO LEASES**

House Bill 1829 proposes to: (1) Require lessors of commercial and industrial property to afford lessees the option of renewing their leases; and (2) Require, in leasehold renegotiations, that a rent based on fair market value shall apply even if that value is lower than existing rent and the lease contract bars the lowering of rent upon renegotiation. The Department of Land and Natural Resources (Department) opposes this bill.

The bill as drafted appears to apply to leases of public lands. The definition of "[l]essors", "lessees", "fee owners", and "legal and equitable owners" for the new Hawaii Revised Statutes chapter includes the "State of Hawaii and any county or other political subdivision of the State". By contrast, the substantive provision in SECTION 2 of the chapter only mentions "leases of private lands". If the intent of the bill is to regulate private land leases by mandating renewal options and prohibiting provisions that bar the lowering of rent at renegotiation, then the State and public lands should be expressly excluded from the new chapter's application.

Chapter 171, Hawaii Revised Statutes ("HRS"), imposes a maximum lease term of 65 years for leases of public lands. This limit is intended to allow a lessee sufficient time to occupy the property and recoup its investment, while also precluding that lessee from using and occupying public lands in perpetuity. Upon expiration of a lease, the Department may offer a new lease with a term of up to 65 years. Chapter 171, HRS, provides for leases to be offered by public auction to allow any interested member of the public the opportunity to use public lands.¹

¹ Some people wait all their lives for an opportunity to obtain a State lease. Allowing existing lessees the option to renew their leases for an additional 65 years and lockup the land for a total of 130 years will assure some other interested folks will never have an opportunity to even bid on a State lease.

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
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

This bill, while providing a benefit to existing lessees, does so at the expense of ensuring fair competition for the leasing of public lands by effectively excluding other potential bidders seeking to participate in the public disposition process. The Department acknowledges the need for long-term leases in order for certain business ventures to be economically viable. However, options to renew have a chilling effect on other prospective bidders' willingness to bid on the property. Many prospective bidders would be reluctant to invest the substantial time, effort and resources to prepare and submit a bid with the knowledge that the existing lessee can exercise his or her right and nullify the bid at any time. Options to renew provide an unfair benefit to the current lessee by depriving persons awaiting the published termination of the lease a fair opportunity to compete for the use of those lands at public auction. That inherent inequity ensures lower bids and consequently less revenue to the State.

An option to renew clearly goes against all the provisions for fairness in the leasing of state land in Chapter 171, HRS, and inappropriately impinges on the Board of Land and Natural Resources' (Board) discretionary authority to control the use of state lands. When seeking public lands for private use, potential lessees are well aware of the benefits and drawbacks of leasing state lands as opposed to conducting their activities on private lands. First and foremost is the knowledge that those lands are public assets that must serve primarily the interests of the general public and the public trust purposes, and secondarily the needs of a private user.

The safeguards and terms for leasing public lands are codified in Chapter 171, HRS, to ensure transparency and fairness in the disposition of state assets. Paramount in that process is the need to ensure and maintain the State's ability to use its land resources when and as needed to meet all of the State's obligations and priorities as well as the greater public needs of all of Hawaii's residents. Fundamental to that responsibility is the preservation and protection of the discretionary authority of the Board to consider and determine the most appropriate use of state land at any given time, including when and if an ongoing use should continue. The Board's ability to fulfill its fiduciary obligations to promote all five public trust purposes equally should never be compromised by any erosion of this authority.

Additionally, requiring a fair market value rent to apply in leasehold renegotiations even if that value is lower than existing rent and the lease bars the lowering of rent upon renegotiation would jeopardize a lessor's ability to plan by subjecting future revenue streams to uncertainty. Chapter 171, HRS, with very limited exceptions, requires that public lands can only be rented at no less than fair market value. However, since nearly all State lands are public trust lands, the State has a fiduciary duty to seek the highest possible lease rent for its beneficiaries whenever possible. The proposed requirement to use a lower fair market rent at renegotiation would undermine the State's fiduciary obligations to its public trust beneficiaries.

For all of the foregoing reasons, the Department respectfully requests this bill be deferred.

NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

February 14, 2012 at 8:30 a.m.
Room 312, State Capitol

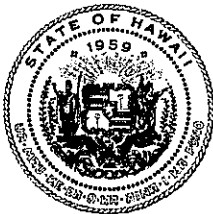
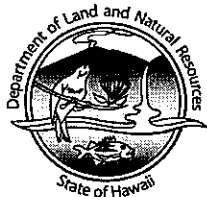
In consideration of
H.B. 1829 RELATING TO LEASES.

The HHFDC **opposes** H.B. 1829. While we have no position on the overall purpose of this bill, HHFDC does not have the capacity or the expertise in commercial leaseholds to handle the responsibilities this bill would assign to our agency.

Residential leasehold renegotiation is an ancillary responsibility of the HHFDC, as set forth in Chapter 519, Hawaii Revised Statutes. However, activity in the residential leasehold renegotiations program has dwindled over time to the point where it is now handled by the dedication of 0.5 of a full time equivalent position. Without an appropriation of funds and additional positions, HHFDC could not carry out the responsibilities proposed in this bill without jeopardizing our affordable housing mission.

Accordingly, the HHFDC respectfully requests that the Committee defer this bill. Thank you for the opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
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Testimony of
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The safeguards and terms for leasing public lands are codified in Chapter 171, HRS, to ensure transparency and fairness in the disposition of state assets. Paramount in that process is the need to ensure and maintain the State's ability to use its land resources when and as needed to meet all of the State's obligations and priorities as well as the greater public needs of all of Hawaii's residents. Fundamental to that responsibility is the preservation and protection of the discretionary authority of the Board to consider and determine the most appropriate use of state land at any given time, including when and if an ongoing use should continue. The Board's ability to fulfill its fiduciary obligations to promote all five public trust purposes equally should never be compromised by any erosion of this authority.

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For all of the foregoing reasons, the Department respectfully requests this bill be deferred.

Committee on Economic Revitalization and Business
Rep. Angus L.K. McKelvey, Chair, Rep. Isaac W. Choy, Vice Chair
State Capitol, 415 South Beretania Street, Honolulu, Hawaii

Tuesday, February 14, 2012

8:30 a.m. Conf. Rm. 312

Honorable Members of the Committee:

Re: HB 1829 - RELATING TO LEASES

My name is Manya Vogrig, testifying for us as members of the Small Landowners Association who are in strong opposition to this type of legislation breaking leasehold contracts and forcing landowners to sell to other private individuals for their own personal gain.

This proposed legislation applies to commercial and industrial leasehold properties. We think most commercial and industrial property is leasehold, not only in Hawaii but worldwide. The Title at the top says "Relating to Leases" and may have been worded that way so that the Bill could be changed at the last minute to apply to residential multi-family developments rather than "commercial and industrial". It seems to us, this could very easily happen again, as it has in past years.

The statements of fact in order to justify a public purpose appear to be twisted without specifics or mentioning that the lease contract the lessee signed agreed to whatever they are accusing the lessor of doing.

Hawaii, being limited in land by our island topography, has benefited by the leasehold system. At Statehood time lawmakers created the Horizontal Property Regime Act to encourage multi-family developments to provide for the huge influx of people coming to Hawaii. Small landowners let developers lease their property (usually their only piece of property where their homes had been for generations had to be combined with their neighbors) to provide this more affordable housing where the more expensive land did not have to be purchased. The Developers built the buildings and then sold the units without ever sharing their profits or even compensating the landowners for their homes. These small landowners were given the promise of being able to retire, most still living on the same property and their children would be able to keep the property they had worked so hard for.

Over 500 families in our group were then told some 10 years later that the legislature was going to require that they sell their property at "reasonable prices" to the lessees who bought those units from the developer & was only paying to rent the landowner's property. We found through studies done, that most properties under leasehold condos were owned by local small landowners who owned only one lot. And that most of the condo unit owners are not the original owners and had sold at big profits again. Also, a large percentage rent their units out to local people and are not even citizens of Hawaii. Therefore, they do not vote or pay income taxes here.

Respectively, the State itself is one of the largest landowners and provides much of leasehold property for others to use, with the benefit of the property never being lost by the State. We have seen what has happened to areas where the land was forced to be sold to the lessees, such as Kahala, with the old homes torn down and newly constructed mansions which are now vacant after the bubble burst.

We ask that you do not pass this legislation out of the Committee as it is twisted and is a taking of private property for private, not public, purpose, in addition to being without just compensation using these devaluing equations in the Bill.

Mahalo, Small Landowners Association

contact Manya Vogrig: 922-6934

contact Phyllis Zerbe: 949-9998



QUEEN EMMA LAND COMPANY

1301 Punchbowl Street ■ Honolulu, HI 96813 ■ (808) 691-5900 ■ FAX: (808) 691-5946 ■ www.queens.org

February 14, 2012

Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair

House Committee of Economic Revitalization & Business
Hawaii State Capitol, Room 312; 8:30 AM

RE: HB 1829 - Relating to Leases – In Opposition

Chair McKelvey, Vice Chair Choy and Members of the Committee:

My name is Eric Martinson and I am the President of Queen Emma Land Company (QEL), a non-profit entity whose mission is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawaii, primarily through The Queen's Medical Center, a sister company under The Queen's Health Systems. QEL accomplishes its mission by managing and enhancing the income-generating potential of the lands left by Queen Emma, who along with her Husband King Kamehameha IV had strong commitments to the health care needs of the people of Hawaii. The income from QEL is solely dedicated to supporting and improving healthcare services offered primarily through The Queen's Medical Center, but also through a number of other health care entities and programs throughout the state.

As an owner and lessor of commercial, industrial and residential real property, **QEL strongly opposes this bill.** Bills of similar language and intent have been heard previously in the state legislature and have repeatedly been identified as violating the Contracts Clause of the U.S. Constitution by mandating changes to existing leases for the benefit of only one party, the lessee. For any existing lease, the parties at that time of the agreement settled on mutually acceptable terms and conditions benefiting and balancing the goals and objectives of the parties over the term of the agreement. Mandating changes at the end of the term of the lease destroys pre-existing contractual expectations and obligations that the parties originally entered into. The extension of an existing agreement should be treated like a new agreement with both parties negotiating new terms and conditions mutually beneficial to each. Mandating term, rate of return and valuation with the further threat of forced fee sale, all to the benefit of the lessee, does not provide the basis for an equitable agreement.

Thank you for the opportunity to strongly oppose HB 1829.





KAMEHAMEHA SCHOOLS®

February 13, 2012

WRITTEN TESTIMONY TO THE
HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

By
Walter Thoenmes III, Chief of Staff
Kamehameha Schools

Hearing Date: Tuesday, February 14, 2012
8:30a.m. Conference Room 312

To: Rep. Angus L.K. McKelvey, Chair
Rep. Isaac W. Choy, Vice Chair
Members of the Committee on Economic Revitalization & Business

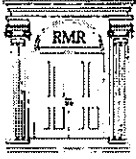
RE: **House Bill No. 1829 - Relating to Leases**

Chairman, McKelvey, Vice Chairman Choy and Members of the Committee

Mahalo for the opportunity to testify in opposition to **H.B 1829 - Relating to Leases**. This bill impermissibly delegates the right of Eminent Domain to private individuals by allowing any lessee with a lease of five years or more to force its lessor to extend the lease for a minimum of thirty-five years or to sell the leased-fee interest to the lessee at below market value, all without requiring any broad public purpose for the taking of private property. On a rent renegotiation, this bill impermissibly caps and is designed to decrease the rent payable by the lessee. The bill encourages speculative re-sales by the lessee who has taken the lessor's land or who has obtained the benefits of the capped rents.

The Attorney General has opined that a similar but less intrusive bill proposed by this House (HB 845) violated the Contract Clause of the United States Constitution.

No public purpose is served by H.B. 1829 and we request that it be held in committee.



Reit Management & Research LLC

Real Estate Services

220 S. King Street, Suite 2150, Honolulu, Hawaii 96813
(808) 599-5800 tel (808) 599-5806 fax

February 13, 2012

Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
House Committee on Economic Revitalization & Business

Tuesday, February 14, 2012; 8:30 AM
Hawaii State Capitol, Conference Room 312

Re: H.B. 1829 - Relating to Leases - In Opposition

Aloha Chair McKelvey, Vice Chair Choy and Members of the Committee:

My name is Jan Yokota, Vice President of the Pacific Region for Reit Management & Research LLC, the property manager for a large owner of industrial zoned land in Mapunapuna and Sand Island and in the James Campbell Industrial Park that leases many of its Hawaii properties under long-term leases.

H.B. 1829 proposes to change the terms of long-term commercial and industrial ground leases in the State of Hawaii. Among other things, H.B. 1829 would require lessors to either extend leases for at least 35 years under rental terms set forth in this bill, or sell the fee simple title in the leasehold property to the lessee.

H.B. 1829 violates the Contracts Clause of the U.S. Constitution and U.S. District Judge Susan Oki Mollway's 2010 ruling in HRPT v. Lingle. H.B. 1829 substantially impairs lease contracts between lessors and lessees, does not state any significant and legitimate public purpose, and does not demonstrate any reasonable and justifiable relationship between the contractual impairment and any claimed public purpose.

Because H.B. 1829 is unconstitutional on its face, we respectfully request that the Committee hold this Bill. Thank you for the opportunity to testify on H.B. 1829.

DARRYL P. WONG

1836 Punahou Street, Honolulu, Hawaii 96822

February 13, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

**RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
LEASES – HEARING SCHEDULED FOR TUESDAY, 02/14/2012,
AT 8:30 AM, STATE CAPITOL, CONFERENCE ROOM 312**

Dear Honorable Chair Angus McKelvey, Vice Chair Isaac Choy, and Members
of the House Committee on Economic Revitalization & Business:

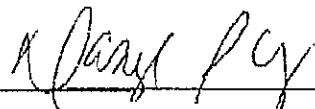
I support passage of House Bill HB1829 which would require Lessors of commercial and industrial properties to afford Lessees the option of renewing their leases at expiration and require in renegotiations that a rent based on fair market value shall apply even if the value is lower than the existing rent and the contract bars the lowering of rent upon renegotiation.

The majority of business properties are on on leasehold lands due to scarcity of available fee simple properties. In fact studies show that 60% of businesses are on leasehold properties. Hundreds of leases will expire in the very new future. A number of leases have already expired without the leases being extended. This has resulted in closures of businesses that have provided a valuable commodity to Hawaii consumers for years. Other businesses have had to relocate at much cost due to relocation fees and cost of reconstruction of buildings and other improvements. If lessors are unwilling to extend leases at reasonable rents, this could result in closure of many more businesses since there is a scarcity of available and suitable properties available for such businesses to relocate to. Lessors could demand more rent than they are currently receiving as they know of the scarcity of available land their lessees could relocate to along with the high costs of relocation. Unfortunately this not only affects businesses but also we the consumer because invariably the increased costs are passed on to the consumer by increased costs of products and services.

I urge your approval of this bill.

Please approve HB1829.

Aloha,



JAMES W. Y. WONG

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February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

**RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
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Hawaii has a very high disproportionate amount of business
properties on leasehold lands with hundreds of leases beginning
to expire in the very near future. If lessors are unwilling to
extend leases at reasonable rents, this could result in closure
of many businesses since there is a scarcity of available and
suitable properties available for such businesses to relocate
to. There would be more leases expiring as compared to the
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to. This could also result in lessors charging exorbitant rents
since the lessor is currently not required to renew leases with
current tenants and lessees would face extremely high costs in
relocation and reconstruction cost. In either case, the results
would negatively impact the consumer by increased costs of
products and services.

Please approve HB1829.

Aloha,



February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
LEASES - HEARING SCHEDULED FOR TUESDAY, 02/14/2012,
AT 8:30 AM, STATE CAPITOL, CONFERENCE ROOM 312


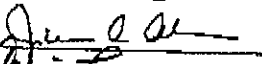
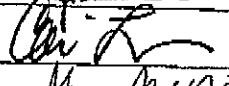
Dear Honorable Chair Angus McKelvey, Vice Chair Isaac Choy, and Members
of the House Committee on Economic Revitalization & Business:

PETITION:

We support passage of House Bill HB1829 which would require Lessors of
commercial and industrial properties to afford Lessees the option of
renewing their leases at expiration and require in renegotiations that a rent
based on fair market value shall apply even if the value is lower than the
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costs in relocation and reconstruction cost. In either case, the results would
negatively impact the consumer by increased costs of products and services.

We urge your approval of this bill.

Print Name	Signature	Address
Misty Torres		PO Box 25843 HON 96825
ROSALIND MOORE	Rosalind Moore	3358 Alolaha AVE. HON, HI 96816
June A. Akina		46-298 Kahuhupu St Kaneohe HI 96744
Colin Lau		47-695 Hui Ulili St., Kaneohe 96744
Erin Sugita	M. Muzim	1044 12th Ave. Hn, HI 96816
Lori Lee	Rain Lee	906 6th Avenue Honolulu, HI 96816

February 10, 2012

VIA FACSIMILE

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

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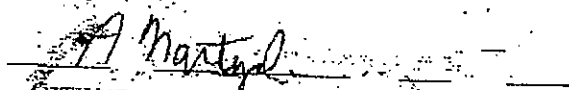
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businesses are on leasehold properties. Hundreds of leases will expire in the
very new future. A number of leases have already expired without the
leases being extended. This has resulted in closures of businesses that have
provided a valuable commodity to Hawaii consumers for years. Other
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properties available for such businesses to relocate to. Lessors could
demand more rent than they are currently receiving as they know of the
scarcity of available land their lessees could relocate to along with the high
costs of relocation. Unfortunately this not only affects businesses but also
we the consumer because invariably the increased costs are passed on to
the consumer by increased costs of products and services.

I urge your approval of this bill.

Please approve HB1829.

Aloha,



ANTHONY MARTYAK, 520 Lunalilo Home Road, #115, Honolulu, HI 96825

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

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costs in relocation and reconstruction cost. In either case, the results would
negatively impact the consumer by increased costs of products and services.

We urge your approval of this bill.

Print Name	Signature	Address
Anthony P. Martynak	<i>A. Martynak</i>	520 Kunalilo Home Rd #115 910825
Isaac W. Choy	<i>Isaac W. Choy</i>	520 Kunalilo Home Rd #115 910825

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February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
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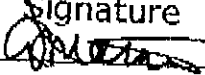
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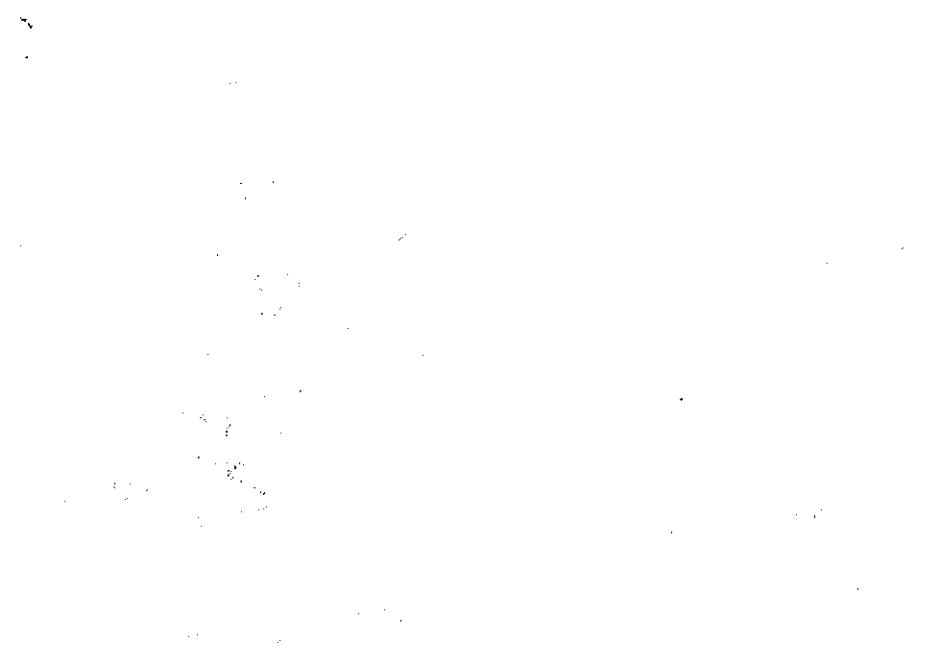
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costs in relocation and reconstruction cost. In either case, the results would
negatively impact the consumer by increased costs of products and services.

We urge your approval of this bill.

Print Name	Signature	Address
A. Avetisyan		1729 Kuanani Parkway Honolulu HI
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



February 10, 2012

VIA FACSIMILE 586-8679

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
LEASES - HEARING ON TUESDAY, 02/14/2012, AT 8:30AM, STATE CAPITOL,
CONFERENCE ROOM 312


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negatively impact the consumer by increased costs of products and services.

Please approve HB1829.

Aloha,



ROY NAKAGAWA, P. O. Box 235790, Honolulu, HI 96823

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
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negatively impact the consumer by increased costs of products and services.

We urge your approval of this bill.

Print Name	Signature	Address
Anthony P. Mastiyak	<i>A. Mastiyak</i>	520 Kunalilo Home Rd. #115 96825
Isaac W. Choy	<i>Isaac W. Choy</i>	520 Kunalilo Home Rd. #115 96825

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
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I urge your approval of this bill.

Please approve HB1829.

Aloha,



Dail Rhee, 1729 Nalulu Place, Honolulu, Hawaii 96821

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February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

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negatively impact the consumer by increased costs of products and services.

Please approve HB1829.

Aloha,

 RIZALINO VICENTE

1903 KIHU ST
HON., HI. 96821

5

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
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costs of relocation. Unfortunately this not only affects businesses but also
we the consumer because invariably the increased costs are passed on to
the consumer by increased costs of products and services.

I urge your approval of this bill.

Please approve HB1829.

Aloha,



1903 KIKI ST.

HON., HI 96827

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
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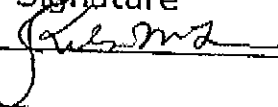
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costs in relocation and reconstruction cost. In either case, the results would
negatively impact the consumer by increased costs of products and services.

We urge your approval of this bill.

Print Name	Signature	Address
<u>Keisi M.L. Chan</u>		<u>1353 Mitoiki St. Honolulu, HI 96825 2/12/201</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

February 10, 2012

VIA FACSIMILE 586-8479

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Honorable Representative Isaac W. Choy, Vice Chair
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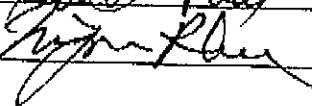
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We urge your approval of this bill.

Print Name	Signature	Address
DAIL RHEE		1729 Nalaku Pl. Honolulu HI 96821
MIGNON RHEE		11

4

The following table shows the results of the experiment. The data is presented in a clear and concise manner, allowing for easy comparison of the different conditions. The results indicate that the treatment group showed significantly higher scores than the control group, suggesting that the intervention was effective.

Group	Condition	Score
Control	Baseline	15
	Post-Intervention	18
Treatment	Baseline	20
	Post-Intervention	25

The data shows that the treatment group achieved a higher score at the post-intervention stage compared to the control group. This suggests that the intervention had a positive impact on the outcome being measured. The results are statistically significant, indicating that the difference between the groups is not due to chance.

In conclusion, the experiment demonstrates that the treatment group performed better than the control group. The results support the hypothesis that the intervention is effective. Further research is needed to explore the long-term effects of the treatment and to identify the underlying mechanisms of the observed improvements.

February 10, 2012

VIA FACSIMILE 586-8479

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Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
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We urge your approval of this bill.

Print Name	Signature	Address
DONALD LAM	<i>Donald Lam</i>	535 PAIKAE ST, HONOLULU, HI 96816
PATRICIA LAM	<i>Patricia Lam</i>	535 PAIKAE ST, HONOLULU, HI 96816
CHARLOTTE WONG	<i>Charlotte Wong</i>	535 PAIKAE ST, HONOLULU, HI 96816

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
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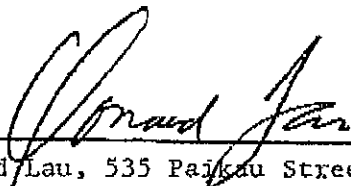
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Please approve HB1829.

Aloha,



Donald Lau, 535 Paikou Street, Honolulu, HI 96816

The following table shows the results of the experiment conducted on the 15th of June 1903. The data was collected from the various trials and is presented in the following order: first, the results of the trials conducted on the 15th of June, and then the results of the trials conducted on the 16th of June. The data is presented in the following order: first, the results of the trials conducted on the 15th of June, and then the results of the trials conducted on the 16th of June.

Trial	Time	Distance	Speed
1	1.2	100	83.3
2	1.5	150	100
3	2.0	200	100
4	2.5	250	100
5	3.0	300	100
6	3.5	350	100
7	4.0	400	100
8	4.5	450	100
9	5.0	500	100
10	5.5	550	100
11	6.0	600	100
12	6.5	650	100
13	7.0	700	100
14	7.5	750	100
15	8.0	800	100
16	8.5	850	100
17	9.0	900	100
18	9.5	950	100
19	10.0	1000	100
20	10.5	1050	100
21	11.0	1100	100
22	11.5	1150	100
23	12.0	1200	100
24	12.5	1250	100
25	13.0	1300	100
26	13.5	1350	100
27	14.0	1400	100
28	14.5	1450	100
29	15.0	1500	100
30	15.5	1550	100
31	16.0	1600	100
32	16.5	1650	100
33	17.0	1700	100
34	17.5	1750	100
35	18.0	1800	100
36	18.5	1850	100
37	19.0	1900	100
38	19.5	1950	100
39	20.0	2000	100
40	20.5	2050	100
41	21.0	2100	100
42	21.5	2150	100
43	22.0	2200	100
44	22.5	2250	100
45	23.0	2300	100
46	23.5	2350	100
47	24.0	2400	100
48	24.5	2450	100
49	25.0	2500	100
50	25.5	2550	100
51	26.0	2600	100
52	26.5	2650	100
53	27.0	2700	100
54	27.5	2750	100
55	28.0	2800	100
56	28.5	2850	100
57	29.0	2900	100
58	29.5	2950	100
59	30.0	3000	100
60	30.5	3050	100
61	31.0	3100	100
62	31.5	3150	100
63	32.0	3200	100
64	32.5	3250	100
65	33.0	3300	100
66	33.5	3350	100
67	34.0	3400	100
68	34.5	3450	100
69	35.0	3500	100
70	35.5	3550	100
71	36.0	3600	100
72	36.5	3650	100
73	37.0	3700	100
74	37.5	3750	100
75	38.0	3800	100
76	38.5	3850	100
77	39.0	3900	100
78	39.5	3950	100
79	40.0	4000	100
80	40.5	4050	100
81	41.0	4100	100
82	41.5	4150	100
83	42.0	4200	100
84	42.5	4250	100
85	43.0	4300	100
86	43.5	4350	100
87	44.0	4400	100
88	44.5	4450	100
89	45.0	4500	100
90	45.5	4550	100
91	46.0	4600	100
92	46.5	4650	100
93	47.0	4700	100
94	47.5	4750	100
95	48.0	4800	100
96	48.5	4850	100
97	49.0	4900	100
98	49.5	4950	100
99	50.0	5000	100
100	50.5	5050	100

February 10, 2012

VIA FACSIMILE 586-8479

Honorable Representative Angus L. K. McKelvey, Chair
Honorable Representative Isaac W. Choy, Vice Chair
House Members of Committee on Economic Revitalization & Business

RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB1829 - RELATING TO
LEASES - HEARING SCHEDULED FOR TUESDAY, 02/14/2012,
AT 8:30 AM, STATE CAPITOL, CONFERENCE ROOM 312

Honorable Chair Angus McKelvey, Vice Chair Isaac Choy, and Members of
the House Committee on Economic Revitalization & Business:

I am in full support of the passage of House Bill HB1829 which would require Lessors of commercial and industrial properties to afford Lessees the option of renewing their leases at expiration and to require in renegotiations a rent based on fair market value shall apply even if the value is lower than the existing rent regardless of the current contract which may bar the lowering of rent upon renegotiation.

Hawaii has a very high and disproportionate amount of business properties on soon to be expired leasehold lands. If lessors are unwilling to extend leases at reasonable rents, this may result in closure of many businesses, due to the lack of available and suitable properties. It is estimated more leases will be expiring as compared to the number of available properties readily to relocate. This may also result in unfair practices involving lessors charging exorbitant rents as a result of the expiring lease coupled with the lack of available relocation properties and high cost of relocation and construction giving the lessors an unfair advantage in renegotiations. The results would ultimately impact the consumer by increased costs of products and services to balance the increased cost of rent.

Please approve HB1829.

Mahalo Nui Loa,

John Fielding
1731-A Nalani St.
Honolulu, HI 96819

