

DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
and
WATER AND LAND**

**Monday, March 20, 2017
2:45 P.M.
State Capitol, Conference Room 414**

**In consideration of
HOUSE BILL 1479, HOUSE DRAFT 2, PROPOSED SENATE DRAFT 1
RELATING TO HILO COMMUNITY ECONOMIC DISTRICT**

House Bill 1479, House Draft 2, proposed Senate Draft 1, proposes to establish the Hilo Community Economic Development District in South Hilo, Hawaii, place it under the jurisdiction of the Hawaii Community Development Authority (HCDA), and make amendments to various provisions of the Hawaii Revised Statutes (HRS) to facilitate the purpose of the measure. The proposed Hilo Community Economic Development District (HCEDD) encompasses the Banyan Drive area and Kanoiehua Industrial Area of Hilo. **The Department of Land and Natural Resources (Department) offers the following comments on this bill.**

If the Legislature pursues this measure in its current form, the Department notes that the bill appears to require all of the existing lease revenues in the Banyan Drive and Kanoiehua Industrial Areas (after deduction of the percentage due to the Office of Hawaiian Affairs (OHA) for ceded lands – currently 20%) to be deposited into the HCEDD revolving fund, with an unspecified percentage then being remitted to the Department. The Department incurs significant costs and expenses in maintaining the leases, revocable permits, easements and other dispositions in the proposed district. The Department's leases have rent reopening provisions that require an independent appraisal paid for by the Department under Section 171-17, Hawaii Revised Statutes (HRS), and the Department assumes that leases issued by HCDA would have similar reopening provisions. The appraisal reports and mediations and arbitrations that follow when lessees dispute new rents, all cost money. Accordingly, the Department believes that all the revenues generated by existing leases (less OHA's share) should be remitted to the Department to allow it to continue to perform the lease management duties. The Department

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
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

therefore recommends that Section 206E-D (pages 7-8) of the measure be amended to read as follows:

§206E-D Hilo community economic revolving fund. (a) There is established in the state treasury the Hilo community economic revolving fund, into which shall be deposited:

(1) ~~[Notwithstanding any law to the contrary, including section 206E-16, all revenue, income, and receipts of the authority for the district;~~

~~(2)]~~ Moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the district; and

~~(2[3])~~ Moneys appropriated by the legislature.

~~[(b) Moneys in the fund shall be used only for the purpose of this part; provided that — per cent of all revenue, income, and receipts generated from land leased or managed by the department of land and natural resources within the district boundaries, as described in section 206E-B, shall be transferred to the special land and development fund.]~~

(b[e]) Investment earnings credited to the assets of the fund shall become part of the fund.

Following on the Department's work with the Banyan Drive Task Force, the Department formally committed over a year ago to work with the County of Hawai'i for the redevelopment of Banyan Drive, through the County of Hawai'i Banyan Drive Hawai'i Redevelopment Agency (BDHRA), which was established in 2016 and is proceeding with planning. It is unclear what the impact of this bill would be on that county process, although SECTION 6 of the proposed Senate Draft 1 contemplates the County ultimately assuming the redevelopment powers and duties for the HCEDD. The Department respectfully suggests the Legislature consider amending this bill to clarify what BDHRA's role will be prior to any assumption by the County of HCDA's powers and duties.

With respect to Banyan Drive, the Department has worked extensively on land leasing and financing transactions on State leasehold properties that have resulted in significant renovations to the Hilo Hawaiian Hotel, the Hilo Bay Café (former Nihon Restaurant site), and the Grand Naniloa Hotel (ongoing). The golf course site, key to redevelopment concepts, is under long-term lease along with the Naniloa lease. The remaining State properties are old, in poor condition, with little useful life remaining: Uncle Billy's Hilo Bay Hotel (now the Pagoda Hilo Bay Hotel), Country Club Condominium (which is now a residential apartment building – not a condominium), and Reed's Bay Resort Hotel. Long-term leases for these properties all expired in 2016 and have been converted to month-to-month revocable permits pending redevelopment

planning. Once a long-term plan for Banyan Drive is settled on, the Department can issue new long-term leases consistent with BDHRA's plan.¹

With respect to the Kanoiehua Industrial Area, many of the leases of public lands in that area were issued in a two or three year period following the 1960 tsunami for terms of 55 years. Most of the lessees in this area applied for ten-year extensions of their lease terms under Section 171-36(b), HRS, which requires the lessee to make substantial improvements to the premises to qualify for a lease extension.² Although some of the leasehold improvements are not in good

¹ To facilitate redevelopment planning, the Department procured a consultant to conduct a number of studies to facilitate planning for Banyan Drive including a market study on tourism to determine if the area could support a new hotel, and studies on sea level rise, the viability of master leasing multiple parcels in the area, and the remaining useful life of existing structures on expiring lease premises. These studies are publicly available on the Department's website at <http://dlnr.hawaii.gov/ld/kanoiehua-and-banyan-drive-studies/>. Another consultant, Erskine Architects, conducted a much more detailed architectural and engineering study on whether existing improvements on the expired lease premises should be demolished or rehabilitated.

² As background, under Chapter 171, HRS, the Board of Land and Natural Resources (Board) is authorized to issue leases up to a maximum term of 65 years. Section 171-32, HRS, provides that it is the policy of the State to issue leases by public auction. As the preamble to House Bill 1479 indicates, at the end of their lease terms, lessees have little incentive to invest in improvements to their leasehold properties because the leases cannot be extended further. Rather, new leases of the lands must be issued pursuant to the public auction process. As a result, the properties frequently fall into disrepair.

In 2015, the Legislative Reference Bureau (LRB) issued Report No. 2, Commercial Leasing of Public Lands: State Policies Regarding Leases Near End of Term. LRB found other states that have maximum lease terms and reviewed how these states' leasing practices deal with end of the term leases. LRB concluded its report in stating:

While some states have policies that generally address the maintenance and improvement of leased public lands, these policies appear to arise when a lease agreement is initially drafted and entered into, or within the context of negotiations for a lease renewal, rather than during the last few years of an existing lease. In comparison, commercial leases of public lands in Hawaii include a general covenant that requires lessees to maintain the property. The Bureau offers no conclusions regarding which, if any, of the policies employed by the other states represents practices that should be incorporated into the commercial leasing of public lands in Hawaii.

In the past, the Department has generally opposed legislative bills that proposed to allow existing lessees to acquire new lease terms on leases that are scheduled to expire soon, following instead general public policy to promote fairness in competition in access to public property. One reason for the Department's position was the statutory policy mentioned above favoring issuance of leases by public auction. Another reason was to preserve the State's legal right to the remaining value of the improvements after the lease term; when leases expire, the lessees' improvements on the land revert to State ownership pursuant to the express terms of the lease, unless the State directs the lessee to remove the improvements. Assuming the improvements have some remaining useful life, the State is then in a position to auction leases of improved properties at potentially greater rents than the State would receive for a ground lease alone, which amounts can in turn be applied to public purposes.

The Department notes that there are a number of bills before the Legislature this session that would allow for the extension of existing leases. If one of these measures becomes law, the Legislature will have

condition, a number of them are well maintained, such as HPM Building Supply, Bank of Hawaii and Big Island Toyota on Kanoelehua Avenue, Central Supply on Makaala Street, Paradise Plants, and Kitchen and Bath Supply on Wiwoole Street, and the Coca-Cola bottling plant on Holomua Street.

The Department notes that the bill grants the broad leasing powers of HCDA under Section 206E-C, HRS, including the rights to issue leases by direct auction and to extend leases. These are not policy options currently available to the Department.

The revenues from the leases in the proposed district currently are deposited into the Special Land and Development Fund (SLDF). In turn, the SLDF helps fund critical operations within the Department. The Department's Land Division is 100% special funded and does not receive any general fund support. The SLDF covers the entire annual operating budget for LNR101 which consists of the Land Division, the Office of Conservation and Coastal Lands, the Dam Safety Program, and the Geothermal Program. The SLDF also funds other positions within the Department such as three (3) positions within the Commission on Water Resource Management, provides funding support to the Division of State Parks, various resource protection programs administered by the Division of Forestry and Wildlife, and also funds portions of the salaries and fringe benefits of the accounting staff in the Department's Administrative Services Office.

Given the unforeseen expenses that are incurred from land management, it is paramount that the SLDF maintain a sufficient cash balance to cover emergency land management expenses or rent defaults in addition to projected expenditures. The SLDF has been utilized to remediate unanticipated natural hazards. During the 40-days of rain that occurred in 2006, the SLDF was the Department's go-to fund for emergency work. Additionally, the SLDF has provided support for wild land firefighting efforts, flooding from streams and rockfall/landslide mitigation.

For Fiscal Year 2017, \$4.672 million is expected to be transferred to other divisions within the Department to fund their programs and operations.³

established a new policy for the Department to follow in the leasing of its public lands. Additionally, the Department recognizes that a prior legislative act providing for extensions of resort leases did have a beneficial effect on one State lease on Banyan Drive. The lessee of Hilo Hawaiian Hotel property took advantage of Act 219 Session Laws of Hawaii (2011) to extend its lease from 2031 to 2068, making substantial improvements to the property pursuant to a development agreement negotiated between the State and the lessee.

The Department thus acknowledges different public policy benefits from different approaches. Based on this, the Department now takes a neutral stance on legislative proposals to extend existing leases. The Department respectfully suggests that extensions of existing leases in exchange for lessees making substantial improvements may be the better way to deal with end of lease issues in Hilo.

³ Examples of Past Funding for other divisions within the Department:

- Office of Conservation and Coastal Lands (OCCL)
 - 100% funding
- Engineering Division

In summary, while the Department recognizes the importance of economic redevelopment in East Hawaii, the Department cannot afford to turn over the lion's share of its lease rents to HCDA, unless HCDA is prepared to take on the lease management responsibilities that go hand-in-hand with receipt of revenue and remit net profits to the Department for its mission.

Thank you for the opportunity to comment on this measure.

-
- Dam Safety Program (majority funding for personnel costs, operations costs and funding for water gauges for streams and dams)
 - Geothermal Program
- Division of Forestry and Wildlife (DOFAW) avg. \$800,000 - \$1,600,000
- Threatened and Endangered Species Program
 - Invasive Species Program
 - Wild land Firefighting
- Commission on Water Resource Management (CWRM)
- Fund three (3) Positions (2 hydrologists and a water conservation / drought coordinator) and Funds for Stream Monitoring and certain other stream related studies

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY AND WATER AND LAND
ON
HOUSE BILL NO. 1479, H.D. 2

March 20, 2017
2:45 p.m.
Room 414

RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT

House Bill No. 1479, H.D. 2, establishes the Hilo Community Economic Development District under the Hawaii Community Development Authority to facilitate improvement in East Hawaii. The bill establishes the Hilo Community Economic Revolving Fund that would generate revenues through income of the Authority for the district; moneys directed from the government or private sectors, including grants, gifts, and landowner assessments for costs to operate the district; legislative appropriations; and investment earnings. The revolving funds would be used to establish and administer the Hilo Community Economic Development District. The bill transfers an unspecified percentage of revolving fund moneys to the Special Land and Development Fund, and appropriates an unspecified sum of general funds for FY 18 and FY 19 for positions to establish and administer the development district and a new satellite office.

The Department of Budget and Finance, as a matter of general policy, does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4 of the HRS. Revolving funds should: 1) serve a need as demonstrated

by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1479, H.D. 2, it is difficult to determine whether the proposed source of revenues will be self-sustaining.

Thank you for your consideration of our comments.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Economic Development, Tourism,
and Technology, and Committee on Water and Land
Monday, March 20, 2017 at 2:45 P.M.
Conference Room 414, State Capitol**

**RE: HOUSE BILL 1479 HD2 PROPOSED SD1 RELATING TO THE HILO
COMMUNITY ECONOMIC DISTRICT**

Chairs Wakai and Rhoads, Vice Chairs Taniguchi and Gabbard, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 1479 HD2 Proposed SD1, which establishes the Hilo Community Economic District as a community development district located in East Hawaii under the Hawaii Community Development Authority and establishes the Hilo Community Economic Revolving Fund.

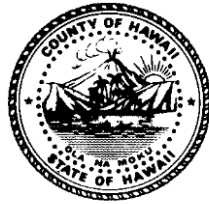
The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

In 1976 the Legislature created the HCDA to revitalize urban areas that were underused and deteriorating. The establishment of the Hilo community economic district would serve to accomplish this very task in the Hilo area. Many of the resorts and improvements along Banyan Drive have fallen into disrepair which has created an unsafe atmosphere that is not the most conducive for visitors and members of the community. The Kanoelehua Industrial Area which is adjacent to the Hilo Airport and home to many small businesses has suffered the same fate due to the fact that many leases have less than 10 years left. The area is in need of a coordinated redevelopment which may include upgrades and expansion of infrastructure that would encourage new investment such as roadways, utilities, improvement of existing facilities and parks.

HCDA is the only State agency that currently has the statutory authority to plan and implement the coordinated redevelopment of an area.

We strongly support the passage of this bill. Thank you for the opportunity to provide our comments on this matter.

Harry Kim
Mayor



Michael Yee
Director

Daryn Arai
Deputy Director

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County of Hawai'i
PLANNING DEPARTMENT

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Testimony of
MICHAEL YEE
Planning Director

**Before the Senate Committee on Economic Development, Tourism and Technology
and the Committee on Water and Land**

Monday, March 20, 2017
2:45PM
State Capitol, Conference Room 414

In consideration of
**HB 1310 HD1, RELATING TO THE WAIĀKEA PENINSULA REDEVELOPMENT
DISTRICT**

HB 1469 HD1, RELATING TO PUBLIC LANDS

HB 1479 HD2, RELATING TO THE HILO COMMUNITY ECONMOIC DISTRICT

The Planning Department has been involved in the planning phases of proposed redevelopment actions within the Waiākea peninsula over the past year through our support of the recently established Banyan Drive Hawai'i Redevelopment Agency (BDHRA). It is understood that an unintended consequence of the State's leasing policies under HRS 171 has been the lack of reinvestment by lessees into the infrastructure of leased properties and the infrastructures' subsequent decline. Hilo is particularly affected by these leasing policies as there are substantial tracts of State lands in our community. Planning and the BDHRA are supportive of proposed legislation to stimulate reinvestment and economic growth through changes to the State's leasing policies. Planning and the BDHRA also agree that the properties identified in HB1310 HD1, HB1479 HD2, and SB1292 SD2 could benefit from revisions to leasing policies and from comprehensive planning efforts to identify a successful path forward that supports the lessees and the broader interests and concerns of our community.

Planning and the BDHRA are aware that the Legislature must consider the two structurally different approaches these bills are proposing; redevelopment under DLNR direction through HB1310 HD1 versus redevelopment under the Hawai'i Community Development Authority under HB1479 HD2 and SB1292 SD2. The strengths and benefits of both entities should be considered as these bills move forward.

HB1469 HD1 proposes changes to HRS 171, pertaining to management and disposition of public lands. Planning is offering the following specific comments on HB1469 HD1.

- The purpose of this bill, in part, is to: §171-A(b)(2) “establish a plan for the designated area, including district-wide improvements, that is coordinated with State and county land use and planning policies;”. The director of planning of the county in which the designated district is located is identified as an “ex-officio, voting member of the committee”, which is to contain 9 members. Language should be made clear to identify both the director of planning and the chairperson of the board of land and natural resources as members that count toward a voting quorum of the committee’s membership.
- Under §171-D(b)(2)(B), we recommend adding a new section: (vii) Land Use Planning or similar field;
- Under §171-D(b)(2), we recommend adding new section: §171-D(b)(2)(C) One member shall be selected on the basis of their knowledge of history and cultural traditions or practices within the redevelopment area.
- Under §171-F(e), consider replacing the date 2020 with the Legislative session directly following the two-year anniversary of the formation of the planning committee for the redevelopment district.
- Concerning Section 171-F(e). Planning questions whether 2-years is long enough to develop a redevelopment plan with needed studies and public input. This section should include a provision for a time extension of not more than 2 additional years in case more time to develop a redevelopment plan is needed.
- Concerning Section 171-F(f). The County of Hawai‘i has begun implementation of HRS Chapter 53 relating to Urban Renewal Law within the Waiākea Peninsula. A redevelopment plan developed pursuant to Chapter 171, HRS should work with or incorporate the redevelopment actions or plan developed pursuant to Chapter 53, HRS.
- Under §171-35(6), include the underscored in the bill’s language: “Where applicable, adequate protection of forests, watershed areas, game management areas, wildlife sanctuaries, important cultural or historical sites, and public hunting areas, reservation of rights-of-way and access to other public lands, public hunting areas, game management areas, or public beaches, and prevention of nuisance and waste; and”

Planning recognizes that **HB1310 HD1** is dependent on the proposed structure provided by the passing of HB1469_ HD1 or a version thereof. Specific comments are provided for HB1469_ HD1 above.

HB1479 HD2, and its companion bill SB1292 SD2, proposes use of HRS 206E, Hawai‘i Community Development Authority, to prompt needed changes in a number of State-owned property in the area of East Hawai‘i. As previously noted, Hawai‘i County established the BDHRA through use of HRS 53 in order to plan for and redevelop lands along Banyan Drive in Hilo. In review of HRS 206E and HRS 53, it would appear both sets of legislation employ

similar powers and duties to the respective authority or agency. If the Legislature considers the adoption of HB1479 HD2 or SB1292 SD2 the County would request that the progress made to date by BDHRA (such as the development of a conceptual master plan) be incorporated into the Hilo Community Economic Development District effort.

The County would note that, in comparing HB1479 HD2 with its companion Senate bill, it appears the House bill has included a number of requests made by HDCA that seem necessary in order for that entity to successfully take on the planning and redevelopment of the district. As such, the House version of the bill might be more complete than the Senate version at this time.

Planning is offering the following specific comments on HB1479 HD2.

Concerning Section 206E-3. In the case of the Hilo Community Economic Development District, the cultural specialist identified in subsection (b) should be from the district. This could be done by making the existing position an “at-large” position and including a cultural specialist from the district, or by adding language that identifies that each cultural specialist should be from the individual economic development districts. The Planning Director should be included as an ex-officio *voting* member of the authority. Specifically relating to the Hilo Community Economic Development District, Planning makes the following language suggestions identified in subsection (4); deletions ~~struck~~, additions underlined:

(4) For matters affecting the Hilo community economic development district, the following members shall be considered in determining quorum and majority and shall be eligible to vote:

(A) The director of finance or the director’s designee;

(B) The director of transportation or the director’s designee;

(C) The director of planning or the director’s designee;

~~(D)~~(D) The cultural specialist-at large;

(E)The cultural specialist from the district;

~~(D)~~(F) The three at-large members; and

~~(E)~~(G) The three representatives of the Hilo community economic development district;

~~provided that the director of planning and permitting of the relevant county or the director’s designee shall participate in these matters as an ex officio, nonvoting member and shall not be considered in determining quorum and majority.~~

Mahalo for your consideration of these important initiatives.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Economic Development, Tourism, and Technology
Senate Committee on Water and Land
March 20, 2017 at 2:45 p.m.

By
John F. Morton
Vice President for Community Colleges
University of Hawai'i System
and
Donald O. Straney
Chancellor, University of Hawai'i at Hilo

HB 1479 HD2 Proposed SD1 – RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT

Chairs Wakai and Rhoads, Vice Chairs Taniguchi and Gabbard, and Members of the Committees:

Both the University of Hawai'i at Hilo and the University of Hawai'i Community College System are in support of the intent of HB 1479 HD2, Proposed SD1 to establish the Hilo community economic district located in East Hawai'i.

This proposal will help to improve and strengthen the economic and workforce development opportunities in East Hawai'i. University of Hawai'i at Hilo and University of Hawai'i Community College System view the proposal as a positive solution to promote the social, environmental and economic well-being of our community.

Thank you for the opportunity to testify on HB 1479 HD2, Proposed SD1. Aloha.

The Twenty-Ninth Legislature
Regular Session of 2017

THE STATE SENATE

Committee on Economic Development, Tourism, and Technology

Senator Glenn Wakai, Chair

Senator Brian T. Taniguchi, Vice Chair

Committee on Water and Land

Senator Karl Rhoads, Chair

Senator Mike Gabbard, Vice Chair

State Capitol, Conference Room 414

Monday, March 20, 2017; 2:45 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1479, HD 2
RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT**

The ILWU Local 142 supports H.B. 1479, H.D. 2, which establishes the Hilo community economic district located in east Hawaii, and places it under the jurisdiction of the Hawaii community development authority. The bill further establishes the Hilo community economic revolving fund. It also requires all revenue, income, and receipts of HCDA for the district to be deposited in the Hilo community economic revolving fund, and a designated per cent to be transferred to the special land and development fund under the department of land and natural resources.

H.B. 1479, H.D. 2 is an attempt to provide a process for strengthening the economic vitality of Hilo and the East Hawaii area. This bill recognizes the potential for increased growth, that can improve workforce and affordable housing opportunities, improve parks and open space, as well as public and private facilities, including commercial, industrial, and hotel facilities.

The bill would add three members to the Hawaii Community District Authority who would have voting rights only for issues relating to the district. Because other members of the authority represent various state as well as federal and county agencies, this creates the opportunity for many people and resources to come together.

This would provide a great planning tool for the Hilo economic district and the opportunity and mechanism to implement and achieve the goals of that plan. This bill would provide a boost for the people in Hilo and East Hawaii, and establishes the first step towards creating an economic revitalization plan, that could benefit the entire Hawaii Island community. The amendments incorporated in the house draft, make the bill stronger by including additional safeguards.

The ILWU urges passage of H.B. 1479, H.D. 2. Thank you for the opportunity to share our views and concerns on this matter.



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST
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**TESTIMONY OF HAWAII LECET
CLYDE T. HAYASHI - DIRECTOR**

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
Senator Glenn Wakai, Chair
Senator Brian Taniguchi, Vice Chair

SENATE COMMITTEE ON WATER AND LAND
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

NOTICE OF HEARING

DATE: Monday, March 20, 2017
TIME: 2:45 p.m.
PLACE: State Capitol, Room 414

TESTIMONY ON HOUSE BILL NO. 1479 HD2, RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT.

ALOHA COMMITTEE CHAIR GLENN WAKAI, COMMITTEE CHAIR KARL RHOADS, AND COMMITTEE MEMBERS:

My name is Clyde T. Hayashi and I am the Director of Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **SUPPORT** of House Bill No. 1479 HD2, especially on behalf of over 300 members and their families and our many contractors who call the Big Island home. This bill proposes to establish the Hilo Community Economic District and places it under the jurisdiction of the Hawaii Community Development Authority.

We support establishing the Hilo Community Economic District and placing it under the HCDA. The HCDA should be able to better focus on managing the state lands for the betterment of East Hawaii and address the long standing problems of uncertain futures that lessees now experience. The HCDA will be able to better address the need for infrastructure improvements. If done well, it has the potential to lead to economic development in East Hawaii with improved hotel, commercial, and industrial facilities. It may also lead to increased affordable housing, improved parks and open space, and better public facilities.

The proposed Hilo Community Economic District also includes the Banyan Drive area. This area needs focus and attention, which hopefully the HCDA will provide, so that it can be developed to its full potential.

For these reasons, we **support** House Bill No. 1479 HD2.

From: [Elena Cabatu](#)
To: [ETT Testimony](#)
Subject: Support for HB 1479
Date: Friday, March 17, 2017 2:59:21 PM

Aloha,

Please accept our support for HB 1479 on behalf of the East Hawaii Region of Hawaii Health Systems Corporation, consisting of Hilo Medical Center, Hale Ho'ola Hamakua in Honoka'a, Ka'u Hospital and our 9 specialty clinics.

Mahalo,
Elena Cabatu

Elena Cabatu

Director of Marketing and Public & Legislative Affairs
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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 1:52 PM
To: ETT Testimony
Cc: cnrs@interpac.net
Subject: Submitted testimony for HB1479 on Mar 20, 2017 14:45PM

HB1479

Submitted on: 3/14/2017

Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
brian nakano	Chika Nakano Repair Shop	Support	No

Comments: Please support this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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HB1479 HD2

Senate Committee's ETT/WTL
ETT Chair Glenn Wakai
WTL Chair Karl Rhoads

Aloha Chairs Wakai & Rhoads,

I am Garth Yamanaka, Committee chair for Government affairs for the Kanoelehua Industrial Area Association (KIAA). Established in 1968, KIAA is an active business association that is comprised of both small and large businesses and organizations within specific Hilo and Keaau boundaries. One of our goals is to advance the commercial and community interests of our member firms. Presently, we represent approximately 350 business members employing approximately 4,500 workers.

KIAA supports the purpose of this measure which is to establish the Hilo community economic district to facilitate efficient and effective improvement, and economic opportunity in the East Hawaii area. The current framework for leasing of public lands in the East Hawaii area has created an environment that is sub-par to market expectations. The passing of HB 1479 HD2 will help to push policy in the right direction as local expertise has an opportunity to be a part of this development authority which will help to start the process of revitalizing the East Hawaii economy.

We urge you to pass HB 1479 HD 2 and Mahalo for this opportunity to provide testimony.

Mahalo,

Garth Yamanaka
Committee Chair for Government Affairs
KIAA



The following individuals express their support for the following:

HB1479 HD2

Name	Company	Address	Phone	Email	IP Address
Brian Nakano	Chika Nakano Repair Shop	90 Pookela st Hilo, HI 96720	808-935-1862	cnrs@interpac.net	98.155.11.107
David S. De Luz, Jr.	Big Island Toyota, Inc./De Luz Chevrolet	811 Kanoelehua Avenue Hilo, HI 96720	808-895-4284	djr@teamdeluz.com	74.87.59.244
Garth Yamanaka	Yamanaka Enterprises Inc	1266 Kamehameha Ave Hilo, HI 96720	808-935-9766	garthyama@gmail.com	72.253.170.140
Joni Y Uemura		792 Hualani Street Hilo, HI 96720	808-935-7220	JoniU@HawaiiForklift.com	72.130.231.180
Mike Nakashima	Rannikks Auto Specialists	843 Leilani Street Hilo, HI 96720	808-961-3889	rannikksmike@hawaii.rr.com	72.130.226.56
Neil Takeda		95-706 Lauawa Street Mililani, HI 96789	808-623-5020	takebasa@hotmail.com	64.29.88.4
Paul Muranaka	Hawaii Farm Services, LLC	1133 Manono St., Suite 1 Hilo, HI 96720	808-935-9009		72.253.7.14
Steve Handy Jr.	One Handy Subway Ltd.	1032 Kukuau Street Hilo, HI 96720	808-990-6335	seshandy@hawaii.rr.com	72.130.234.181
Welden K. Ahuna	Rainbow Isle Refrigeration & Air Conditioning, Inc.	831-H Leilani Street Hilo, HI 96720	808-935-4424	rainbowisle1@aol.com	72.234.33.139
Glenn Hara	THY & Associates, Inc.	16-151 Wiliama Street Keaau, HI 96749	808-966-5444	glenn@thyassociates.com	173.198.71.234

Jacqueline Watanabe	Big Island Toyota	811 Kanoelehua Ave Hilo HI 96720	808-895- 5099HB1479	jdeluz@teamdeluz.com	74.87.59.244
Craig Takamine	Takamine Construction, Inc.	1266 Kamehameha Ave Hilo, HI 96720	808-989-8044	craighilo@gmail.com	70.212.132.68
Kerry Umamoto	Hilo Fish Company	55 Holumua Street Hilo, HI 96720	808-640-7684	kerry@hilofish.com	107.77.223.122
Catherine Yamanaka		428 Naniakea Street Hilo. HI 96720	808-938-2141		24.162.2.163
Cory C Aguiar	KIAA	820 Piialani St., Suite 201 Hilo, HI 96720	808-961-5422	caguiar@kiaahilo.org	66.91.0.61
Charla Ann Kahele	Sig Zane Designs	122 Kamehameha Ave Hilo, HI 96720	808-935-9980	kahele@sigzane.com	66.91.178.21

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 2:48 PM
To: ETT Testimony
Cc: sue.leeloy@hawaiicounty.gov
Subject: *Submitted testimony for HB1479 on Mar 20, 2017 14:45PM*

HB1479

Submitted on: 3/17/2017

Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Council Woman Sue Lee Loy	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: [Tracey Niimi](#)
To: [WTL Testimony](#); [ETT Testimony](#)
Subject: Support of HB 1479 & 575
Date: Friday, March 17, 2017 4:34:55 PM

Aloha,

Thank you for the opportunity to provide testimony in strong support of House Bills 1479 and 575. We support these bills and the legislature's efforts to revitalize Hilo's small business community. The both of us were born and raised in Hilo (Tracey graduated from Waiakea High School, Danielle graduated from Kamehameha Schools Hawaii Campus), the both of us graduated from the UH Hilo College of Business and Economics, and we now run our own small business here in Hilo. These bills are exactly what Hilo needs to revitalize our small business community. HB 1479 and HB 575 have broad community support and will go a long way in helping to keep and create jobs in Hilo.

Mahalo,

Tracey & Danielle Niimi
Owners/Photographers
TN Photography
(808) 987-9474

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 18, 2017 9:02 AM
To: ETT Testimony
Cc: valerie@isomedia.com
Subject: *Submitted testimony for HB1479 on Mar 20, 2017 14:45PM*

HB1479

Submitted on: 3/18/2017

Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Valerie Barnes	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
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To: ETT Testimony
Cc: dkg1031@gmail.com
Subject: *Submitted testimony for HB1479 on Mar 20, 2017 14:45PM*

HB1479

Submitted on: 3/18/2017

Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Debra Koonohiokala Norenberg	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 16, 2017 7:49 AM
To: ETT Testimony
Cc: doug@shipmanlawhilo.com
Subject: *Submitted testimony for HB1479 on Mar 20, 2017 14:45PM*

HB1479

Submitted on: 3/16/2017

Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Douglass Adams	Individual	Support	No

Comments:

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