

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 House Committees on  
TOURISM  
and  
WATER & LAND**

**Tuesday, February 14, 2017  
9:30 A.M.  
State Capitol, Auditorium**

**In consideration of  
HOUSE BILL 1310  
RELATING TO THE WAIAKEA PENINSULA REDEVELOPMENT DISTRICT**

House Bill 1310 proposes to establish the Waiakea Peninsula Redevelopment District (WPRD) in East Hawaii, and create a planning committee and revolving fund for the district. **The Department of Land and Natural Resources (Department) offers the following comments on this bill.**

Under Chapter 171, Hawaii Revised Statutes (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. 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 in the nation that had maximum lease terms and reviewed how those states' leasing practices dealt 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

**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

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.

The proposed WPRD encompasses the Waiakea Peninsula in Hilo. Although a number of State leasehold properties in this area are in poor condition, the Department points out that the Hilo Hawaiian Hotel, the Hilo Bay Café (former Nihon Restaurant site), and the Grand Naniloa Hotel are State leasehold properties that are in good condition, with Naniloa currently undergoing an extensive renovation. The long-term leases for Uncle Billy's Hilo Bay Hotel (now the Pagoda Bay Hotel), Country Club Condominium (which is now a residential apartment building – not a condominium), and Reeds Bay all expired in 2016 and have been converted to month-to-month revocable permits. No new leases for these sites have issued yet because the Department has been working the County of Hawaii Banyan Drive Hawaii Redevelopment Authority (BDHRA), and prior to that the Banyan Drive Task Force, to develop a long term plan for the area. Once a long-term plan for Banyan Drive is settled on, the Department can issue new long-term resort leases for these properties, if that is what BDHRA ultimately supports.<sup>1</sup>

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 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.

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<sup>1</sup> 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. 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.

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 and redevelopment on Waiakea Peninsula.

In addition, the Department identifies the following issues with respect to this measure:

***The Department is unclear as to the effect of this bill on existing ongoing state and county collaboration on redevelopment for Waiakea Peninsula.***

As explained above, the Department has been working with the BDHRA regarding plans for the Banyan Drive area. Additionally, as mentioned above, the Department procured consultants for Banyan Drive to analyze market trends, and explore options for redevelopment and rehabilitation of specific parcels or areas. After the 2013 legislative session, former Governor Abercrombie approved the formation of a Banyan Drive Task Force that met a number of times to discuss many of the issues covered by the bill. The task force members included representatives from local businesses, the former executive director of the Big Island Visitors Bureau, the executive director of the 'Imiloa Astronomy Center of Hawaii, and representatives from the Hawaii County Mayor's Office and State legislators also attended the meetings. This informal task force worked well and at limited expense to the State.

The bill creates a new layer of redevelopment process in addition to the task force and the BDHRA: the WPRD and a planning committee consisting of an unspecified number of members to serve as a policy-making board for the district. In addition to an administrator, the planning committee would likely require a secretary and perhaps more staff for proper administration, as well as office equipment, supplies, and travel expenses for the committee members. There will be added expense for the committee to comply with HRS Chapter 92's sunshine law requirements. Further, the committee's actions may be subject to contested case hearings and appeals. The bill provides no direct appropriation to carry out the purposes of the measure. A conservative budget for such a planning committee, including payroll, fringe benefits, hearing officer fees, and other costs and expenses, would be \$500,000 annually.

***The Department relies on the revenues from leases of public lands to fulfill its fiduciary duties***

House Bill 1310 proposes that 50% of the revenues from the WPRD are to be deposited into a redevelopment district revolving fund, and that moneys in the fund shall be used solely for the WPRD. The Department and Board are responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial,

industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these fiduciary duties, the Board determined that the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs. Annual lease revenues currently support the Special Land and Development Fund (SLDF), with revenues coming primarily from leases for commercial, industrial, resort, geothermal and other renewable energy projects.

The SLDF is a critical and increasingly important funding source for various divisions within the Department to deal with emergency response to natural catastrophes such as fire, rockfall, flood or earthquake and hazard investigation and mitigation. The SLDF also is critical for staff support of various programs and funding conservation projects on all state lands. It has also become an important source of state match for federally funded endangered species and invasive species initiatives that otherwise would not go forward.

***The authority to construct, improve, renovate and revitalize areas within the counties is already authorized under Section 46-80.5, HRS***

The bill seeks to redevelop the WPRD. However, the bill is unnecessary because there are already existing laws and ordinances that provide the process and financing to effect redevelopment, as evidenced by the County of Hawaii's creation of BDHRA.

Section 46-80.5, HRS, authorizes the various counties to enact ordinances to create special improvement districts for the purpose of providing and financing such improvements, services, and facilities within the special improvement district as the applicable county council determines necessary or desirable to restore or promote business activity in the special improvement district. This is the same purpose sought by House Bill 1310.

Under the authority of Section 46-80.5, HRS, the County of Hawaii, as an example, enacted Chapter 12 of the Hawaii County Code, which authorizes the County of Hawaii to create improvement districts to construct new, or improve existing infrastructure and facilities, including roadways and utility infrastructure and improvements. It should also be noted that the responsibilities for maintaining such improvements within the proposed redevelopment districts are already vested with the County of Hawaii. Most, if not all, of the public roadways and utility infrastructure within any potentially designated district boundaries have been dedicated to the County.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE  
GOVERNOR

**LATE**



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 HOUSE COMMITTEES ON TOURISM AND WATER AND LAND  
ON  
HOUSE BILL NO. 1310

**February 14, 2017**  
**9:30 a.m.**  
**Auditorium**

**RELATING TO THE WAIAKEA PENINSULA REDEVELOPMENT DISTRICT**

House Bill (H.B.) No. 1310 establishes the Waiakea Peninsula Redevelopment District on the island of Hawaii and the Waiakea Peninsula Planning Committee to help carry out the revitalization effort. The bill creates the Waiakea Peninsula Redevelopment District Revolving Fund that would generate revenues through 50% of the income, revenues, and receipts from the public lands in the redevelopment district; legislative appropriations; and grants, gifts, and other funds accepted by the planning committee. The measure will be repealed on June 30, 2027.

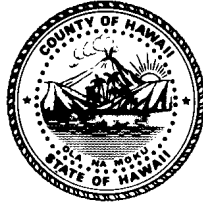
The Department of Budget and Finance takes no position on the establishment of the Waiakea Peninsula Redevelopment District. As a matter of general policy, the department does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4 of the HRS. Revolving 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 H.B. No. 1310, it is difficult to determine if there is a clear nexus between the benefits sought and the users and whether the proposed source of revenues will be self-sustaining. It appears that H.B. No. 1310 is relying on the redevelopment district framework proposed in H.B. No. 1469 to provide clarity on how the revolving funds will be used and the appointment and powers of the planning committee.

The department has concerns on the general fund revenue impact of the bill since half of the revenue, income, and receipts from public lands in the Waiakea Peninsula will be diverted away from the Special Land and Development Fund. Pursuant to Section 171-19, HRS, excess moneys in the Special Land and Development Fund lapse to the credit of the State general fund.

Thank you for your consideration of our comments.

*Aaron S. Y. Chung*  
Council Member  
District 2 South Hilo



Phone No.: (808) 961-8272  
Fax No.: (808) 961-8912  
aaron.chung@hawaiicounty.gov

## ***HAWAI'I COUNTY COUNCIL***

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

### **TESTIMONY OF AARON CHUNG HAWAI'I COUNTY COUNCIL MEMBER**

**COMMITTEE ON TOURISM  
COMMITTEE ON WATER & LAND  
HEARING DATE: TUESDAY, FEBRUARY 14, 2017**

#### **IN SUPPORT OF HB1310, RELATING TO THE WAIAKEA PENINSULA REDEVELOPMENT DISTRICT**

Chairs Onishi and Yamane and Committee Members,

Thank you for allowing me the opportunity to voice my support for HB1310, which proposes the establishment of the Waiākea Peninsula Redevelopment District, Planning Committee and Revolving Fund. This is one of four House Bills which, along with their companion Senate Bills, will be considered by the legislature this session. I support them all and leave it to you and our Big Island delegation to sort through the merits of each. It is more important to keep in mind that all of these bills share a common and fundamental recognition, which is that the statutory framework governing the management of State lands, though well-intentioned, is stifling our potential for economic growth. I cannot recall ever getting excited over legislation, at any level of government, but these bills excite me for the simple reason that it will give Hilo town and its people the tools to enable us pull ourselves out of a forty-year old economic funk. In other words, it gives us hope.

Hilo was once one of the more vibrant towns in the State. Or so I've been told. In 1976, when I was a senior in high school, Hilo was already on a downward trajectory from its heyday due to a variety of reasons, not the least of which were the improvements to the Kona airport which made flying into Hilo unnecessary to those tourists seeking the more stylized Hawaiian vacation. Still, we have other resources to offer that can make for a unique visitor experience, but we will not be able fulfill that marketing potential without a decent inventory of hotel rooms and a solid and attractive commercial center in support thereof. Unfortunately, the current land management system thwarts the ability of our hotels and businesses to make important improvements to their aging infrastructure. It also provides no incentive for new hotels or businesses to make investments in our community. And of course without all of those things, we can have no reasonable expectation of getting more flights from the mainland or Asia. Please give us that chance.

Your support of HB1310 and other bills aimed at revitalizing our Hilo town will be greatly appreciated. Thank you for considering my thoughts on this matter.





HB1310

House Committee, TOU/WAL  
Chair TOU Richard Onishi  
Chair WAL Ryan Yamane

Aloha Chair Onishi & Chair Yamane

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 Keauau 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 Waiakea peninsula redevelopment district, planning committee and revolving fund. The current framework for management of the Waiakea peninsula has been sub-par to market expectations which is having a harmful effect on the economy of East Hawaii. The passing of HB 1310 will help to push policy in the right direction as local expertise has an opportunity to be a part of a redevelopment district that will allow public lands to be managed property which in turn will help the sites on the Waiakea peninsula to be revitalized and relevant in today's market.

We urge you to pass HB 1310 and Mahalo for this opportunity to provide testimony.

Mahalo,

Garth Yamanaka  
Committee Chair for Government Affairs  
KIAA

February 13, 2017

## COMMITTEE ON TOURISM

Rep. Richard H.K. Onishi, Chair  
Rep. James Kunane Tokioka, Vice Chair

## COMMITTEE ON WATER & LAND

Rep. Ryan I. Yamane, Chair  
Rep. Sam Satoru Kong, Vice Chair

## Testimony in Support of HB1310

Aloha Chairs Onishi and Yamane,

Hawaii Planing Mill, Ltd. dba HPM Building Supply will be celebrating its 96<sup>th</sup> anniversary on August 8, 2017. We have over 320 employees and operate 8 facilities across Hawaii Island, Oahu and Kauai. Today we are a 100% employee-owned company and proud that all our success is returned to the communities we serve. Our roots are in Hilo, where HPM was founded in 1921. Since 1961, we have been a lessee of the State of Hawaii and were a recipient of one of the original “tidal wave” leases.

We respectfully ask for your support of HB1310. The opportunity to establish the Waiakea Peninsula Redevelopment District, Planning Committee, and Revolving Fund is much needed for our town’s economic revitalization. We also appreciate that HB1310 operates on the foundation of HB1469, which establishes the procedures for designating planning committees, district redevelopment plans, and redevelopment district revolving fund appropriations. With these two bills in combination, Hilo has a real chance of finally taking the appropriate action and making the necessary investments to transform the Waiakea Penninsula into an area we can be proud of for our families and all that come to visit our town of Hilo. This also establishes an economic foundation and engine for future generations of our Hilo community to thrive.

Thank you for your support of this bill.

Mahalo,



Robert M. Fujimoto, Chairman of the Board Emeritus



Michael K. Fujimoto, Chairman and Chief Executive Officer



Jason R. Fujimoto, President & Chief Operating Officer

Submitted By	Organization	Testifier Position	Present at Hearing
Marlene Hapai	Hawaii Island Portuguese Chamber of Commerce	Support	No

Comments: On behalf of the Hawaii Island Portuguese Chamber of Commerce, we support HB 1310 and HB 1469 to improve Hilo's economy with a focus on redeveloping the Hilo area. There is much potential in this area and increasing our tax base would provide more needed services for the Hilo area as well as make this area more visitor and resident friendly. Marlene Hapai, President HIPCC

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brooke Wilson	Hawaii Regional Council of Carpenters	Support	No

Comments:

2/13/2017

To Whom It May Concern,

On behalf of the Hawaii Island Chamber of Commerce, I support HB 1310 and HB1469 to improve Hilo's economy with a focus on the redevelopment of the Hilo area. There is much potential in this area and increasing our tax base would provide more needed services for the Hilo area as well as make this area more visitor and resident friendly.

Mahalo,

Christopher Parayno  
Techy3 Studio Productions  
8089377101  
chris@techy3.com

Submitted By	Organization	Testifier Position	Present at Hearing
David S. De Luz, Jr.	Big Island Toyota/David S. De Luz, Sr. Enterprises, Inc.	Support	No

Comments: Aloha Chairs's Onishi and Yamane and fellow committee members: I/we STRONGLY SUPPORT HB 1310, because this bill would allow the community of East Hawaii, especially the area of the Waiakea peninsula the opportunity to redevelop what once was a thriving tourism and economic hub. It currently is in quite disrepair and in dire need of attention, especially with the input and guidance of our local stakeholders. The passage of HB 1310 will be start of the rebuilding, a rebirth of a once proud and vibrant East Hawaii tourism properties and key to become a sustainable economic engine! Thank you for the opportunity to submit this testimony and I/we ask you to PLEASE SUPPORT passage of HB 1310! Mahalo, David S. De Luz, Jr. 808-895-4284 VP Big Island Toyota, Inc.

**Jeffrey Melrose  
Island Planning  
1405 Waianuenue Ave.  
Hilo, HI 96720**

February 13, 2017

**Combined Testimony on HB 1310 and HB 1469 Related to Waiakea Peninsula and Related to Public Lands respectively**

Aloha Members of the Tourism, Water and Land Committee

I would like to testify in support of both of the above measures as important tools to help promote economic revitalization of the Waiakea Peninsula and other State owned Industrial properties in Hilo Town.

I am a land planner who has worked primarily on Hawaii Island for the last 25 years. I am also a past President of the Hawaii Island Chamber of Commerce and of the Hilo Downtown Improvement Association. In these various roles I have seen firsthand the shortcomings of the State's land management as implemented through Chapter 171 HRS. The inability to renegotiate lease extensions and to direct funds towards regional infrastructural reinvestment in either the Waiakea resort area or the Kanoiehua industrial area has resulted in an extended malaise in the economic vitality of these two very important parts of town.

Like many others in Hilo, I ask the Legislature to step forward in the 2017 session to address these issues along the lines laid out in the two bills before you today. I understand that what is being asked of you is complex and presents a range of challenges for the DLNR Land Division and may have a small impact on State revenues in the short run. I believe however that the path being laid out by our community and supported by our legislative delegation and others is the correct path and it will pay out in the long run with a more vibrant economic condition in East Hawaii.

I urge you to support both bills before you today and look forward to an ongoing partnership between the Legislature and the East Hawaii Community to build a more vibrant and sustainable economy for the businesses, families and young people that call Hilo home.

Thank you for the chance to testify.

**B**RIAN J. DE LIMA

ATTORNEY AT LAW

February 13, 2017

Chair Richard Onishi  
Chair Ryan YamaneCommittee on Tourism and Committee on Water & Land  
Hearing: HB 1310 and HB 1469  
Date: 2/14/17 at 9:30 a.m. Auditorium

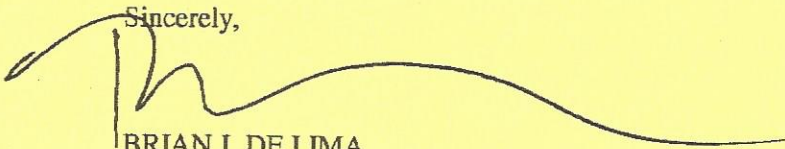
Dear Chair Onishi, Chair Yamane, and Members of the Committees on Tourism and Water &amp; Land:

I am a Member and Chair of the Hawaii County Banyan Drive Hawaii Redevelopment Agency. The Agency will not be meeting until later this month and has not discussed the legislation being proposed. However, as a life long resident of Hilo, I applaud the leadership of our legislators in recognizing the need to broaden and focus on economic needs of our community.

I attended a community meeting about a week ago and I was impressed with the widespread community support and recognition that it is imperative that the State utilize all of its assets to increase opportunities for our Hilo community.

Thank you for the opportunity to provide testimony and support for the proposed legislation.

Sincerely,

  
BRIAN J. DE LIMA



Testimony of  
Christopher Delaunay  
Pacific Resource Partnership

HOUSE OF REPRESENTATIVES  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2017

COMMITTEE ON TOURISM  
Representative Richard H.K. Onishi, Chair  
Representative James Kunane Tokioka, Vice Chair

COMMITTEE ON WATER & LAND  
Representative Ryan I. Yamane, Chair  
Representative Sam Satoru Kong, Vice Chair

NOTICE OF HEARING



DATE: Tuesday, February 14, 2017  
TIME: 9:30am  
PLACE: Auditorium

Aloha Chairs Onishi & Yamane, Vice Chairs Tokioka & Kong, and Members of the Committees:

PRP supports HB 1310, Relating to the Waiakea Peninsula Redevelopment District, which establishes the Waiakea Peninsula Redevelopment District, Planning Committee, and Revolving Fund.

The Waiakea Peninsula of the island of Hawaii contains approximately eighty-five percent of the overnight visitor accommodations in east Hawaii county but there has been little incentive for the lessees of the area properties to make improvements to their infrastructures. The public lands in this area present an opportunity for the revitalization and redevelopment.

Thank you for allowing us to testify on HB 1310 and we respectfully request your support in moving this bill forward.



**(Continued From Page 1)**

About PRP

*Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.*

The Twenty-Ninth Legislature  
Regular Session of 2017



THE HOUSE  
Committee on Tourism  
Representative Richard H.K. Onishi, Chair  
Representative James Kunane Tokioka, Vice Chair  
State Capitol, Auditorium  
Tuesday, February 14, 2017; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1310  
RELATING TO THE WAIAKEA PENINSULA REDEVELOPMENT DISTRICT**

The ILWU Local 142 supports H.B. 1310, which establishes the Waiakea Peninsula Redevelopment District, planning committee and revolving fund. H.B. 1310 creates a strategic planning committee to develop an overall plan that would leverage the potential for tourism and other related industries to thrive in the redevelopment district. The planning committee would also develop strategies for creating economic incentives for major investments and improvements to infrastructure in the district.

H.B. 1310 creates a Waiakea Peninsula Redevelopment Special Fund which provides a tool to marshal any financial resources available, to implement the plan and strategies generated by the planning committee. With approximately eighty-five per cent of the visitor accommodations from east Hawaii County being located in the District, and the State being the predominant land owner, these factors should assist the planning committee in carrying out its mission.

This bill creates a mechanism for bringing together people, resources, and good ideas to help revitalize the Waiakea Peninsula Redevelopment District, and recognizes the potential for increased growth. These kinds of efforts will further the social, environmental, and economic wellbeing of the residents of Hawaii Island.

The ILWU urges passage of H.B. 1310. Thank you for the opportunity to share our views on this matter.



# HAWAII ISLAND REALTORS®

THE VOICE OF REAL ESTATE ON THE ISLAND OF HAWAII

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February 13, 2017

House Committee on Tourism  
The Honorable Richard Onishi, Chair  
State Capitol, Room 441  
Honolulu, Hawaii 96813

**LATE**

House Committee on Water & Land  
The Honorable Ryan Yamane, Chair  
State Capitol, Room 420  
Honolulu, Hawaii 96813

**RE: H.B. 1310 Relating to the Waiakea Peninsula Redevelopment District**

**HEARING: Tuesday, February 14, 2017, at 9:30 a.m.**

Aloha Chairs Onishi and Yamane, Vice Chairs Tokioka and Kong, and Members of the Committee,

I am Pat Halpern, 2017 President, offering testimony on behalf of Hawaii`i Island REALTORS® (HIR), the voice of real estate on Hawaii`i Island and its 550 members. Hawaii`i Island REALTORS® speaks in **STRONG SUPPORT** of HB 1310 which seeks to establish the Waiakea Peninsula Redevelopment District, its planning committed and its revolving fund.

Revitalization of the Waiakea Peninsula in East Hawaii is long overdue. It is an embarrassment to our community to have Hilo's primary hotel area considered "blighted" under Hawaii's urban renewal law. The County of Hawaii, along with the Banyan Drive Hawaii Redevelopment Agency has drafted a plan for the redevelopment of this area that incorporates several exciting planning documents and addresses all of the uses of the area: recreation, tourism, cultural, harbors and commercial areas.

We look forward to the realization of the Banyan Drive Redevelopment plan and support legislation that makes the economic growth and revitalization of Hilo possible. Please pass this bill forward for full house consideration.

Thank you for the opportunity to **support** the Waiakea Peninsula Redevelopment District.

Respectfully Submitted,

Pat Halpern, 2017 President

# Hawai'i Construction Alliance

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**LATE**

P.O. Box 179441  
Honolulu, HI 96817  
(808) 348-8885

February 13, 2017

The Honorable Richard H.K. Onishi, Chair  
The Honorable James K. Tokioka, Vice Chair  
and members  
House Committee on Tourism  
415 South Beretania Street  
Honolulu, Hawai'i 96813

The Honorable Ryan I. Yamane, Chair  
The Honorable Sam Satoru Kong, Vice Chair  
and members  
House Committee on Water & Land  
415 South Beretania Street  
Honolulu, Hawai'i 96813

**RE: Support for HB1310, Relating to the Waiākea Peninsula Redevelopment District**

Dear Chairs Onishi and Yamane, Vice Chairs Tokioka and Kong, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We have long been concerned about the condition of the properties in the Waiākea Peninsula area, specifically properties leased by the state to private entities. We agree with the bill's premise that "public lands in the area present an opportunity for the revitalization and redevelopment of a district where hotel and resort, commercial, and public uses may coexist compatibly within the same area."

To that end, we support HB1310, which establishes the Waiākea Peninsula Redevelopment District, Planning Committee, and Revolving Fund. We believe that the establishment of a redevelopment district, a planning committee, and a revolving fund will help to facilitate revitalization and redevelopment in that critical part of Hilo.

Our members on Hawai'i Island and the contractors who employ them stand ready to help to build quality projects to make the Waiākea Peninsula a crown jewel for all to enjoy.

Mahalo,



Tyler Dos Santos-Tam  
Executive Director  
Hawai'i Construction Alliance  
[execdir@hawaiiconstructionalliance.org](mailto:execdir@hawaiiconstructionalliance.org)

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

Comments:

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James McCully	Individual	Support	Yes

Comments: Chair Onishi and Yamane, Aloha Richard and Ryan I strongly support state involvement in the redevelopment of Banyan Drive. This bill, through the underlying legislation proposed in HB1469, could be a game-changer. Let's all work together for a better use of public lands throughout the state, but the Waiakea Peninsula (Banyan Drive) is the obvious most important place to start! I respectfully request your consideration in expanding the proposed boundaries to include all of the areas in Hilo that are affected by the same conditions of existing state statute. The industrial and commercial lands that support Banyan Drive hotels and the Hilo community are also in need of your attention and support. Mahalo and I'll see you at the hearing! Jim McCully

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Douglass Adams	Individual	Support	No

Comments: Dear Chair Onishi and Chair Yamane, I am in full support of the creation of the Waiakea Peninsula Redevelopment District. HB 1310 is the correct vehicle to accomplish this. I urge the committees' and House passage of HB 1310 during this legislative session. respectfully Douglass S. Adams Hilo



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ronelle Kubo	Individual	Support	No

Comments:

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
CHARLOTTE KEKELA	Individual	Support	No

Comments:

Aloha,

I am in support of HB 1310's Waiākea Peninsula Redevelopment District. This bill has great potential to spur Hilo's economy for our future generations.

Mahalo,  
Justin Pequeño

Submitted By	Organization	Testifier Position	Present at Hearing
COL (Ret.) Deb Lewis	Individual	Comments Only	No

Comments: I hereby submit personal testimony for HB1310 - Establishes the Waiakea Peninsula Redevelopment District, Planning Committee, and Revolving Fund. My name is COL (Ret.) Deb Lewis and have managed \$Billions in infrastructure projects for our Nation and am also a graduate of Harvard Business School. Hilo is my home and I care deeply about our community. Because of my service and growing up in a military family, I have traveled the world. I can say that no place has more beauty, sense of community and potential than Hilo. I ride my bike daily and frequently along the Waiakea Peninsula. It was clear to me early on that this area of Hilo does not have clear roles, responsibilities and incentives to do what is best for our community. I would estimate \$100,000,000s in economic activity lost because of our inability to make this a vibrant community and welcoming place for visitors. Instead, I found myself worried about my safety, from the type of people that congregate near decaying buildings and because of the physical safety from crumbling infrastructure. Living on a shoreline requires vigilant and caring maintenance. The parks do exhibit this caring and high quality recreation. The buildings barely get by and would not likely pass all types of building codes elsewhere. This peninsula is a clear gem for our community that has been allowed to be covered up and decay. I recommend the legislature pass both bills HB 1310 and HB1469 to give the people of Hawaii Island the ability to create a welcoming and beautiful space that reflects positively on all residents of Hawaii. Let's make it safe and beautiful. It helps our community, will take care of our treasured natural resources, and will bring in much needed economic development to our state. We already possess the location and surrounding beauty. Let's take care of it as proper stewards of our environment or it will get worse.

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Greggor Ilagan	Individual	Support	No

Comments:

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Katharine T. Cannon-Eger	Individual	Support	No

Comments:

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
brian nakano	Individual	Support	No

Comments: Please support this bill.

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Scott Fuchigami	Individual	Support	No

Comments:



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
george applegate	Individual	Support	No

Comments:

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eunice Gonzales Lapena	Individual	Support	No

Comments:

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Craig Takamine	Individual	Support	No

Comments:

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kathrin Yamanaka	Individual	Support	No

Comments:

**LATE**

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 HB1310 establishing a Waiakea Redevelopment District. Establishment of a district in Hilo 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

**LATE**

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Individual	Oppose	Yes