

McCully Works

40 Kamehameha Ave.

Hilo, Hi. 96720

HB 1479, HD2: Testimony in SUPPORT

Senate Joint Committee: ETT/WTL

Chair Glenn Wakai , ETT

Chair Karl Rhoads, WTL

Aloha,

I am a small business owner in Hilo since 1976. I provide warehouse and logistical services to other businesses and am a lessee of both private and public lands. I know our East Hawaii economies challenges and potential both as a community member and as a participant. Changes in the laws governing how public lands are controlled and managed are central to the solutions and I trust your committee will support these measures.

Establishing a Hilo Community Economic District (HCED) under existing HRS206E could be a game changer (finally!) for East Hawaii. Any bill that has the capacity to jumpstart Hilo, both in terms of business development and tourism deserves our complete support.

The SD1 version of this bill envisions that all the public lands used for economic purposes in Hilo are unified under a planning and redevelopment authority. The proposed SD1 addresses this through the expansion of the board to 16 members with a majority of the representatives being stakeholders in the outcomes. Home rule has particular value when it comes to economic development. This critical modification should lead to better and faster decisions that reflect the unique needs of our Hilo community.

Please support the proposed version, HB1479, SD1.

Mahalo,

James McCully



HAWAII ISLAND REALTORS®

THE VOICE OF REAL ESTATE ON THE ISLAND OF HAWAII

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March 17, 2017

Senate Committee on Economic Development, Tourism, and Technology
The Honorable Glenn Wakai, Chair
State Capitol, Room 216
Honolulu, Hawaii 96813

Senate Committee on Water and Land
The Honorable Karl Rhoads, Chair
State Capitol, Room 204
Honolulu, Hawaii 96813

RE: H.B. 1479 HD2 Relating to the Hilo Community Economic District

HEARING: Monday, March 20, 2017, at 2:45 p.m.

Aloha Chairs Wakai and Rhoads, Vice Chairs Taniguchi and Gabbard, and Members of the Committee,

I am Pat Halpern, 2017 President, offering testimony on behalf of Hawai`i Island REALTORS® (HIR), the voice of real estate on Hawai`i Island and its 550 members. Hawai`i Island REALTORS® speaks in **STRONG SUPPORT** of HB 1479 HD2 which seeks to establish the Hilo community economic district (East Hawai`i) placing it under the authority of the HCDA.

The lessees of the areas defined in the Hilo Community Economic District, fee simple neighbors to these lessees, and the Hilo Community are greatly encouraged by the introduction of this long overdue measure. The uncertainty of lease extensions, planning and management of these public lands exacerbates the “blighted” conditions of these areas and impacts the day to day lives of East Hawai`i visitors, residents and business owners.

Many of the circumstances that faced the State of Hawaii and the City & County of Honolulu when the future of Kaka`ako was at risk can be related to the issues of the Waiakea Peninsula (Banyan Drive) and Kanoelehua Industrial Area. Existing regulations and state policies do not address the needs of the Hilo business operating on Public Lands resulting in a less-than-thriving commercial zone and ultimately a reduction of income to the State of Hawaii from leases paid at appropriate terms and conditions as well as increased TAT revenue from a revitalized hotel and resort area.

By including the areas referenced in HB 1479 HD2 in the existing act that allows HCDA oversight, East Hawaii is hopeful to see a revitalized urban area that is currently underused and deteriorating – the intention of the 1976 HCDA legislation.



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Hawaii`i Island REALTORS® supports legislation that makes the economic growth and revitalization of Hilo possible and acknowledges the needs of the many small, multi-generational, family owned businesses who are the fabric of our community. Please pass this bill forward for full senate consideration.

Thank you for the opportunity to **SUPPORT** the creation of Hilo Community Economic District.

Respectfully Submitted,

Pat Halpern, 2017 President



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



David Y. Ige
Governor

John Whalen
Chairperson

Jesse K. Souki
Executive Director

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STATEMENT OF

JESSE K. SOUKI, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY; AND COMMITTEE ON WATER AND LAND

ON

Monday, March 20, 2017

2:45 P.M.

State Capitol, Conference Room 414

in consideration of

HB 1479, SD1 (PROPOSED)

RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT

Chairs Wakai and Rhodes, Vice Chairs Taniguchi and Gabbard and
members of the committees.

The Hawaii Community Development Authority (HCDA) offers the
following comments on HB 1479, SD1 (PROPOSED).

While the HCDA board has not taken a position on this specific
proposal, it has taken a position that any expansion of the current development
districts include funding and other resources to allow us to effectuate the intent of
the proposal.

HCDA staff estimates it would require 4.5 FTE at \$520,000/year along
with yearly operating costs of \$430,000/year. In addition, operation of a satellite
office in the Banyan Drive area would cost approximately \$100,000/year with
initial start-up costs of \$50,000.

We note that Section 4 of the bill amends Hawaii Revised Statutes (HRS)
§ 206E-3, which creates the general board and district specific boards. Under the
status quo, members of the districts also sit on the general board. Under the
proposed bill, amendments to HRS § 206E-3(b) appear to reduce the general board
to six voting members, “the director of finance or the director's designee; the

director of transportation or the director's designee; a cultural specialist; an at-large member; an at-large member nominated by the senate president; an at-large member nominated by the speaker of the house," and the two non-voting *ex officio* members from the Department of Planning and Permitting and Department of Hawaiian Home Lands. This is our understanding based on the addition of the proviso language for each of the community development districts added under HRS § 206E-3(b). If this is the case, we recommend adding one more voting member to make it a total of 7 voting members. You might consider adding the director of the Department of Business, Economic Development and Tourism as an *ex officio*, voting member.

Logistically, this approach may be prudent. If the current statutory framework was not changed, the general board would increase to 24 members (assuming 7 additional Hilo members), with more than twice as many members on the general board from any one district (each district currently has 3 members each). It would be very difficult to establish a quorum to conduct general business of the Authority. We defer to the Legislature on the policy question of whether district members should participate directly in general questions regarding the function and operation of the Authority or focus only of district specific matters.

Thank you for the opportunity to provide comments on HB 1479, SD1 (PROPOSED).

Honorable Representatives:

My name is Michael Shewmaker, My wife, Keiko and I own one of the most successful businesses in Downtown Hilo as well as two leasehold properties in the Hilo Industrial Area. Our nearly forty years of doing business in Hilo have given us a deep love and concern for our community.

We would most appreciate your support for HB1479 Relating to the Waiakea Peninsula Development District. This will allow those in our community to determine the destiny of our community. We have been held in limbo for too many years because nearly all of our commercial, industrial and resort zoned lands are leasehold properties held by the State of Hawaii and Hawaiian Homes.

As strange as it may seem Hilo suffers every day from the Tsunami of 1960. That dreadful wave cut through the heart of the city and stripped us of our vital, fee simple commercial and industrial lands. In order to insure survival of the city these lands were replaced by State owned leasehold parcels in the Waiakea area. This permanently removed the ability of the small business owner to build equity in their property; one of primary ways the small guy has always depended on to get ahead. Now there are just a few years remaining on these leases, the buildings are in disrepair and no viable way to refurbish the community is available to us. Without leasehold reform Hilo and more specifically the Hilo Industrial Area and the Banyan Drive area will remain stagnant.

Thank you for your consideration.

Sincerely,

Michael Shewmaker



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
The Senate
Committee on Economic Development, Tourism, and Technology
Committee on Water and Land

Testimony by
Hawaii Government Employees Association

March 20, 2017

H.B. 1479, H.D. 2, PROPOSED S.D. 1 – RELATING TO THE
HILO COMMUNITY ECONOMIC DISTRICT

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of the proposed Senate Draft 1 of H.B. 1479, H.D. 2 which establishes the Hilo Community Economic Development District under the Hawaii Community Development Authority and creates the Hilo Community Economic Revolving Fund for all revenue and income of the district.

Since the State is the largest landowner in East Hawaii, it by default has a significantly influential role in the development and economic success of the East Hawaii community. The concepts provided in H.B. 1479, H.D. 2, proposed S.D. 1 are positive steps in the right direction to revitalize the deteriorating urban core, increase workforce development opportunities for residents, and ensure a strong East Hawaii economy. We are hopeful that the Hilo Community Economic Development District will be able to address the unique needs of the community.

Thank you for the opportunity to testify in strong support of passing H.B. 1479, H.D. 2, proposed S.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director

From: [Bob](#)
To: [WTL Testimony](#); [ETT Testimony](#)
Cc: friendsofgilkahele@gmail.com
Subject: Testimony in strong support of House Bills 1479 and 575
Date: Sunday, March 19, 2017 5:40:52 PM

Aloha,

Mahalo nui for the opportunity to provide testimony in strong support of House Bills 1479 and 575.

I fully support both of these bills and the legislature's efforts to revitalize Hilo's small business community. HB 1479 and HB 575.

Hilo's Banyan Drive is how to put it a bit of an embarrassment, especially for out of town guests. Personally I love Queen Liliuokalani Park and would use the area more often if Banyan Drive was cleaned up and offered more amenities such as an out door cafe. I would love to sit and enjoy a nice pupu and coffee in a European style cafe while enjoying the passersby.

In addition it would be spectacular if it became an art hub for Hilo's artists.

Aloha,

Bob Douglas
danhieux@yahoo.com
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