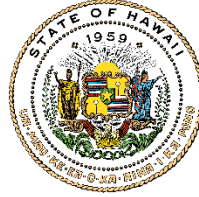


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

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 Committee on
WATER & LAND

Thursday, February 2, 2023
9:30 AM

State Capitol, Conference Room 430 & Videoconference

In consideration of
HOUSE BILL 1243
RELATING TO THE EAST HAWAII COMMUNITY DEVELOPMENT DISTRICT

House Bill 1243 proposes to establish the East Hawaii Community Development District in South Hilo, Hawaii, place it under the jurisdiction of the Hawaii Community Development Authority (HCDA), and make amendments to various provisions of the Hawaii Revised Statutes (HRS) to facilitate the purpose of the measure. The proposed East Hawaii Community Development District (EHCDD) encompasses the Banyan Drive area and Kanoiehua Industrial Area of Hilo. **The Department of Land and Natural Resources (Department) offers the following comments on this bill.**

If the Legislature pursues this measure in its current form, the Department notes that the bill requires the transfer of all leases in the Banyan Drive and Kanoiehua Industrial Areas to HCDA and the deposit of all existing revenues from the leases in these areas (after deduction of the percentage due to the Office of Hawaiian Affairs (OHA) for ceded lands – currently 20%) to be deposited into the EHCDD revolving fund, with no portion being remitted to the Department.

The Department incurs significant costs and expenses in maintaining the leases, revocable permits, easements and other dispositions in the proposed district. The Department's leases have rent reopening provisions that require an independent appraisal paid for by the Department under Section 171-17, HRS, and the Department assumes that leases issued by HCDA would have similar reopening provisions. The appraisal reports and mediations and arbitrations that follow when lessees dispute new rents, all cost money. Accordingly, the Department believes that all the revenues generated by existing leases (less OHA's share) should be remitted to the

Department to allow it to continue to perform the lease management duties. The Department therefore recommends that Section 206E-G (pages 11-12) of the measure be amended to read as follows:

§206E-G East Hawaii community development revolving fund. (a)
There is established in the state treasury the east Hawaii community development revolving fund, into which shall be deposited:

~~[(1) Notwithstanding section 206E-16, all revenues, income, and receipts for the east Hawaii community development district;]~~

~~(1)~~[(2)] Moneys directed, allocated, or disbursed to the east Hawaii community development district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the district; and

~~(2)~~[(3)] Moneys appropriated to the fund by the legislature.

(b) Moneys in the east Hawaii community development fund shall be used solely for the purpose of this part.

(c) Investment earnings credited to the assets of the fund shall become part of the fund.

If the intent of the bill is for HCDA to pay all of the lease management costs, then the Department requests that language to that effect be included in the measure.

With respect to Banyan Drive, the Department has engaged in significant renewal efforts over the past several years of the two signature Banyan Drive hotels and a signature restaurant, and has been actively working on a new disposition for another hotel property, as well as planning for the demolition for the former Uncle Billy's Hilo Bay Hotel (Uncle Billy's).¹ There are currently four leases of the State lands on Banyan Drive: (1) General Lease No. S-3961 to Hilo-Hawaiian Associates, Inc.; (2) General Lease No. S-4786 to Hilo Trading Company Ltd.; (3) General Lease No. S-5018 to Bayview Banyan Corp.; and (4) General Lease No. S-5844 to WHR LLC. There are two additional properties on month-to-month revocable permits and one former lease site that is now unencumbered.

¹ To facilitate redevelopment planning, 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. These studies are publicly available on the Department's website at <http://dlnr.hawaii.gov/ld/kanoelehua-and-banyan-drive-studies/>. 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 unencumbered property and the properties under RP were previously under long-term leases entered into in the 1940s that have expired in recent years. Some of these leases were used for hotels, and significant hotel improvements were constructed on the premises during the lease term. In some cases, the leasehold improvements have exceeded their useful life and require costly demolition in the range of \$8 - \$13.5 million for a single property. However, the lease forms used for these leases did not require the lessee to remove the improvements at the expiration of the lease term. As a result, the demolition cost falls on the State unless new lessees are willing to rehabilitate and operate the properties under new long-term leases.

During the 2022 legislative session, the Department received an appropriation from the Department's Special Land and Development Fund (SLDF) in the amount of \$13.5 million for the demolition of Uncle Billy's. The SLDF does not have sufficient funds to complete the demolition and cover the other expenses of the Department paid for out of the SLDF. However, the Department has committed \$1.5 million of SLDF funds for the planning and permitting of the demolition and will seek to change the method of funding for the remainder of the demolition costs from SLDF to general funds this Session.

On September 1, 2022, the Department issued a Request for Qualifications/Request for Proposals (RFQ/RFP) for the renovation of the former Country Club Condominium Hotel property (Country Club) under a new long-term lease, and staff is preparing a recommendation to the Board of Land and Natural Resource (Board) to select the proposal ranked highest by an evaluation committee appointed by the Chairperson.

With respect to the Kanoelehua Industrial Area, many of the leases of public lands in that area were issued in a two- or three-year period following the 1960 tsunami for terms of 55 years. Approximately 45 lessees in this area applied for and obtained ten-year extensions of their lease terms under Section 171-36(b), HRS, which requires the lessee to make substantial improvements to the premises to qualify for a lease extension.² Although some of the leasehold

² As background, under Chapter 171, HRS, the 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. As the preamble to House Bill 1243 indicates, 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 competitive 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 that have maximum lease terms and reviewed how these states' leasing practices deal 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 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.

improvements are not in good condition, a number of them are well maintained, such as HPM Building Supply, Bank of Hawaii, and Big Island Toyota on Kanoelehua Avenue.

Additionally, since the passage of Act 149, Session Laws of Hawaii 2018 (Act 149), a number of lessees have applied for extensions beyond 65 years as authorized under that act, which is now codified at Sections 171-191 to 171-193, HRS. The Department notes House Bill 1243 proposes the repeal of Sections 171-191 to 171-193, HRS, at SECTION 3 of the measure. While there is another provision of Chapter 171, HRS, authorizing lease extensions beyond 65 years,³ it is more restrictive than Act 149. The Department believes the better approach would be to delete SECTION 3 of the measure and leave Sections 171-191 to 171-193, HRS, in place.

The Department notes that the bill grants the broad leasing powers of HCDA under Section 206E-C, HRS, and appears to include the authority to issue leases by direct negotiation. Direct negotiation of a new lease for private commercial, industrial, resort or hotel lease is not a policy option currently available to the Department.

The revenues from the leases in the proposed district currently are deposited into the Special Land and Development Fund (SLDF). In turn, the SLDF helps fund critical operations within the Department. The Department's Land Division is 100% special funded and does not receive any general fund support. The SLDF covers the entire annual operating budget for LNR101 which consists of the Land Division, the Office of Conservation and Coastal Lands, the Dam

In the past, the Department 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.

However, the Legislature established a new policy for the Department to follow in the leasing of its public lands when it passed Act 149 Session Laws of Hawaii 2018 and Act 236 Session Laws of Hawaii 2021. 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.

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 in Hilo.

3 Act 236 Sessions Laws of Hawaii 2021, codified at Section 171-36.5, HRS.

Safety Program, and the Geothermal Program. The SLDF also funds other positions within the Department such as several positions within the Commission on Water Resource Management, provides funding support to the Division of State Parks, various resource protection programs administered by the Division of Forestry and Wildlife, and also funds portions of the salaries and fringe benefits of the accounting staff in the Department's Administrative Services Office.

Given the unforeseen expenses that are incurred from land management, it is paramount that the SLDF maintain a sufficient cash balance to cover emergency land management expenses or rent defaults in addition to projected expenditures. The SLDF has been utilized to remediate unanticipated natural hazards. During the 40-days of rain that occurred in 2006, the SLDF was the Department's go-to fund for emergency work. Additionally, the SLDF has provided support for wildland firefighting efforts, flooding from streams and rockfall/landslide mitigation.

For Fiscal Year 2022, over \$6.2 million was transferred to other divisions within the Department to fund their programs and operations.⁴

In summary, while the Department recognizes the importance of economic redevelopment in East Hawaii, the Department cannot afford to turn over its lease rents from the area to HCDA.

Mahalo for the opportunity to comment on this measure.

⁴ Examples of Past Funding for other divisions within the Department:

Office of Conservation and Coastal Lands (OCCL)

- 100% funding

Engineering Division

- Dam Safety Program (majority funding for personnel costs, operations costs and funding for water gauges for streams and dams)
- Geothermal Program

Division of Forestry and Wildlife (DOFAW)

- Threatened and Endangered Species Program
- Invasive Species Program
- Wildland Firefighting

Commission on Water Resource Management (CWRM)

- Fund three (3) Positions (2 hydrologists and a water conservation / drought coordinator) and Funds for Stream Monitoring and certain other stream related studies

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
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
Ka 'Oihana Mālama Mo'ohelu a Kāla
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

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON WATER & LAND
ON
HOUSE BILL NO. 1243

February 2, 2023
9:30 a.m.
Room 430 and Videoconference

RELATING TO THE EAST HAWAII COMMUNITY DEVELOPMENT DISTRICT

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1243: establishes the East Hawai'i Community Development District (EHCDD); creates an 11-member EHCDD Committee to provide policy direction and prepare a community development plan; provides for development of the district; mandates the transfer of leases for public lands within the district from the Department of Land and Natural Resources to the Hawai'i Community Development Authority (HCDA); creates the East Hawai'i Community Development Revolving Fund that would generate revenues through income, revenues and receipts from the district, legislative appropriations, grants, gifts, awards, donations and landowner assessments; and appropriates an unspecified sum of general funds to the HCDA for FY 24 and FY 25 for the EHCDD.

As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, 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. 1243, it is difficult to determine whether the proposed source of revenues will be self-sustaining for the new revolving fund.

Thank you for your consideration of our comments.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

JOSH GREEN, M.D.
GOVERNOR

CHASON ISHII
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
Craig K. Nakamoto, Executive Director
Hawaii Community Development Authority

before the
HOUSE COMMITTEE ON COMMITTEE ON WATER & LAND

Thursday, February 2, 2023
9:30 AM
State Capitol, Conference Room 430

In consideration of
HB1243
RELATING TO THE EAST HAWAII COMMUNITY DEVELOPMENT DISTRICT

Chair Ichiyama, Vice Chair Poepoe, and members of the Committee.

The Hawaii Community Development Authority (HCDA) respectfully submits **comments** on **HB1243**, that creates the East Hawaii Community Development District (EHCDD) under Hawaii Revised Statutes (HRS) §206E (which is HCDA), adds two members to the HCDA General board, establishes a new EHCDD board and a new EHCDD committee with area volunteers, who appoint their own executive director (Page 4, Line 4).

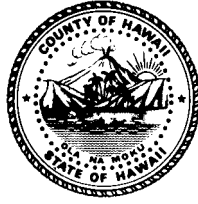
If the intent of the bill is to create the EHCDD under HCDA's statutory framework, we raise the following concerns:

1. On Page 2, Lines 10 – 14: HCDA is governed by a board. A committee is inconsistent with governance by a board. Therefore, the proposed language §206E-B, and all references to “committee” should be deleted.
2. Starting on Page 4, Line 8: The entire section on §206E-C Powers is unnecessary and should be deleted.
3. Starting on Page 7, Line 11: The section on §206E-D Prohibitions is unnecessary and should be deleted.
4. Starting on Page 9, Line 16: The section on §206E-F Development guidance policies is unnecessary and should be deleted.
5. On Page 13, Line 19: To be consistent with the rest of HRS §206E, the phrase “the island of Hawaii” should be deleted and replaced with “East Hawaii.”

If the Department of Land and Natural Resources (DLNR) is willing, however, we would be willing to assist or be a resource to DLNR with respect to the EHCDD.

Thank you for the opportunity to testify.

Susan L.K. Lee Loy
Council Member
District 3



Office: (808) 961-8396
Fax: (808) 965-8912
Email: sue.leeloy@hawaiiicounty.gov

HAWAI'I COUNTY COUNCIL

25 Aupuni Street, Hilo, Hawai'i 96720

February 2, 2023

The Honorable Representative Linda Ichiyama, Chair
The Honorable Representative Mahina Poepoe, Vice Chair

Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Support for HB 1243, relating to the East Hawai'i Community Development District

Aloha Chair Ichiyama and Vice Chair Poepoe,

Mahalo for the opportunity to support HB 1243, to assist in the establishment of the East Hawai'i Community Development District and board.

As our premier tourism district in East Hawai'i, there is no reason for the area to be in the continued state of disrepair we see as we pass by. Our beloved Banyan Drive needs a focused, specialized master planning agency with the ability to resolve the existing and complex web of issues plaguing the area.

The existing system of management and planning along Banyan Drive has been unsuccessful. Therefore, I fully support this new approach outlined in this bill, so the area can get the attention it needs and deserves.

I am definitely looking forward to collaborating with you to direct these projects and funds in a meaningful way for all of our island citizens to realize an opportunity to live in a revitalized Hawai'i.

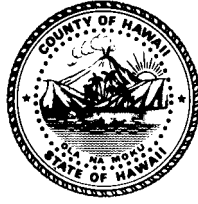
Again, please support this bill to assist our County in the redevelopment of public lands on the Waiākea peninsula.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan L.K. Lee Loy".

Susan "Sue" L.K. Lee Loy
Council Member, County of Hawai'i

Susan L.K. Lee Loy
Council Member
District 3



Office: (808) 961-8396
Fax: (808) 965-8912
Email: sue.leeloy@hawaiiicounty.gov

HAWAI'I COUNTY COUNCIL

25 Aupuni Street, Hilo, Hawai'i 96720

February 2, 2023

The Honorable Representative Linda Ichiyama, Chair
The Honorable Representative Mahina Poepoe, Vice Chair

Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

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Again, please support this bill to assist our County in the redevelopment of public lands on the Waiākea peninsula.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan L.K. Lee Loy".

Susan "Sue" L.K. Lee Loy
Council Member, County of Hawai'i



HOUSE COMMITTEE ON WATER AND LAND
Thursday, February 2, 2023 9:30 am, Conference Room 430 & Videoconference
HB 1243

Relating to the East Hawaii Community Development District

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Ichiyama, Vice Chair Poepoe, and Committee Members:

The League of Women Voters opposes HB 1243.

HB 1243 would establish an “east Hawaii community development district committee” and require that this “committee” consist of political appointees who potentially might have a conflict of interest. Under HB 1243, the “committee” could “exercise the powers of the Hawaii community development authority” (including regulation of land use) **ONLY** for specified public lands in Hilo but not anywhere else in the State. Article XI, Section 5 of the Hawaii Constitution prohibits enactment of a “special” law which only applies to public lands at one specific location. Even if HB1243 complied with the State Constitution, the League’s position is that it is simply, obviously wrong for the Legislature to enact legislation which would encourage people who might develop or lease public lands in Hilo to “play politics” to gain special unfair treatment.

Thank you for the opportunity to submit testimony.



**Testimony to the House Committee on Water and Land
Thursday, February 2, 2022; 9:30 a.m.
State Capitol, Conference Room 430
Via Videoconference**

RE: HOUSE BILL NO. 1243, RELATING TO THE EAST HAWAII COMMUNITY DEVELOPMENT DISTRICT.

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 1243, RELATING TO THE EAST HAWAII COMMUNITY DEVELOPMENT DISTRICT., and **PROPOSES AN AMENDMENT** for your consideration.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would, among other things, establish an East Hawaii Community Development District Committee to prepare a community development plan for the East Hawaii Community Development District, and manage land use and redevelopment activities in the area.

The HPCA has long held that the social determinants of health contribute to the overall wellbeing of our people more than any other factor. Persons who experience homelessness, language barriers, and poverty are more likely to suffer persistent, chronic health issues and have shorter life expectancies than those who do not. These conditions serve as risk factors endemic to a person's living and working environment, rather than behavioral or genetic histories. Factors such as home life, income, education, access to recreation and healthy food, and housing environments can and do have measurable impacts on a person and a community, both in health and financial outcomes.

Testimony on House Bill No. 1243

Thursday, February 2, 2023; 9:30 a.m.

Page 2

The HPCA recognizes the enormous challenges the County of Hawaii has faced in diversifying its local economy. With historically higher levels of unemployment, lower wage earnings, and higher consumer prices than the State averages, it is understandable that the health outcomes of the citizens on the Island of Hawaii are below the norm.

Because of this, we wholeheartedly support the approach offered in this bill. The public lands on the Waiakea Peninsula hold much potential for reasoned and strategic development due to its close proximity to government agencies, the hotels along the bay front, and the older sections of Hilo.

It is because of its close proximity to the older sections of Hilo that the HPCA believes the membership of the Committee should include a representative from either a locally-situated health care provider or social service nonprofit. Such a representative would have a clearer understanding of the day-to-day plight of the underprivileged on the Island of Hawaii. It should be noted that one of our members, Hawaii Island Community Health Center (HICHC), is situated in this area and would be an ideal candidate for this role.

The majority of HICHC's patients are Medicaid recipients. In addition they provide a variety of services to the indigent and homeless that currently populate this area. Because they work in tandem with the other FQHCs on the island, the Hamakua-Kohala Health Center, HICHC has the "pulse" of the health care needs of the entire island.

With that recommendation, the HPCA urges your favorable consideration of this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.



February 2, 2023

Committee: House Committee on Water and Land
Bill Number: HB 1243, Relating to The East Hawaii Community
Hearing Date and Time: February 2, 2023 at 9:30am
Re: Testimony of HPM Building Supply in Support

Dear Chair Ichiyama, Vice Chair Poepoe, and Committee Members:

I would like to submit this letter and testimony written in support of HB 1243, Relating to the East Hawaii Community Development District. HB1243 establishes the East Hawai'i Community Development District and board. It also requires the Department of Land and Natural Resources to transfer certain leases within the district to the board and appropriates funds.

HPM Building Supply is a 101-year-old company that has been helping Hawaii build better since its founding in 1921. In my role as President and CEO of HPM Building Supply, I lead our company's 17 locations and facilities with over 500 employees on all major Hawaiian Islands. HPM has been operating on Hawaii Island for 101 years and views the island as our "home base".

This bill seeks to create a local public authority that may potentially stimulate economic development and provide local oversight of this district. This new district and board would work alongside the Department of Land and Natural Resources. Specifically, the intent to transfer certain leases within the district to a local board may benefit from local community knowledge and understanding of the area concerned.

Thank you for the opportunity to provide testimony in support on HB1243. I strongly encourage your support and passage of this measure.

Sincerely,

Jason Fujimoto
President & CEO



HB-1243

Submitted on: 1/31/2023 5:09:49 PM

Testimony for WAL on 2/2/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
James McCully	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Ichiyama and WAL Committee

Please SUPPORT HB1243.

The East Hawaii Community has long suffered from the lost opportunities that have occurred due to poor land management practices. Authorities that allow for "Home Rule", or at least active community involvement, are inherently more responsive than a remote bureaucracy that is distracted and/or disinterested in the immediacy of the problems we face.

Our Waieka Peninsula, or Banyan Drive, is the vast majority of Resort zoned and appropriate property in East Hawaii, and it is public lands. The Kanoelehua Industrial area is the "muscle" of our business community, and is composed predominately of public land leases that have stymied investment and precluded redevelopment.

Please consider the advantages of HB1243 in engaging the community by transferring these economic leases of Urban lands to a governance model that is both active and proactive. We have suffered long enough and so much opportunity has been lost for over 3 generations of both business(es) and tourism.

Mahalo for your SUPPORT of HB1243

James McCully