

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LLOYD M. HARAGUCHI
EXECUTIVE DIRECTOR

**STATE OF HAWAII
PUBLIC LAND DEVELOPMENT CORPORATION**

POST OFFICE BOX 2359
HONOLULU, HAWAII 96804

**Testimony of
LLOYD M. HARAGUCHI
Executive Director**

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

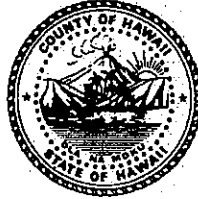
**Friday, March 23, 2012
10:45 am
State Capitol, Conference Room 325**

**In consideration of
HOUSE CONCURRENT RESOLUTION 163
URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE
PUBLIC LAND DEVELOPMENT CORPORATION, WITH THE ASSISTANCE OF
THE COUNTY OF HAWAII, TO CONDUCT A STUDY ON THE ESTABLISHMENT
OF A PUBLIC-PRIVATE PARTNERSHIP TO DEVELOP AND IMPROVE THE EAST
HAWAII AREA OF HAWAII COUNTY**

House Concurrent Resolution urges the Department of Land and Natural Resources (Department) and the Public Land Development Corporation (PLDC), with the assistance of the County of Hawaii, to conduct a study on the establishment of a public-private partnership to develop and improve the East Hawaii area of Hawaii County. PLCC supports this concurrent resolution and looks forward to working with the Department, the County of Hawaii and stakeholders to study the potential of public-private partnerships for development improvements of leasehold lands in specified areas in East Hawaii.

Thank you for the opportunity to testify.

DENNIS "FRESH" ONISHI
Council Member
District 4



PHONE: (808) 961-8396
FAX: (808) 961-8912
EMAIL: donishi@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL

Mailing Address: 25 Aupuni Street, Hilo, Hawai'i 96720

March 21, 2012

TESTIMONY OF DENNIS "FRESH" ONISHI
HAWAI'I COUNTY COUNCIL MEMBER
ON

HCR 163, RELATING TO A STUDY FOR THE ESTABLISHMENT OF A PUBLIC-PRIVATE
PARTNERSHIP TO IMPROVE THE EAST HAWAI'I AREA OF HAWAI'I COUNTY

House Committee on water, Land and Ocean Resources

March 23,, 2012, 10:45 a.m.

Conference Room 415

Dear Chair Chang, Vice Chair Har and Members of the Committee on Water, Land and Ocean Resources:

Thank you for the opportunity to provide testimony in support of House Concurrent Resolution No. 163.

This Resolution asks the Department of Land and Natural Resources and the Public Land Development Corporation to study the establishment of a public-private partnership to develop and improve the leasehold lands of East Hawai'i, which includes the Banyan Drive and Kanoelehua Industrial Area.

As the Hawai'i County Council Member who represents this district, I strongly support this resolution. The Banyan Drive area contains the majority of the overnight accommodation in East Hawai'i and it has been allowed to deteriorate. Because many of the State leases for the Banyan Drive properties expire in 2015, there is little incentive for the lessees to make much needed improvements and investments, thus the area is in dire need of renewal and renovation.

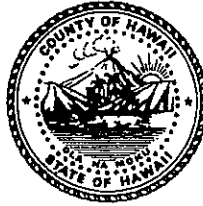
To quote an article from the Hawai'i Tribune Herald (Sunday, February 5, 2012) in describing one of the hotel properties:

"A man from Mississippi was less charitable. "I felt like I was in one of those creepy video games that take place in an old abandoned hotel," he wrote, "and zombies were going to attack at any moment." The large, abandoned swimming pool generates a lot of complaints. Located adjacent to a shuttered restaurant and a parking lot that has also been used for storage, the pool is a haven for algae, waterfowl and mosquito larvae. Weeds sprout amid the concrete and the metal fence that surrounds it is broken in several places."

This vividly illustrates the need for change, and the study proposed in HCR 163 is the first step in the right direction towards the revitalization of this area.

Once again, thank you for the opportunity to submit testimony on this matter.

DONALD IKEDA
Council Member
District 2 South Hilo



Phone No.: (808) 961-8261
Fax No.: (808) 961-8912
E-mail: dikeda@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL

County of Hawai'i
Hawai'i County Building
25 Aupuni Street
Hilo, Hawai'i 96720

March 20, 2012

TESTIMONY OF DONALD IKEDA
HAWAI'I COUNTY COUNCIL MEMBER
REGARDING

HCR NO. 163, RELATING TO A STUDY FOR THE ESTABLISHMENT OF A PUBLIC-PRIVATE PARTNERSHIP TO IMPROVE THE EAST HAWAI'I AREA OF HAWAI'I COUNTY

House Committee

March 23, 2012, 10:45 a.m.
Conference Room 325

Dear Chair and Committee Members:

Thank you for the opportunity to provide testimony IN SUPPORT of House Concurrent Resolution No. 163.

This Resolution urges the Department of Land and Natural Resources and the Public Land Development Corporation to study the establishment of a public-private partnership to develop and improve the leasehold lands of East Hawai'i, which includes the Banyan Drive and Kanoelehua Industrial Area.

I strongly support this resolution. The Banyan Drive area contains the majority of the overnight accommodation in East Hawai'i and it has been allowed to deteriorate. Because many of the State leases for the Banyan Drive properties expire in 2015, there is little incentive for the lessees to make much needed improvements and investments, thus the area is in dire need of renewal and renovation.

Similarly, the Kanoelehua Industrial area is also subject to a lease that expires in 2015, is in need of similar improvement to alleviate the deteriorating conditions of business properties in the area and the problems associated with the upcoming lease expiration provide little incentive for lessees to make investments to improve infrastructure and existing properties, resulting in a negative impact for business properties in East Hawaii;

There is definite need for change and improvement, and the study proposed in HCR 163 is the first step in the right direction towards the revitalization of this area.

Once again, thank you for the opportunity to submit testimony IN SUPPORT on HCR No. 163.

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 22, 2012 1:05 PM
To: WLOtestimony
Cc: alan.shiraishi@boh.com
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: alan shiraishi
Organization: Bank of Hawaii
E-mail: alan.shiraishi@boh.com
Submitted on: 3/22/2012

Comments:
i support this measure

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 21, 2012 5:40 PM
To: WLOtestimony
Cc: cnrs@interpac.net
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: Brian Nakano
Organization: Chika Nakano Repair Shop
E-mail: cnrs@interpac.net
Submitted on: 3/21/2012

Comments:



March 22, 2012

Representative Jerry Chang
Chairman of the House Water, Land and Ocean Resources Committee
Hawaii State Capital Room 325
415 S. Beretania Street
Honolulu, Hawaii 96813

Chairman Chang, Vice Chair Har and members of this committee,

The Hawaii Island Contractors Association, which represents over 130 businesses on Hawaii Island strongly supports House Concurrent Resolution 163. This measure urges the Department of Land and Natural Resources, the Public Land Development Corporation along with assistance from the County of Hawaii, to conduct a study on the establishment of a public/private partnership to develop and improve the East Hawaii Area of the County of Hawaii.

State leases in the Banyan Drive and Kanoelehua Industrial Area are set to expire in 2015. Therefore, lessees have not kept up with maintenance and repairs to their facilities allowing these areas to deteriorate. Redevelopment here would provide construction jobs, promote tourism and support businesses in the surrounding areas.

Thank you for the opportunity to testify on this measure. We urge the committee to strongly support this resolution which would greatly benefit the visitors and residents of Hawaii Island.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig S. Takamine". The signature is fluid and somewhat stylized, with a large loop at the end.

Craig S. Takamine
Hawaii Island Contractors Association President 2011-2012

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 22, 2012 12:45 PM
To: WLOtestimony
Cc: hilo.bayprinting@hawaiiantel.net
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: Don O'Reilly
Organization: Hilo Bay Printing Co., Ltd.
E-mail: hilo.bayprinting@hawaiiantel.net Submitted on: 3/22/2012

Comments:

For those of us Kanoelehua Industrial and Banyan Drive leaseholders managing to stay in business despite the worst economy in decades, despite 100% rent increases, it is clear that the way that these properties are currently managed is just not working. What is unclear is if the legislature gives a hoot about dear old Hilo. Please support this measure.



March 22, 2012

Representative Jerry Chang
Chairman of the House Water, Land and Ocean Resources Committee
Hawaii State Capital Room 325
415 S. Beretania Street
Honolulu, Hawaii 96813

Chairman Chang, Vice Chair Har and members of this committee,

The Kanoehua Industrial Area Association, which represents over 240 businesses in East Hawaii strongly supports House Concurrent Resolution 163. This measure urges the Department of Land and Natural Resources, the Public Land Development Corporation along with assistance from the County of Hawaii, to conduct a study on the establishment of a public/private partnership to develop and improve the East Hawaii Area of the County of Hawaii.

State leases in the Banyan Drive and Kanoehua Industrial Area are set to expire in 2015. Therefore, lessees have not kept up with maintenance and repairs to their facilities allowing these areas to deteriorate. Redevelopment here would provide construction jobs, promote tourism and support businesses in the surrounding areas.

Thank you for the opportunity to testify on this measure. We urge the committee to strongly support this resolution which would greatly benefit the visitors and residents of Hawaii Island.

Sincerely,

Craig S. Takamine
Kanoehua Industrial Area Association Government Affairs Chair 2011-2012

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 21, 2012 4:38 PM
To: WLOtestimony
Cc: russell@ginozarealty.com
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: Russell Arikawa
Organization: KIAA
E-mail: russell@ginozarealty.com
Submitted on: 3/21/2012

Comments:

I fully support HCR 163. We need to have DLNR promote Public Private partnerships in the Banyan Drive and Kanoelehua Area. As I understand the leases expire in 2015 and the area will continue to deteriorate.

Thank you.

Takamine Construction, Inc.

851 Leilani St. Suite A
Hilo, Hawaii 96720
Ph. Number (808) 961-9090
Fax Number (808) 961-9898

March 22, 2012

Representative Jerry Chang
Chairman of the House Water, Land and Ocean Resources Committee
Hawaii State Capital Room 325
415 S. Beretania Street
Honolulu, Hawaii 96813

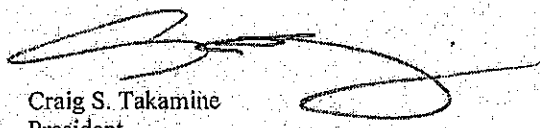
Chairman Chang, Vice Chair Har and members of this committee,

My name is Craig Takamine, and I am President of Takamine Construction, Inc. I strongly support House Concurrent Resolution 163. This measure urges the Department of Land and Natural Resources, the Public Land Development Corporation along with assistance from the County of Hawaii, to conduct a study on the establishment of a public/ private partnership to develop and improve the East Hawaii Area of the County of Hawaii.

State leases in the Banyan Drive and Kanoelehua Industrial Area are set to expire in 2015. Therefore, lessees have not kept up with maintenance and repairs to their facilities allowing these areas to deteriorate. Redevelopment here would provide construction jobs, promote tourism and support businesses in the surrounding areas.

Thank you for the opportunity to testify on this measure. I urge the committee to strongly support this resolution which would greatly benefit the visitors and residents of Hawaii Island.

Sincerely,



Craig S. Takamine
President
Takamine Construction, Inc.

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 22, 2012 9:21 AM
To: WLOtestimony
Cc: cloeffler@interpac.net
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: Carolyn Loeffler-Vice Pres.
Organization: Wm. C. Loeffler Construction, Inc.
E-mail: cloeffler@interpac.net
Submitted on: 3/22/2012

Comments:

We STRONGLY support HCR163
to promote Public Private partnerships in the Banyan Drive and Kanoelehua Area

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 21, 2012 1:51 PM
To: WLOtestimony
Cc: jwmccully54@gmail.com
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: James McCully
Organization: Individual
E-mail: jwmccully54@gmail.com
Submitted on: 3/21/2012

Comments:

I fully support the intent of this resolution. I have lived in East Hawaii for the past 38 years and watched with dismay as Banyan Drive and the Industrial area fell into disuse and disrepair. This was caused by leasehold tenancy, which is embedded in statutory language and not likely to change in our lifetimes. Meanwhile tourism and small business, the lifeblood of our economy, suffers and fails.

In order to correct this condition structural reform is needed. The Public Lands Development Corporation is a new concept and vehicle that holds promise as being a possible solution. A study to determine possible advantages to a "public-private" partnership between DLNR and the PLDC warrants support. A task force or working group that includes members of the community would be an important step in helping to resolve this long standing problem.

Mahalo for your support,

Jim McCully

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 21, 2012 9:51 PM
To: WLOtestimony
Cc: rolandhigashi@hawaiiantel.net
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: roland higashi
Organization: Individual
E-mail: rolandhigashi@hawaiiantel.net
Submitted on: 3/21/2012

Comments:

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 22, 2012 9:52 AM
To: WLOtestimony
Cc: allank3@gmail.com
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Comments Only
Testifier will be present: No
Submitted by: allan kroll
Organization: Individual
E-mail: allank3@gmail.com
Submitted on: 3/22/2012

Comments:

Please amend to : all State owned property on Banyan Drive and in the Kanoelehua Industrial section of Hilo shall be sold at auction to the highest bidder in fee simple upon the expiration of the present leases.



O'ahu
(808) 733-5562
Hawaii' Island
(808) 935-0737

March 22, 2012

Chair, Jerry Chang & Vice Chair Sharon Har
Water Land & Ocean Resources Committee
415 So Beretania St.
Honolulu HI 96813

Dear Chair Chang, Vice Chair Har and Committee Members,

I speak as an active East Hawaii community member and business owner in **STRONG SUPPORT** of HCR 163. It is long past time to be more proactive about the state of affairs at our own front door.

No matter how creative or talented the staff at DLNR is they can not partner properly to maintain these lands to the highest and best use for the people of Hawaii with the current laws, rules and regulations.

The Rotary Club of Hilo Bay of which I am a member used to meet in the Kilohana Room at the Naniloa Hotel. There is no better vantage point to appreciate the beauty of Banyan Drive. We the people of Hawaii are foolishly wasting this resource by not looking to do business differently along Banyan Drive.

Does that mean writing a smarter lease, selling the land in fee simple, trading to a different state agency, developing a public-private partnership? These are questions and ideas that have been tossed out on the railing, in hearings and certainly in our homes and gathering places on Hawaii island for quite some time.

Beyond Banyan Drive the State of Hawaii has a similar situation in the Kanoehua Industrial Area where the leases are prohibiting appropriate and necessary improvements to be done. These businesses can not work under tried and true succession planning for their companies with the existing leases. It seems unrealistic for the state to stand on laws that retard the visitor industry, that stunt the economic possibilities of business, especially businesses who have contributed meaningful amounts of state income via tax payments.

The time has come to find a productive and protective answer to these questions and concerns. Please pass this resolution to conduct the necessary work to create the appropriate entity to develop and improve the leasehold lands of East Hawaii. The future of our island depends on it!

With Aloha,


Mary Begier, Realtor®

Referral & Relocation Certified / 1998 Aloha Aina Realtors Choice Award
Certified Residential Specialist / Certified Residential Broker
2001 Realtor® of the Year Hawaii Assoc. of Realtors®
2001 Realtor® of the Year Hawaii Island Board of Realtors®
2002 Realtor® of the Year Honolulu Board of Realtors®
2003 President Honolulu Board of Realtors®
2006-2012 Hawaii Island Commissioner Hawaii State Foundation on Culture & the Arts
2007 President Hawaii Island Board of Realtors®
2008-09 President Rotary Club of Hilo Bay
2009-2010 President Hawaii Island Chamber of Commerce

O'ahu • 1188 Bishop Street, Suite 3412 • Honolulu, Hawaii 96813 • www.MaryBegier.com
Hawaii' Island • 101 Aupuni Street, Suite 315 • Hilo, Hawaii 96720 • Fax: (808) 935-8776

Submit

Thank you, Representative Chang for your continuing efforts to help revitalize an area of Hilo that once boasted a lively nightlife, fine dining, hula shows, concerts, a golf course, a driving range that stayed open at night. In my 25 years here on the Big Island, I have seen the area deteriorate to an embarrassment. An embarrassment that I would rather not show any visitors to the island. Queen Liliuokalani Park and the Hilo Hawaiian are the sole bright spots in an otherwise dismal landscape on Banyan Drive.

The golf course is managed poorly, no club house (leaky building no one uses except for storage, no greens keepers, no aloha. Another example is a sand bunker on one of the most viewed greens in Hilo (#3 hole at the corner of Kamehameha and Lehiwai). It was filled with refuse material that included sand, rocks, pieces of bricks, The fill was in a mini "mountain" design and for the past 10 months it has taken wind,rain, wind, rain, to its present state of a "mound". Not one rake or shovel has ever touched it. The parking lot which is shared with the Naniloa is more rock strewn, weed lot, than parking lot.

The driving range closes at 4:30pm. Several entrepreneurs have express interest in running it, sprucing it up and make it a activity center for visitors and locals alike. To no avail.

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 22, 2012 1:10 PM
To: WLOtestimony
Cc: Mizunob001@Hawaii.rr.com
Subject: Testimony for HCR163 on 3/23/2012, 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: Barry Mizuno
Organization: Individual
E-mail: Mizunob001@Hawaii.rr.com
Submitted on: 3/22/2012

Comments:

This offers an opportunity to improve Banyan Drive and Kanoelehua Industrial areas. Please support passage. Thank you.

har2-Samantha

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 22, 2012 5:31 PM
To: WLOtestimony
Cc: tokunaga@hialoha.net
Subject: Testimony for HCR163 on 3/23/2012 10:45:00 AM

Testimony for WLO 3/23/2012 10:45:00 AM HCR163

Conference room: 325
Testifier position: Support
Testifier will be present: No
Submitted by: Michael Tokunaga
Organization: Individual
E-mail: tokunaga@hialoha.net
Submitted on: 3/22/2012

Comments: