



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS

Tuesday, March 21, 2023
2:00 PM

State Capitol, Conference Room 325 & via Videoconference

In consideration of
SB837, SD1, HD1
**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.**

Chair Tarnas, Vice Chair Takayama, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** SB837, SD1, HD1, which authorizes DBEDT to acquire and hold title to or contract to acquire by grant or purchase real, personal, or mixed property; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, dispose, or encumber the property; and acquire property by condemnation.

This bill will empower DBEDT's capacity to implement its objective of developing the economy of the State, including that which embraces innovation and is competitive, dynamic, and productive. DBEDT would be able to support projects that are beneficial to the development of multiple sectors and to create and boost economic opportunities for public benefit, with potential to address a wide array of the public's needs.

As DBEDT seeks to encourage and diversify economic activity, workforce and business development, we support the idea of acquiring properties that present financial opportunities for the State while stimulating economic growth and community revitalization.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Tuesday, March 21, 2023
2:00 p.m..
Conference Room 325
VIA VIDEO CONFERENCING

SENATE BILL NO. 837 S.D. 1, H.D. 1
RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM

Chair Tarnas, Vice Chair Takayama and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 837 S.D. 1, H.D. 1 relating to the Department of Business, Economic Development, and Tourism (DBEDT). ADC supports this measure, which authorizes DBEDT to acquire property.

Land is the basis for agriculture and is a necessary component to achieve thriving. ADC supports that DBEDT may acquire and hold title to or contract to acquire by grant or purchase real, personal, or mixed property or any interest therein; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the same; and acquire property by condemnation pursuant to Chapter 101 HRS. This will provide DBEDT with another tool to promote economic development. Properties that may be acquired through condemnation include croplands, infrastructure, and facilities that could potentially foster agricultural development for the public's benefit.

Thank you for your consideration of our testimony.



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Cade Watanabe, Senior Vice-President

March 20, 2023

Committee on Judiciary and Hawaiian Affairs
Rep. David Tarnas, Chair
Rep. Gregg Takayama, Vice Chair

Testimony in opposition to SB 837

Chair Tarnas, Vice Chair Takayama, and Members of the Committees,

UNITE HERE Local 5 represents working people throughout Hawaii's hotel, food service and health care industries. **We oppose SB 837** because we believe that it is bad policy to expand the power of state agencies to sell or otherwise dispose of public land. This bill is nothing but a gift to developers and those who would make corrupt deals with them.

This bill would leave the public without adequate notice of land sale & lease transactions, without adequate methods to weigh in on such transactions, and without mandates to abide by public processes like those which are already provided for in detail in HRS 171. The bill currently would allow DBEDT to sell, assign, exchange, transfer, convey, lease, dispose of or encumber any property it owns or acquires. It would also allow DBEDT to acquire land, including via the use of condemnation. This could allow DBEDT to, for example, take over land by condemnation and then turn around and sell it to developers. This is not in the public's best interest.

Will these land dispositions be discussed at board meetings? And if so, whose? Would the bill's powers apply to all ten of the agencies administratively attached to DBEDT?

Further, **this same power is being contemplated for the Hawaii Emergency Management Agency through SB 298**. It already applies to the School Facilities Authority, which now faces a bill, SB 832, that seeks to allow for commercial activities for the purpose of revenue generation on school land. Where are the guardrails? If the Legislature passes SB 837, SB 298 or any other such measures, the public would have to be constantly watching for the agendas of a hodgepodge of board meetings to stand a chance at even being able to testify about such transactions, assuming they even knew that these agencies had these powers in the first place. Even if they did overcome all of those hurdles, interested parties would still be left with no tools except testimony before unelected boards not directly accountable to the public.

Allowing public agencies to sell public land with minimal oversight opens the door for corruption and deals that are not in the public's best interest.

Please oppose SB 837.

Thank you for your consideration.

March 20, 2023

TO: Rep. David Tarnas, Chair, Committee on Judiciary & Hawaiian Affairs (JHA)

RE: SB 837 SD1 HD1 Relating to the Department of Business, Economic Development & Tourism
JHA Hearing on Tuesday, March 21, 2023 at 2:00 pm

Aloha Chair Tarnas, Vice-Chair Takayama, and Members of the Committee on Judiciary & Hawaiian Affairs:

I wish to submit testimony in **opposition** to SB 837 authorizing the Department of Business, Economic Development and Tourism (DBEDT) to acquire, develop, and dispose of real property. My name is Rodney Funakoshi, recently retired as Administrator of the Land Use Division of the State Office of Planning and Sustainable Development. This bill has not received much attention, but I wish to share my concerns:

1. Lack of transparency and accountability. Every agency with land acquisition and development powers has a board or commission overseeing their actions to ensure protection of the public interest and accountability in the use of public funds and resources. This measure lacks any provision to check or provide transparency over land transactions conducted by departmental staff or administrators nor does it require due diligence or publicly-held decision-making meetings in these transactions. There is no such board or commission overseeing and approving departmental actions.
2. The Bill's purpose and need is unclear. Why and for what purpose does DBEDT administrators or staff need such broad authority to acquire and develop real property that is not already provided to any number of attached entities already established for similar purposes? What problems or issues have arisen from potential economic development projects triggering this need that cannot be addressed through existing agency authorities?
3. Additional staff, expertise and funding would also seem to be required, but this may duplicate or overlap with other State agencies, including the following attached agencies to DBEDT: Agribusiness Development Corporation, Hawaii Community Development Authority, Hawaii Green Infrastructure Authority, Hawaii Housing Finance and Development Corporation, Hawaii State Energy Office, Hawaii Technology Development Corporation, Hawaii Tourism Authority, Natural Energy Laboratory of Hawaii Authority, Office of Planning and Sustainable Development, and Stadium Authority. My understanding is that attached agencies function independently, with DBEDT only providing administrative support services such as human resources, information technology, and budgeting. Would DBEDT be able to override the authority given to these agencies or exert additional authority over these attached agencies?

There does not appear to be a pressing need for SB 837. And, in the interests of good governance and accountability for public resources, I am concerned that it conveys too much unchecked authority. Accordingly, I urge the Committee to defer this measure.

Thank you for allowing me this opportunity to testify.

Rodney Funakoshi

SB-837-HD-1

Submitted on: 3/17/2023 3:01:39 PM

Testimony for JHA on 3/21/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill.

SB-837-HD-1

Submitted on: 3/20/2023 9:25:48 AM

Testimony for JHA on 3/21/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marion K A Kapuniai	Individual	Oppose	Written Testimony Only

Comments:

SO SORRY!!!

The purpose of DBEDT is to facilitate programs and funding to enhance economic development for the whole community.

"LAND AGENT" is outside of the purview for this department 's existence.

Thank you, very much, M Kapuniai