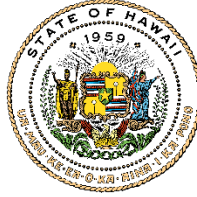


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
LAURA H.E. KAAKUA
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

Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committees on
WATER & LAND
and
ECONOMIC DEVELOPMENT

Tuesday, March 14, 2023
11:15 AM

State Capitol, Conference Room 430 & Videoconference

In consideration of
SENATE BILL 837, SENATE DRAFT 1
RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM

Senate Bill 837, Senate Draft 1 proposes to authorize the Department of Business, Economic Development, and Tourism (DBEDT) to acquire 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. **The Department of Land and Natural Resources (Department) offers the following comments and suggested amendment.**

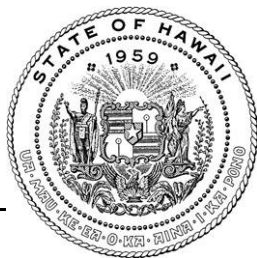
As written, this measure empowers DBEDT to acquire real, personal, or mixed property; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, dispose, or encumber the property; and acquire property by condemnation. While this measure gives DBEDT these powers, it does not expressly allow DBEDT to hold title to lands it may acquire. Therefore, if the Legislature wants to allow DBEDT to acquire and hold title to lands, the Department offers the following amendment adding the authority to acquire and hold title to real property as follows in **bold**:

(c) The department of business, economic development, and tourism 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.

If this measure proceeds, the Department requests this amendment to ensure that the acquisition of title to any real property by DBEDT does not require the involvement of the Department or the approval of the Board of Land and Natural Resources (Board) pursuant to Section 171-30, Hawaii Revised Statutes (land acquisitions). Normally, acquisitions conducted by the Department are subject to approval by the Board and a rigorous due diligence process including title review, appraisal, land survey and environmental hazards study and possible mitigation. This would provide DBEDT with the discretion to conduct its due diligence in a manner it deems fit and appropriate under its circumstances.

Mahalo for the opportunity to comment on this measure.



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

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON WATER & LAND
AND
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT**

Tuesday, March 14, 2023
11:15 AM
State Capitol, Conference Room 430 & via Videoconference

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

Chairs Ichiyama and Holt, Vice Chairs Poepoe and Lamosao, and members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports with amendments SB837, SD1**, which authorizes DBEDT to acquire 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.

We agree with the Chair of the Department of Land and Natural Resources in her testimonies to the Senate Committees on Energy, Economic Development, and Tourism, and Judiciary and would also like to request the amendment to page 2, lines 9 through 15, by inserting the words, "and hold title to,"

(c) The department of business, economic development, and tourism 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.

We feel this amendment is necessary to allow DBEDT to hold title to lands it may acquire and therefore, would not require going through the rigorous approval process of the Board of Land and Natural Resources.

With this amendment, it would 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

235 S. Beretania Street, Suite 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON WATER AND LAND AND THE COMMITTEE ON
ECONOMIC DEVELOPMENT

Tuesday, March 14, 2023

11:15 a.m.

Conference Room 430
VIA VIDEO CONFERENCING

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

Chairs Ichiyama and Holt, Vice Chairs Poepoe and Lamosao and Members of the Joint Committee:

Thank you for the opportunity to testify on Senate Bill No. 837 S.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 the idea of acquiring property through condemnation pursuant to Chapter 101, HRS because it 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.

As brought to our attention by the Chair of the Department of Land and Natural Resources in her testimony to the Senate Committee on Energy, Economic

Development, and Tourism, we would also like to request an amendment to page 2, lines 9 through 15, by inserting the words, "and hold title to,"

(c) The department of business, economic development, and tourism 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.

Thank you for your consideration of our testimony.

SB-837-SD-1

Submitted on: 3/13/2023 8:40:46 AM

Testimony for WAL on 3/14/2023 11:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Russell Tsuji	DLNR	Comments	Remotely Via Zoom

Comments:

Request for zoom link to testify on behalf of DLNR. Written testimony submitted on DLNR's Testimony account and additional staff will be present at the hearing. Thank you!

SB-837-SD-1

Submitted on: 3/10/2023 9:39:33 PM

Testimony for WAL on 3/14/2023 11:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Dana Keawe	Individual	Oppose	Written Testimony Only

Comments:

Oppose

SB-837-SD-1

Submitted on: 3/11/2023 11:29:14 AM

Testimony for WAL on 3/14/2023 11:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Oppose	Written Testimony Only

Comments:

This does not seem appropriate for DBEDT.



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Cade Watanabe, Senior Vice-President

March 11, 2023

Committee on Water and Land
Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair

Committee on Economic Development
Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair

Testimony in opposition to SB 837

Chairs Ichiyama and Holt, Vice Chairs Poepoe and Lamosao, 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.

SB-837-SD-1

Submitted on: 3/13/2023 11:38:48 AM

Testimony for WAL on 3/14/2023 11:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Blair	Individual	Oppose	Written Testimony Only

Comments:

2075? Takes effect. Are you kidding. Need more info

SB-837-SD-1

Submitted on: 3/14/2023 8:52:48 AM

Testimony for WAL on 3/14/2023 11:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Regina Peterson(Nani)	Individual	Oppose	Written Testimony Only

Comments:

In strong opposition!!! No, DBEDT cannot just take anymore of Hawai'i land, condemned or not! You want to do better, do it for the benefit of the people of Hawai'i! help produce more farm lands, require the tourist to give back by putting their hands in the dirt and help us be more sustainable.