



**SB257**  
**RELATING TO LEASE EXTENSIONS ON PUBLIC LAND**  
Senate Committee on Water and Land

January 29, 2021

1:00 p.m.

Room 229

The Administration of the Office of Hawaiian Affairs (OHA) **OPPOSES** SB257, which would authorize century-long leases that bind the hands of the Board of Land and Natural Resources (BLNR) and the Hawaiian Homes Commission (HHC) from fulfilling their fiduciary obligations of due diligence and undivided loyalty, in maximizing the beneficial disposition of lands leased for industrial, commercial, and resort purposes **throughout the entire state**. OHA notes that it opposed a nearly identical bill last year and in 2019 for the same reasons.

- 1. Act 149's "pilot project" has not been completed or evaluated; allowing forty-year lease extensions for any and all industrial, commercial, and resort leases of public lands and applicable DHHL lands across the state may be premature.**

As a preliminary matter, OHA notes that the legislation this measure is purportedly based on, Act 149, was enacted in 2018 as a "pilot project" to determine whether public land lease extensions in the dilapidated "Hilo community economic district" can "facilitate efficient and effective improvement, and economic opportunity," and whether such an approach "can be replicated in other areas of the State."

However, rather than wait for the pilot program to conclude, this measure would summarily expand much broader lease extension authorities for **any and all industrial, commercial, government, and resort leases of public lands and "available" Hawaiian Home Lands Trust lands, throughout the entire state**. Such an expansion appears premature given Act 149's acknowledged need to first assess whether any redevelopment benefits from lease extensions "can be replicated in other areas of the State." Indeed, there are several considerations that may need to be assessed from Act 149's pilot project, including but not limited to:

- Whether redevelopment occurs in a timely manner as a result of its lease extension authority;
- Whether the cost-benefits to the State and the public, including opportunity costs, foreclosed revenue increases from real estate market changes, and foregone equity in existing and new improvements that would otherwise revert to the State justify the long-term placement of public lands under private control;
- Whether 40-year extensions of lease terms and fixed rental periods are necessary to obtain redevelopment financing;
- Whether specific conditions, contingencies, safeguards, or other considerations should be considered in the development of extension terms and conditions; and

- Whether any replication of its lease extension authority should be limited to certain leases or circumstances.

Accordingly, OHA strongly recommends that the Committee allow for an appropriate assessment of the potential unintended consequences, cost-benefits, and other lessons from Act 149, before expanding much broader lease extension authorities to all other industrial, commercial, resort, and government public land leases throughout the islands.

**2. This measure may authorize leases that violate the State’s fiduciary obligations under the public trust and public land trust, and lead to the alienation of public and “ceded” lands.**

Under Article 11, section 1 of the Hawai‘i State Constitution and Chapter 171, Hawai‘i Revised Statutes (HRS), the State through the BLNR holds in trust approximately 1.3 million acres of public lands, including the natural and cultural resources they contain, for the benefit of present and future generations. Much of these lands are also subject to the public land trust created by Article 12 of the Hawai‘i State Constitution and section 5(f) of the Admission Act, which requires that a portion of revenues derived from public land trust lands be dedicated to OHA, for the purpose of bettering the conditions of Native Hawaiians. The trust status of these lands imposes upon the BLNR specific fiduciary obligations of due diligence and undivided loyalty in ensuring its trust corpus is productive and maximizing benefits for Native Hawaiian and public beneficiaries. The HHC holds similar fiduciary obligations to administer and dispose of lands and other resources entrusted to its care, in furtherance of its trust responsibilities to its native Hawaiian beneficiaries. **By authorizing the extension of commercial, industrial, resort, and government public land leases – many of which may already have been held by their respective lessees for the better part of a century – for up to 40 years, this bill may invite century-long leases that substantially inhibit the BLNR and HHC from fulfilling their fiduciary obligations, and otherwise ensuring the best and most appropriate uses of lands subject to the public trust, public land trust, and Hawaiian Home Lands Trust.** For example, this measure could allow public land leases first issued for 55 years, and subsequently extended another 10 years, to be again extended for an additional 40 years, with fixed rental periods for the same amount of time. This could result in the use of public lands by private entities for 105 years, **without any rent reopening for over a generation**, so long as the BLNR agrees to lessees’ proposals to make “substantial improvements to the existing improvements or constructing new substantial improvements.” **Notably, the lack of an aggregate lease length cap as well as any prohibition on additional lease extensions could allow lease terms and fixed rent periods to be repeatedly extended, for an indefinite length of time, further drawing into question the ability of future generations to ensure the appropriate disposition of public lands – something that even Act 149 does not allow.** The fact that industrial, commercial, and resort lands may have the highest revenue potential of the State’s and HHC’s land inventories only further exacerbates the concerns underlying this measure’s lease extension provisions.

In addition to tying the State, HHC, and future generations’ hands in ensuring the appropriate use of and realization of revenues from public trust and public land trust lands, the excessively long-term leases that would be authorized under this measure may lead to a sense of entitlement among lessees that can result (and has resulted) in the alienation of public lands, including “ceded” lands to which Native Hawaiians have never relinquished their claims. **OHA objects to the sale or alienation**

**of “ceded” lands except in limited circumstances and therefore has significant concerns over any proposal that may facilitate the diminution of the “ceded” lands corpus.**

Accordingly, OHA urges the Committee to decline to adopt the **unlimited** and relatively unconditioned **40-year lease term and fixed rent period extensions** that would be authorized for public lands, including public land trust, “ceded,” and Hawaiian Home Lands Trust lands, leased for commercial, industrial, resort, and government purposes.

**3. Under this measure, lease extensions would be authorized for a much broader range of justifications than even Act 149 contemplates.**

Finally, OHA notes that Act 149 explicitly and specifically requires any extension of lease terms or fixed rent periods to be only “to the extent necessary to qualify the lease for mortgage lending or guaranty purposes,” and “based on the economic life of the substantial improvements as determined by the [BLNR] or an independent appraiser.” In contrast, this measure – which has been characterized as only expanding the geographic scope of Act 149’s provisions – would in fact broadly allow for lease extensions “in order [for the lessee] to make substantial improvements,” “based upon the substantial improvements to be made.” While such language would provide substantially more flexibility than Act 149 in granting lease term length and fixed rent period extensions, it would also allow for extensions in situations where the State’s (or HHC’s) interest in the redevelopment of leased parcels are not commensurate with the benefits such extensions would grant to a private entity. **Under this measure, a lessee may apply for and receive extensions that exceed the time necessary to secure redevelopment financing, and that exceed their improvements’ useful life.** Accordingly, this measure does not just expand the geographic scope of Act 149’s extension authority and remove Act 149’s limitations on total aggregate lease lengths, but would further authorize extensions to be based on a broader range of justifications that, due to political pressure or other reasons, may undermine the State, HHC, and public’s interests in the development and disposition of its lands for generations at a time.

**4. Critical amendments are necessary to minimally uphold the State’s fiduciary obligations and the interests of Native Hawaiians, HHC beneficiaries, and the public in the disposition of public lands under this measure.**

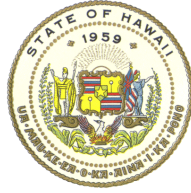
In light of the above concerns, should the Committee nevertheless choose to move this measure forward, OHA strongly urges the inclusion of amendments to uphold the BLNR’s and HHC’s fiduciary obligations under the public trust, public land trust, and Hawaiian Home Lands Trust, and to provide concrete safeguards to protect the interests of the State, HHC beneficiaries, Native Hawaiians, and the general public in our islands’ limited land base. Such amendments should minimally include:

- An effective date that coincides with the end date of the “pilot project” established under Act 149;
- A sunset date to limit the provisions of the bill to the length of time currently contemplated;
- A limitation on the maximum aggregate fixed rent period and lease term for a lease to no more than 15-20 years beyond the original fixed rent period and/or lease term,

- which should be sufficient for financing purposes and which would reduce the potential for foreclosing future substantial revenue generating opportunities;
- Conditions similar to those in Act 149, explicitly limiting any lease extensions to the length of time necessary for mortgage lending or financing of specified improvements, prohibiting lease extensions that exceed a percentage of the useful life of any improvements to be made, and requiring all proceeds from any financing or loan obtained as a result of an extension to be used specifically for proposed improvements;
  - Explicit extension provisions providing for improvements to either revert to the State or HHC at the end of the lease term, or be removed by the lessee at the lessee's expense, at the election of the State or HHC;
  - To ensure the general public has a fair shot at expressing interest in an auction and bidding for a lease:
    - A prohibition on extensions of lease terms prior to 3 years and within one year of the end date of a lease; and
    - A prohibition on the extension of a lease term where, after public notice of no less than one year, there is sufficient interest in the parcel by third parties to hold a public auction for the lease.

Therefore, OHA urges the Committee to **HOLD** SB257, or minimally include amendments as listed above. Mahalo nui for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

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HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WATER AND LAND**

**Friday, January 29, 2021  
1:00 PM  
State Capitol, Conference Room 229**

**In consideration of  
SENATE BILL 257  
RELATING TO LEASE EXTENSIONS ON PUBLIC LAND**

Senate Bill 257 proposes to authorize the Board of Land and Natural Resources (Board) to extend leases of public lands for commercial, industrial, resort, or government use upon approval of a proposed development agreement to make substantial improvements to the existing improvements. **The Department of Land and Natural Resources (Department) supports this measure.**

Senate Bill 257 proposes to authorize the Board, on a statewide basis, to extend commercial, industrial, resort or government leases that have not been sold or assigned within 10 years prior to receipt of an application for a lease extension under the measure, when the lessee commits to substantial improvement to the existing improvements, provided that lease extensions cannot exceed 40 years, and additionally, the lessee cannot transfer or sell the lease during the first 10 years of the extension period, except by devise, bequest, or intestate succession. The bill is intended to support long-term tenants wishing to continue their businesses past the 65-year maximum lease term allowed under current law.

One of the arguments the Department has heard against restrictions on assignment is that lessees need to be able to mortgage their leasehold interests in the land. Senate Bill 257 expressly exempts collateral assignment of a lease or other security granted to a leasehold mortgagee in connection with leasehold financing by the lessee from restrictions on assignment. Senate Bill 257 would also not prohibit "true" subleases, which the Department views as those in which the lessee/sublessor retains either a portion of the lease premises for its own use or reserves a portion of the lease term after the sublease ends for its own use. In contrast, a transaction styled as a sublease but which in effect is an assignment of all of the lessee's interest in the lease would not be allowed under the bill within the first 10 years of the extension period. The Department additionally notes that assignments and subleasing are governed by two separate subsections of Section 171-36, Hawaii Revised Statutes (HRS): Section 171-36(a)(5), HRS, for assignments,

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

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
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

and Section 171-36(a)(6), HRS, for subleasing. Senate Bill 257 was not intended to affect subleasing under Section 171-36(a)(6), HRS.

As noted above, Senate Bill 257 acknowledges the commitment of long-term lessees to locating their business on state lease lands and to ensure that such lessees could continue to operate those businesses for the duration of the extension period authorized under the measure. The Department is concerned that making lease extensions available on a broader basis could lead to speculators acquiring state leases, obtaining extensions, putting in the minimum 30% of substantial improvements required, and flipping the leases for a profit. The Department does not believe such speculation is in the best interests of the State.

The Department does, however, propose an amendment to the bill to allow for extensions of leases for mixed-development use in addition to commercial, industrial, resort, or government uses. The reason for the amendment is that leases of lands in densely populated areas of the State may involve a combination of commercial, residential and government uses to make the fullest use of public lands in urban cores. Accordingly, the Department recommends amending SECTION 1 and SECTION 2 (Underscored and highlighted in grey), §171-\_\_\_(a) of the measure as follows:

SECTION 1. The legislature finds that many of the leases for commercial, industrial, resort, mixed-use, and government properties on public land statewide may be nearing the end of the lease term. Faced with the uncertainty of continued tenancy, lessees have little incentive to make major investments in infrastructural improvements and to ensure the long-term maintenance of the facilities. As a result, the infrastructure on these properties has been deteriorating.

The legislature finds that business lessees typically sell or assign their leases that are nearing the end of the lease terms at a discount. The legislature further finds that it would be unfair to the prior assignors of the leases if the State granted extensions of leases that previously could not be extended under existing law or lease terms to the newly assigned lessees who acquired their leases at a discount due to short remaining lease terms.

The purpose of this Act is to authorize the board of land and natural resources to extend commercial, industrial, resort, mixed-use, or governmental leases, other than those to which the University of Hawaii is a party, that have not been sold or assigned within the last ten years, for lessees who commit to substantial improvement to the existing improvements.

SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended by adding a new section to part II to be appropriately designated and to read as follows:

**"§171- Commercial, industrial, resort, mixed-use, or government leases; extension of term.** (a) Notwithstanding section 171-36, for leases that have not been assigned or transferred within ten years prior to receipt of an application for a lease extension submitted pursuant to this section, the board may extend the rental period of a lease of public lands for commercial use, industrial use, resort use, mixed use, or government use upon the board's approval of a development agreement proposed by the lessee or by the lessee and developer to make substantial improvements to the existing improvements. For the purposes of this paragraph, the terms "assigned or transferred", shall not include:

- (1) A sale or change in ownership of a lessee that is a company or entity; or
- (2) A collateral assignment of lease or other security

granted to a leasehold mortgagee in connection with  
leasehold financing by a lessee.

The Department further recommends amending SECTION 2, §171-\_\_\_(f) as follows:

(f) As used in this section:

"Government use" means a development undertaken under a  
lease held by any agency or department of the State or its  
political subdivisions other than the University of Hawaii or  
any department, agency, or administratively attached entity of  
the University of Hawaii system.

"Mixed use" means a development that combines two or more  
of the following uses in a single project: commercial use,  
resort use, multifamily residential use, or government use.

"Resort use" means a development that provides transient  
accommodations as defined in section 237D-1 and related  
services, which may include a front desk, housekeeping, food and  
beverage, room service, and other services customarily  
associated with transient accommodations; provided that no  
development shall qualify as a resort use under this section  
unless at least seventy-five per cent of the living or sleeping  
quarters in the development are used solely for transient  
accommodations for the term of any lease extension.

"Substantial improvements" means any renovation,  
rehabilitation, reconstruction, or construction of existing  
improvements, including minimum requirements for off-site and



on-site improvements, the cost of which equals or exceeds thirty per cent of the market value of the existing improvements, that the lessee or the lessee and developer installs, constructs, and completes by the date of completion of the total development."

Thank you for the opportunity to comment on this measure.

# Prince Kuhio Plaza

January 29, 2021

Hearing Date: January 29, 2021

Time: 1:00PM

Place: Via Videoconference

Sen. Lorraine Inouye, Chair  
Sen. Gilbert S.C. Keith-Agaran, Vice Chair  
State Capitol  
Committee on Water and Land  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: Testimony in Support of Senate Bill No. 257 Relating to Lease Extensions on Public Land

Dear Chairman Inouye, Vice Chairman Keith-Agaran and Committee Members:

Thank you for the opportunity to provide written testimony on Senate Bill No. 257. The intent of the Bill is to authorize the Board of Land and Natural Resources to extend commercial, industrial, resort, or governmental leases, other than those to which the University of Hawaii is a party, for lessees who commit to making substantial improvements on existing facilities. I am the General Manager of Prince Kuhio Plaza (“PKP” or “Shopping Center”), the largest indoor shopping center on the island of Hawaii.

By way of background, PKP was previously owned by GGP, Inc. (“GGP”). In August 2018, GGP was acquired by Brookfield Properties, an affiliate of Brookfield Asset Management. Brookfield Properties’ retail group has an extensive portfolio of regional shopping center properties encompassing over 170 locations across 43 U.S. states, including GGP’s former portfolio. We assure premier quality and optimal outcomes for our tenants, business partners and the communities in which we do business.

Brookfield Properties has carried forward GGP’s legacy of being an integral part of the economic fabric of Hawaii for more than 30 years (since 1987), through good and bad times – owning, operating and reinvesting in our Hawaii real estate assets as part of a long-term commitment that provides economic stability, growth, and jobs through all economic cycles. We own and operate three major shopping centers in Hawaii – PKP in Hilo, Whalers Village in Lahaina, and Ala Moana Center in Honolulu.

Home to more than 60 stores, restaurants and entertainment options, PKP is the primary shopping, dining and gathering place for Kama’aina and visitors on the island of Hawaii. Prior to the Covid-19 pandemic, PKP hosted over 50 community events a year and provides premium event space for local Kupuna groups passing on their knowledge of music and dance, artisan craft fairs, and the celebration of other local traditions, including but not limited to: monthly performances by Hilo and Pahoia Kupuna groups, school performances, performances by the Armed Forces band, performances by local artists such as Ben Kaili,

**PRINCE KUHIO PLAZA**

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Bruddah Walter, and Komakakino, Chinese New Year celebration events, the Arthritis Foundation's Walk for the Cure event, and Mother's Day craft fairs. PKP is a favorite host location for the Merrie Monarch Craft Fair, one of the biggest events in Hilo, because the Mall is indoors, air conditioned, centrally located, and has the capacity to cater to thousands of customers each day. The Merrie Monarch Craft Fair involves approximately 45+ unique, local vendors and crafters from all the islands, including Manaola, Hawaii's Finest, Missing Polynesia and Nahe Wahine. We are committed to hosting enriching experiences for people of all ages and creating a warm and welcoming environment that celebrates the community and its rich history. We look forward to continuing to host these revered community events once the pandemic has subsided.

In recent years, Brookfield Properties also invested substantial resources in redeveloping PKP to maintain its status as a premier shopping center and community gathering place. We invested nearly \$18 million of capital into property improvements including the 2016 renovation and new construction to replace the former Hilo Hattie's and Sports Authority spaces to make way for new retailers such as Verizon Wireless, Spectrum, Daiichi Ramen and Genki Sushi, TJ Maxx and Petco. We are also in conversations with prospective tenants that will further job creation and investment in Hilo. We are constantly reinvesting in our properties to enhance the customer experience and to ensure that our properties evolve to meet the needs of our tenants and the community.

Over the past year, Brookfield Properties has implemented (and continues to implement) health and sanitation enhancements and protocols at each of our properties, including PKP, to provide a healthy and safe environment for our employees and tenants to work and the larger community to visit. And, despite the pandemic, we invested at PKP over \$2 million in tenant allowances for construction while also providing significant rent relief to help our tenants stay in business throughout the pandemic.

The future of PKP and the commitment we've made to our tenants, business partners and the community is of the utmost importance to Brookfield Properties. While we intend to pursue further renovations of PKP, these renovation plans could be jeopardized if the term of our existing ground lease is not extended. We cannot justify significant capital investments to PKP without the assurance that our leasehold interest will continue for the long-term. In addition, our existing financing matures in July of 2023 and it will be extremely difficult for us to refinance our interest in PKP without an extension of our ground lease.

The Shopping Center's future depends on our ability to secure an extension of our ground lease so that we can not only refinance PKP, but also develop more definitive plans to invest in capital improvements that will ensure the long-term viability and success of PKP. As we look forward to the next 30 years, our hope is to remain a vital member of the Hilo community.

For the foregoing reasons, we strongly support Senate Bill No. 257. Thank you for your consideration.

Sincerely,

**PRINCE KUHIO PLAZA**

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Daniel Kea  
General Manager

# KA LĀHUI HAWAI‘I

## KŌMIKE KALAI‘ĀINA

BEFORE THE SENATE WATER AND LAND COMMITTEE

JANUARY 29, 2020

SENATE BILL 257  
Relating to Lease Extensions on Public Lands

Aloha Chair Inouye, Vice Chair Keith-Agaran, and Members of the Committee,

Ka Lāhui Hawai‘i Kōmike Kalai‘āina submits the following written testimony in **STRONG OPPOSITION** to Senate Bill 257 which authorizes the the Board of Land and Natural Resources to extend certain leases of public lands for commercial, industrial, resort, or government use.

The majority of the lands held by the State of Hawai‘i are “ceded lands” or Hawaiian Kingdom crown and government lands. Professor Williamson Chang stated in a lecture given on October 1, 2014 entitled “Hawaii’s ‘Ceded Lands’ and the Ongoing Quest for Justice in Hawai‘i” that the Joint Resolution was incapable of acquiring these Hawaiian Kingdom public lands. Despite this analysis, the former Crown and government lands of the Kingdom of Hawai‘i were illegally transferred to the US and as a condition of Statehood was transferred to the State of Hawai‘i to be held as a public trust for 5 purposes including the betterment of the conditions of native Hawaiians as defined in the Hawaiian Homes Commission Act, 1920. The Admissions Act further states that any other object besides the 5 purposes shall constitute a breach of trust for which suit may be brought by the United States.

Ka Lahui Hawai‘i Kōmike Kalai‘āina has concerns over the use of these lands outside of the 5 purposes set out in the Hawai‘i State constitution and actions that could be interpreted as land grabbing especially when the claims of the Kanaka Maoli people to 1.8 millions acres of these lands and our sovereignty over them have yet to be settled. The Apology Bill aka US Public Law 103-150, passed by Congress and signed by President Clinton in 1993, recognized that “the indigenous Hawaiian people never directly relinquished their claims to their inherent sovereignty as a people or over their national lands to the United States” and that “the Republic of Hawai‘i also ceded 1,800,000 acres of crown, government and public lands of the Kingdom of Hawai‘i, without the consent of or compensation to the Native Hawaiian people of Hawai‘i or their sovereign government”.

Allowing non-elected members of an a government board to extend leases beyond the maximum 65 years would set up lessees as pseudo owners of public landowners and set a bad precedence. Furthermore, this measure does not provide for any process where public input can be provided on past, current, and future land stewardship. Were these lessees to go through a public process others would have an opportunity to bid on the property, public input would be allowed, and in some cases environmental assessments taken into account on how well they have cared for the public land they were entrusted with.

Me ka oiai'o,

M. Healani Sonoda-Pale  
Public Affairs Officer, Ka Lāhui Hawai‘i Kōmike Kalai‘āina

**Kūpuna for the Mo‘opuna**  
*committed to the well-being of Hawai‘i for the next generations to come*  
kupuna4moopuna@gmail.com



**STOP LEGAL THIEVERY!**

SENATE COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Date: Friday, January 29, 2021      Time 1:00 P.M.      Place: Room 229

**Testimony of Kūpuna for the Mo‘opuna**

SB 257 - RELATING TO LEASE EXTENSIONS ON PUBLIC LAND.

**STRONG OPPOSITION**

Aloha Chair Inouye, Vice Chair Keith-Agaran and Members of the Committee:

We, Kūpuna for the Mo‘opuna, a group of kūpuna Hawaiian homestead farmers committed to the well-being of Hawai‘i for the next generations to come, **strongly oppose SB 257.**

SB 257 – similar to SB 2807/HB 2191 (2020) opposed by many DHHL beneficiaries - seeks to authorize century-long leases that bind the hands of the Board of Land and Natural Resources, Hawaiian Homes Commission (HHC), and future generations from adequately fulfilling fiduciary obligations of due diligence and undivided loyalty to ensure that limited lands productively maximize benefits for HHC beneficiaries, Native Hawaiians, and the public.

SB 257 ignores Act 149’s (2018) “pilot project” dealing with similar public land lease extensions and responsible assessment. Therefore, SB 257 is irresponsibly premature.

**We urge this Committee to hold SB 257.** Mahalo.

*Ua mau ke ea o ka ‘āina i ka pono!*

**SB-257**

Submitted on: 1/27/2021 3:46:57 PM

Testimony for WTL on 1/29/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James McCully	Individual	Support	No

Comments:

Aloha Chair Inouye and Members of WTL

I am in full SUPPORT of SB257. I was an active proponent, and a Lessee affected by, ACT 149 (2018) which created the Hilo Economic District. For all East Hawaii businesses we know the issues surrounding urban public lands very well. Land use policies controlled by HRS171-35 & 36 were amended by Act 149 to allow for more modern principles to take effect for the betterment of our communities economic development.

As you well know Hilo has a preponderance of public lands as it's industrial and resort zoned base such that it warranted the devleopment of an Economic District. However a basic policy principle is that ideally all public lands should be governed by uniform statutes and have uniform policies in place. This bill helps to address that concern.

The extension of these reforms to all urban economic public lands is especially important with the current hardships that the public, and businesses in particular, are now undergoing with the COVID emergency.

Please SUPPORT this bill, SB257

Mahalo,

Jim McCully

**LATE**

**SB-257**

Submitted on: 1/28/2021 1:23:35 PM

Testimony for WTL on 1/29/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Toni Eaton	Individual	Oppose	No

Comments:

No lease extensions on public trust lands.



**LATE**

**SB-257**

Submitted on: 1/28/2021 6:50:17 PM

Testimony for WTL on 1/29/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cheryl Burghardt	Individual	Comments	No

Comments:

It would be helpful to understand with an example which leases might be involved in this bill. UH is not considered. Are the leases being considered just state leases or ones with Federal implications, like Pohakuloa?

**LATE**

Dear Senate Committee on Water and Land,

I am opposed to Senate Bill 257.

The lease extensions to Hawaiian lands should not be allowed.

Hawaiians never consented to having their lands seized by the US.

Lease extensions beyond 65 years is pretty much giving them ownership that's a whole life-time and multiple generations.

Thank you,

Kelvin Gonsalves



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**LATE**

January 29, 2021

The Honorable Lorraine R. Inouye, Chair  
Senate Committee on Water and Land  
Hawaii State Capitol, Room 210  
Honolulu, Hawaii 96813

Re: Senate Bill 257 – Relating to Lease Extensions on Public Lands

Chair Inouye, Vice-Chair Keith-Agaran, and members of the Senate Committee on Water and Land,

Sand Island Business Association (SIBA) strongly supports Senate Bill 257 – Relating to Lease Extensions on Public Lands. SIBA is a Hawaii nonprofit corporation and Internal Revenue Code Section 501(c) 3 entity. SIBA is the master lessee of the premises under General Lease No. S-5261, Sand Island Industrial Park. The property has been developed as an industrial park subdivision consisting of 112 leasable lots served by roadways and other infrastructure. The term of SIBA's master lease is 55 years commencing July 1, 1992 and ending June 30, 2047.

The purpose of this bill is to authorize the Board of Land and Natural Resources to extend certain leases of public lands for commercial, industrial, resort, or government leases, other than those to which the University of Hawaii is a party, that have not been sold or assigned within the last ten years, for lessees who commit to substantial improvement to the existing improvements. Any extension of a lease shall be based upon the substantial improvements to be made and shall be for a period not longer than forty years, and the lessee cannot transfer or sell the lease during the first 10 years of the extension period, except by devise, bequest, or intestate succession.

SIBA supports this bill as it intends to support long-term tenants wishing to continue their businesses past the 65-year maximum lease term allowed under the law. Many of our small businesses are family-owned and have been in operation for two to three generations. This bill would allow our lease to be extended beyond the remaining 27 years and greatly assist those families who are committed to pass on their businesses to future generations.

Thank you for the opportunity to testify on Senate Bill No. 257.

Mahalo,

A handwritten signature in black ink, appearing to read "Milton Holt", is written over a light blue background.

Milton Holt

Executive Director

Sand Island Business Association

**LATE**

**SB-257**

Submitted on: 1/29/2021 11:21:12 AM  
Testimony for WTL on 1/29/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stanford Carr	Testifying for Stanford Carr Development, LLC	Support	No

Comments:

Aloha!

Attached is my written testimony in support of SB 257

Mahalo,

Stanford S Carr