



**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON  
OCEAN, MARINE RESOURCES & HAWAIIAN AFFAIRS  
IN SUPPORT OF

**HCR 162/ HR 130, REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO  
PROVIDE A REPORT TO THE LEGISLATURE REGARDING THE STATUS OF THE KA  
MAKANA ALII PROJECT AND ACT 187, SESSION LAWS OF HAWAII 2010.**

March 27, 2013

Chair Hanohano, Vice-Chair Cullen, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports the intent of this legislation that requests a report on the status of the Ka Makana Alii project on our lands in Kapolei.

In past sessions, previous leaders of our organization have testified before the Legislature that the Ka Makana Alii project and our general lease to DeBartolo Development, LLC for this project will provide a significant revenue stream to our department and will create economic opportunity for our homestead communities in Kapolei. This remains true today. We appreciate the continued support of the Legislature for this project and we are open to providing the requested report provided that any proprietary information would be understandably excluded from the report.

Act 187 (2010) and Act 175 (2012) are critically important to our general leases and these laws enable DHHL to attract the best

commercial lessees and projects to generate revenue on our non-homestead lands. We have been in the process of reviewing these amendments to the Hawaiian Homes Commission Act, 1920, with the U.S. Department of Interior since the passage of the laws, and we are also currently in the process of promulgating administrative rules pursuant to Act 187. Once rules are adopted, the lease extension provision would be applicable to the general lease to DeBartolo Development, LLC, as well as other general leases like the one issued to Prince Kuhio Plaza, LLC in Hilo. These laws have implications beyond the Ka Makana Alii project and should be permanent.

Thank you for your consideration of our testimony.



March 27, 2013

The Honorable Faye Hanohano, Chair and  
Committee Members  
Committee on Ocean, Marine Resources & Hawaiian Affairs  
415 S. Beretania St., Rm. 325  
Honolulu, HI 96813

Dear Chair Hanohano and Committee Members:

RE: HCR 162/HR 130 Requesting the Department of Hawaiian Home Lands to Provide a Report to the Legislature Regarding the Status of the Ka Makana Ali'i Project and Act 187, Session Laws of Hawaii 2010.

My name is Rich Hartline and I am testifying with regard to HCR 162/HR 130 Requesting the Department of Hawaiian Home Lands to Provide a Report to the Legislature Regarding the Status of the Ka Makana Ali'i Project and Act 187, Session Laws of Hawaii 2010.

Hawaii DeBartolo and the Department of Hawaiian Home Lands (DHHL) have a partnership that involves the building of the Ka Makana Ali'i project in East Kapolei. This project is progressing through the unique Hawaii development process that involves multiple State and County government agencies and approvals. As you know, previous industry studies have concluded that new development in Hawaii take an average 7 – 10 years before groundbreaking. Hawaii DeBartolo is on that very same track.

Hawaii DeBartolo has made it a point to work with the legislative process, including periodically informing area legislators of the status of the project. If there is a need for any other information, our offices are always available to answer any questions as long as the questions do not violate any client/agency confidentiality.

A recent article in the PBN incorrectly questioned the project's viability. In a project the size, magnitude and complexity of Ka Makana Ali'i, it is natural for phasing, design plans and partners to evolve. This is a natural maturation in the development of a regional mall.

We are concerned that the information requested in this resolution may place Ka Makana Ali'i at a competitive disadvantage with other developments and tenants.

However, transparency is important to Hawaii DeBartolo and we will work with DHHL to comply and provide the information requested in this resolution, subject to our obligations to keep certain information confidential.

Thank you for this opportunity to testify.