

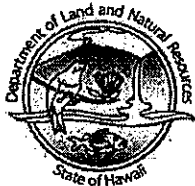
From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 29, 2011 4:09 PM
To: WLOtestimony
Cc: michael.s.yoshinaga@hawaii.gov
Subject: Testimony for HB956 on 1/31/2011 9:00:00 AM
Attachments: HB956_LNR_01-31-11_WLO.PDF

Testimony for WLO 1/31/2011 9:00:00 AM HB956

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: michael yoshinaga
Organization: Dept. of Land and Natural Resources
Address:
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Submitted on: 1/29/2011

Comments:

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
WILLIAM J. AILA, JR
Chairperson**

**Before the House Committee on
WATER, LAND, AND OCEAN RESOURCES**

**January 31, 2011
9:00 AM
State Capitol, Conference Room 325**

**In consideration of
HOUSE BILL 956
RELATING TO PUBLIC LANDS**

House Bill 956 would allow leases of public lands used for hotel or resort purposes to be extended for up to an additional 65 years beyond the existing term. The Department of Land and Natural Resources (Department) opposes this bill.

House Bill 956 requires a proposed lease extension to be subject to the Department and lessee negotiating and agreeing upon a development agreement, which would require the Department to, among other things, review the lessee's plans and specifications for improvements to the property and subsequently negotiate the value of the proposed improvements, length of the lease extension, market value of the demised premises, and annual rent to be paid under the extended lease.

Leases of public lands are governed by Chapter 171, Hawaii Revised Statutes, which imposes a maximum lease term of 65 years. This limit is beyond the life of an individual business owner, and allows a sufficient time for the lessee/owner to occupy the property and recoup its investment, while allowing other members of the general public an opportunity to acquire a State lease of lands through an open public auction or other public process, at the end of the maximum 55 or 65-year term. House Bill 956 ignores these public policies and grants hotel/resort leases special status over all public land leases by allowing a hotel/resort lessee to have exclusive use of public lands for up to 130 years.

Furthermore, the Department continues to face severe budget cutbacks. The Department's general fund appropriations and special fund revenues have dropped significantly over the last three years, and the Department lost many positions during these past few years. The bill imposes duties that would require a substantial amount of staff time and funding for appraisals to

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INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
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GUY H. KAULUKUKUI
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WILLIAM M. TAM
INTERIM 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

determine the value of the improvements, demised premises, and new annual rent. The Department simply does not have the resources and staffing necessary to undertake the additional duties that would be required under this bill.