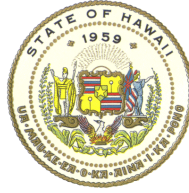
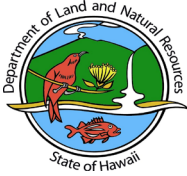


DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

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

**Wednesday, February 9, 2022
1:00 PM**

State Capitol, Conference Room 229, Via Videoconference

**In consideration of
HOUSE BILL 3133
RELATING TO DISPOSITION OF PUBLIC LANDS BY NEGOTIATION**

Senate Bill 3133 proposes to include leases for commercial, industrial and hotel or resort purposes eligible for disposition by negotiation pursuant to Section 171-59(b), Hawaii Revised Statutes (HRS). **The Department of Land and Natural Resources (Department) strongly supports this Administration measure.**

This bill proposes to include leases for commercial, industrial, and hotel or resort purposes to those eligible for direct negotiation pursuant to Section 171-59(b), HRS. The public auction process that is normally used to dispose of leases for these uses has become too protracted, cumbersome and uncertain to the extent that it has deterred participation by potential lessees. Interested parties would need to invest significant time and expense to comply with regulatory requirements such as Chapter 343, HRS without any expectation of receiving a lease. Therefore, the result is that properties have remained vacant, generating no income and serving no public benefit, while in some cases incurring significant management costs for the Department.

The bill would serve to assist in expediting the leasing process, potentially making properties more attractive to prospective lessees, and resulting in the creation of long-term income stream to fund the Department's resource management and protection programs. Additionally, this measure would facilitate the productive use of public lands for commercial, industrial, hotel and resort use purposes to create additional jobs, economic development and growth. Furthermore, the rent from these leases would be determined at fair market value, ensuring that the State receives appropriate compensation for these leases. Finally, any decision to award a direct lease would be subject to approval by the Board of Land and Natural Resources in an open, public meeting, providing the public, including any potential competing parties to review the proposed lease and provide testimony.

Thank you for the opportunity to comment on this measure.

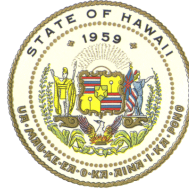
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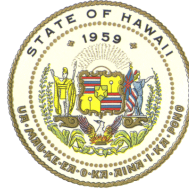
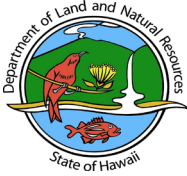
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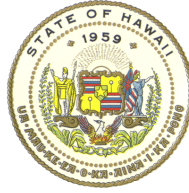
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SIERRA CLUB OF HAWAI'I

SENATE COMMITTEE ON WATER AND LAND

February 9, 2022 1:00 PM Conference Room 229

In OPPOSITION to SB3133: Relating to Disposition of Public Lands by Negotiation

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

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **OPPOSES SB3133**, which may foreclose significant revenue generating opportunities critical to the fulfillment of the Department of Land and Natural Resources' ("DLNR's") public trust duties.

Revenues generated from leases of public lands provide critical support to the DLNR, which is tasked with the stewardship of our public trust lands and waters as well as the protection of our conservation and watershed lands. Revenues may in some cases also be used to satisfy the state's obligation to the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands, both of which also carry out stewardship and other activities that protect our islands' natural and cultural spaces. **The Sierra Club of Hawai'i and the public generally therefore have a significant interest in ensuring that the DLNR maximizes revenue generating opportunities from its most lucrative land holdings, including and in particular its industrial, resort, and commercial land portfolio.**

This measure may foreclose, for decades, the exploration of land leasing approaches that could result in significantly increased revenues for the DLNR and the protection of our islands' lands and waters. Notably, recent state audits have identified and recommended many ways that the DLNR's Land Division may be able to increase its lease revenues, including by developing and investing in a marketing plan, and ending its reliance on ground leases in favor of much more lucrative space and office leases. Unfortunately, the Land Division has appeared to reject these recommendations, and appears committed to maintaining its status quo approach to disposing of the revenue-generating public lands under its control. By authorizing the Land Division to directly negotiate leases for these lands, this measure would allow it to avoid adopting new leasing approaches that could enhance its lease revenues, and instead lock in low-revenue ground leases of our limited public land base with little to no oversight or accountability, for decades at a time.

For the reasons described above, the Sierra Club of Hawai'i respectfully urges the Committee to **HOLD** this measure.

Mahalo nui for the opportunity to testify.

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



SB 3133 – RELATING TO DISPOSITION OF PUBLIC LANDS BY NEGOTIATION.
OPPOSE

Senate Committee on Water and Land 2/9/2022 @ 1:00pm

We OPPOSE SB 3133.

NO behind the scenes dealmaking for ceded land leases for commercial, industrial, and hotels/resorts. Our public lands and Hawaiian rights shall not be negotiated.

The State has a fiduciary duty as trustee of our public lands: “shall be held by the State as a public trust for native Hawaiians and the general public.”

PUBLIC TRUST

Section 4. The lands granted to the State of Hawaii by Section 5(b) of the Admission Act and pursuant to Article XVI, Section 7, of the State Constitution... **shall be held by the State as a public trust for native Hawaiians and the general public.**

Mahalo,
Kūpuna for the Mo'opuna
Pana'ewa, Hawai'i



STOP LEGAL THIEVERY

Ua mau ke ea o ka 'āina i ka pono!

SB-3133

Submitted on: 2/7/2022 9:35:23 AM

Testimony for WTL on 2/9/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nako'o Warrington	Individual	Oppose	No

Comments:

OPPOSE!



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice President

February 8, 2022

Committee on Water and Land
Senator Lorraine Inouye, Chair
Senator Gilbert Keith-Agaran, Vice Chair

Testimony in opposition to SB 3133

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

UNITE HERE Local 5 is **opposed to SB 3133**.

This bill would change the rules for leasing public land for hotel, commercial and industrial purposes.

DLNR can lease public land for various purposes. HRS §171-59 allows for land lease agreements by negotiation rather than competitive bidding if the BLNR finds that the public interest demands it.

Per our understanding of this bill, for hotels, commercial and industrial uses, SB3133 would exempt such negotiated land leases from: 1) public notice requirements; 2) allowing all interested parties to apply to negotiate; 3) establishing reasonable criteria for the selection of the lessee; 4) selecting the highest bidder that meets those criteria; and 5) upon selection of one lessee, notifying all applicants of the determination and allowing losing applicants to see the reasoning and challenge it.

We feel this is not in the public interest. It would remove transparency from the process by which our public lands are leased to developers. Further, it is anti-competitive, and we do not understand how it would serve the best interests of the state to not analyze competing proposals - especially when leasing land for revenue-generating purposes, and especially in the three sectors addressed by this bill.

Please oppose this measure.

Thank you.

SB-3133

Submitted on: 2/8/2022 5:28:14 PM

Testimony for WTL on 2/9/2022 1:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leimomi Khan	Individual	Oppose	No

Comments:

Oppose. Expanding the provision that allows for leases to be issued by direct negotiation is not in the best interest of the State. Public land leases provide critical funds for DLNR to do its work to steward our lands and waters. Direct negotiation authority for 55+ year lease could lock in low lease revenues from our most lucrative public lands for generations at a time. This is not good policy, especially in view of continuing inflation of land values.

LATE

SB-3133

Submitted on: 2/9/2022 9:51:55 AM

Testimony for WTL on 2/9/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
shantee brown	Individual	Oppose	No

Comments:

please oppose SB3133. remember that public lands need decisions made with the purpose of benefiting the public. jumping into leases with corporations that are not good stewards of the land or the people they employ is bad public policy.