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**Subject:** \*Submitted testimony for SB1292 on Feb 10, 2017 13:50PM\*

**SB1292**

Submitted on: 2/10/2017

Testimony for ETT/WTL on Feb 10, 2017 13:50PM in Conference Room 414

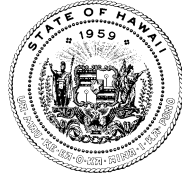
<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randy Cabral	Hawaii Farm Bureau	Support	No

Comments:

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

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**TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, TOURISM,  
& TECHNOLOGY AND WATER & LAND**

**COMMENTS**

**SB 1292 RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT**

February 10, 2017

Aloha Chairs Wakai & Rhoads and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) offers comments on this bill that establishes the Hilo community economic district located in East Hawaii and places it under the jurisdiction of the Hawaii community development authority (HCDA). DHHL supports the intent of the bill to facilitate efficient and effective improvement and economic opportunity in Hilo, but takes no position as to the establishment of the Hilo community economic district and its placement under the jurisdiction of HCDA. DHHL's interest in this bill is due to its industrial land holdings in the Kanoiehua Industrial Area. Since the use and disposition of Hawaiian Home Lands is under the exclusive jurisdiction of the Hawaiian Homes Commission and the Hawaiian Homes Commission Act, as amended, DHHL cannot support the local redevelopment authority's ability to lease Hawaiian Home lands located within the Hilo community economic district. Based on this concern, the House Committees on Economic Development & Business and Tourism voted to amend the House companion to this bill, HB1479 to address this issue. DHHL requests that similar language be included in this bill stipulating that "the authority shall not grant any leases for lands covered by the Hawaiian Homes Commission Act, 1920, or lands under the control, management, or ownership of the department of Hawaiian home lands within the district."

Thank you for your consideration of our testimony.

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**Testimony to the Senate Committees on Economic Development, Tourism,  
& Technology; and Senate Committee on Water & Land  
Friday, February 10, 2017  
1:50 p.m.  
Conference Room 414**

**RE: SB 1292 – Relating to the Hilo Community Economic District**

Chairs Wakai & Rhoads, Vice-Chairs Taniguchi & Gabbard, and members of the committees:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is in strong support of S.B. 1292, which proposes to establish the Hilo community economic district located in East Hawaii and places it under the jurisdiction of the Hawaii community development authority. It also establishes the Hilo community economic revolving fund, and requires all revenue, income, and receipts of HCDA for the district to be deposited in the Hilo community economic revolving fund. The bill will also require a designated per cent to be transferred to the special land and development fund under the department of land and natural resources.

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 Kanoiehua 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 S.B. 1292.

Thank you for the opportunity to provide our comments on this matter.



**Testimony to the Senate Committee on Economic Development, Tourism and  
Technology, and the Senate Committee on Water and Land  
Friday, February 10, 2017 at 1:50 P.M.  
Conference Room 414, State Capitol**

**RE: SENATE BILL 1292 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") **strongly supports** SB 1292, which establishes the Hilo community economic district located in East Hawaii and places it under the jurisdiction of the Hawaii community development authority; establishes the Hilo community economic revolving fund; 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.

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 SB 1292. Thank you for the opportunity to provide our comments on this matter.



# Hawai'i Island Chamber of Commerce

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February 9, 2017

Members of the 29th State of Hawaii Legislature,

Re: HB575/1479/1469 &130; SB274/1292/1185/1184

**Context:** In 1946 and again in 1960 the town of Hilo was hit with tsunamis that caused significant loss of life and much of the commercial and industrial area of Hilo to be destroyed. To prevent future loss and to encourage a renewal of businesses and services needed for town residents, businesses were encouraged to move to State owned land along Kanoelehua Avenue. Major East Hawaii businesses moved to the new industrial area so created. Land leases initiated then began to expire in 2015 with all currently set to expire no later than 2025.

Issues: State Law prevents renewal of leases past the 65 year terminus.

- Businesses as they come into the ten year from lease expiration find it very difficult to borrow money for needed repairs and/or upgrades
- Business owners are reluctant to make such repairs understanding that those upgrades will go to the highest bidder – which may not be them.
- The result is a badly deteriorated central business area with businesses unsure of their future.

The current situation causes a serious drag on the East Hawaii economy and community. Resolution, regrowth and vitality now rest on policies that the State of Hawaii in concert with the East Hawaii business community makes.

The above legislation provides a solid foundation for further discussion that will lead to energizing this vital Hawaii Island Community. Just as the original promise – in 1960 - of the Kanoelehua Business Park sparked the regrowth of businesses devastated by two tsunamis, thoughtful and active solution of today's situation can reenergize our Business Community today.

We ask that you work through the issues starting with solutions provided by the above legislation and ending with a package that meets the needs of both the State and of this Community.

Sincerely,

William Walter, Chair  
Hawai'i Island Chamber of Commerce Government Affairs Committee