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STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of WILLIAM J. AILA, JR. Chairperson

Before the House Committee on WATER, LAND, AND OCEAN RESOURCES

Monday, February 14, 2011 9:00 AM State Capitol, Conference Room 325

In consideration of HOUSE BILL 1164 RELATING TO PUBLIC LANDS

House Bill 1164 would require the Department of Land and Natural Resources (Department) to consider the sale or exchange of Sand Island parcels to the lessees, and report its findings and recommendations to the Legislature. The Department opposes this bill.

The Department is responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these fiduciary duties, the Board of Land and Natural Resources determined the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs. This is especially critical at this time due to the current condition of the State's economy. The industrial lands on Sand Island targeted by this bill have been identified by the Department (and supported by the Board) as revenue producing assets and represent one of the Department's primary sources of revenues. The lease revenues generated by the Sand Island leases constitute roughly 60% of all lease revenues currently supporting the Special Land and Development Fund ("SLDF").

As detailed in the Department's report to this Legislature, the balance of the SLDF has steadily decreased in recent years (from \$8.1 million in FYE 2008 to \$4.6 million in FYE 2010) and is

WILLIAM J. AILA, JR.

THERIM CHARPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI

WILLIAM M, TAM DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATRIO AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LIND
STATE PARKS

projected to be a deficit three to four years unless the Department is able to substantially decrease expenditures or increase revenues, or both.

The Department is constantly considering and pursuing other sources of revenue. However, the loss of a consistent revenue source through a sale or exchange of the fee simple interest in the Sand Island parcels lands would deprive the Department of a substantial portion of its revenue source and seriously jeopardize the Department's operations. Such sale would not be in the best interest of the beneficiaries of the public land trust, valuable natural and cultural resources, the Department, and the State's economy.

The SLDF is a critical and increasingly important funding source for the entire Department of Land and Natural Resources to deal with emergency response to natural catastrophe such as fire, rockfall, flood or earthquake and hazard investigation and mitigation. The SLDF also is critical for staff support of various programs and funding conservation projects on all state lands. It has also become an important source of state match for federally funded endangered species and invasive species initiatives that otherwise would not go forward.

The following are examples of the impacts to certain programs should funding support from the SLDF be curtailed:

Division of Forestry and Wildlife

For the last five years, the SLDF has provided approximately \$800,000 annually to the Division of Forestry and Wildlife to support the recovery of threatened and endangered species and the control of invasive species. These funds match approximately \$1,500,000 in federal grants from the Endangered Species Act Section 6 Recovery Program and the State Wildlife Grants Program to recover the state's most critically endangered species. Examples of this work includes successful captive propagation of Alala, Palila, Puaiohi, and Maui Parrotbill, establishing new populations of Palila on Mauna Kea, fencing and eradicating ungulates from Puu Waawaa Forest Bird Sanctuary, habitat restoration on leeward Haleakala for Maui's forest birds, wetland and waterbird conservation at Hamakua, Kawai Nui, and Pouhala wetlands on Oahu, studies on Kauai's nesting seabirds, and reintroduction of Puaiohi into the Alakai Wilderness Area. This funding is helping make significant progress toward preventing the loss of native species, habitats, and biodiversity and the Division urges you to continue to generate and collect revenues for these purposes.

Engineering Division

The SLDF is critical for operations of the Engineering Division, as it supports staffing and expenses for multiple programs. In fiscal year 2009-2010, the fund provided: over \$570,000 for the Mineral Resources/Geothermal program to manage the geothermal resource to protect public health and safety and to ensure its continued viability for the future; over \$815,000 for the Dam Safety/Flood Control Program to regulate dams and reservoirs to protect life and property, and administer the National Flood Control Program to ensure the availability of flood insurance to property owners; and over \$350,000 for the Land Maintenance Crew to manage and maintain various State-owned lands, remove vegetation and debris from streams, and perform evictions on state lease lands. Without these funds, the Engineering Division will not be able to ensure the

safety of all dams and reservoirs and respond to dam emergencies or perform other mandated duties.

Division of State Parks

The SLDF is critical for operations of the Division of State Parks, which has previously received nearly \$500,000 from the SLDF to make up for consistent general fund budget shortfalls for operation and payroll that keep our parks open. In recent years, the SLDF provided an additional \$584,216 for lifeguard services at Ka'ena Point State Park for public health and safety of park users. In addition to managing and protecting natural and cultural resources, the Division of State Parks serves to provide recreational access for both residents and visitors. Our Hawai'i State Park system serves as a significant destination of Hawai'i's visitor industry, with 6.7 million out-of-state visits annually.

Office of Conservation and Coastal Lands

The Office of Conservation and Coastal Lands (OCCL) has been entirely funded by the SLDF. Our annual allocation for salaries and fringe benefits is approximately \$450,000 (6.5 FTP), with operating costs running approximately \$200,000. Most of the operating costs are from Contested Case Hearings, supplies, and equipment. A severe reduction in the income generating capacity of the SLDF could result in the elimination of OCCL functions. OCCL is the State's zoning authority for all Conservation District lands in the State of Hawai'i, this includes terrestrial and marine areas out to three miles in the ocean, including fast and submerged lands. This entails processing permits for land uses involving private and public entities and prosecuting land use violations, with the intent to ensure the conservation of these unique and fragile areas. In terms of land area, we are responsible for more area than all of the counties combined (albeit less population density). The OCCL has been able to perform its function efficiently and effectively even with a relatively small staff, and any reduction in staffing would severely limit our ability to service the public. Loss of this government function would essentially result in the loss of projects within conservation lands because there would be no one available to process regulatory permits pursuant to 183C, HRS. This would have a major impact to business; 1000's of private landowners, government agencies, the university, marine users for energy and mariculture, just to name a few. These entities need OCCL to process their applications for use of conservation district lands, such as in the case of telescopes, renewable energy projects, single-family homes, and public infrastructure.

Commission on Water Resource Management

The SLDF supports critical activities and essential programs undertaken by the Commission on Water Resource Management (Commission). Annual supplemental funding of \$300,000 from the SLDF provides payroll costs for three key Planning Branch positions: State Drought and Water Conservation Coordinator, Hydrologist VI, and Hydrologist IV. These three positions comprise the entire professional nonsupervisory staff of the Planning Branch, which is responsible for the establishment of an integrated program for the protection, conservation, and management of the waters of the State. The Commission's General Fund Personal Service budget is not adequate to pay for these three positions at this time. Efforts to convert these special-funded personnel to general-funds in the past were denied. In addition, future pay raises,

pay adjustments (e.g., reallocations and step movements) and increases in the fringe benefit rates for these positions will require additional funding.

The SLDF is also used to fund Commission programs, activities, and the implementation of Commission priority projects, such as the 20-year Water Use Permit Review; Estimating Plant Water Use for Water Use Permitting; Modified RAM2 for Estimating Sustainable Yields; and Implementation of Interim Instream Flow Standards in East Maui. Due to the limitations of Commission's general fund, funding from the SLDF is also used for advancing invoice payments for reimbursable federal grants for projects and to fulfill non-federal cost share obligations required under some federal grants. The uncertainty of grant opportunities requires that Commission funding be available in order to qualify for these federal grants.

Funding allotted from the SLDF enables the Commission to implement the State Water Code's declaration of policy by funding personnel, programs activities, and projects that are essential for water resource planning and fulfillment of State Water Code mandates. To date, the Commission has effectively utilized its SLDF allotments to further the management of our most precious public trust resource.

For the reasons given above, the Department opposes House Bill 1164.



HB1164 RELATING TO PUBLIC LANDS

House Committee on Water, Land, and Ocean Resources

February 14, 2011

9:00 a.m.

Room 325

The Office of Hawaiian Affairs (OHA) offers the following comments on HB1164, which instructs the Department of Land and Natural Resources (DLNR) to consider the sale or exchange of ceded land currently leased to the Sand Island Business Association.

The Beneficiary Advocacy and Empowerment Committee of the OHA Board of Trustees voted to **OPPOSE** HB1164. The land leased to Sand Island Business Association is comprised of ceded land. *See* Final Report on the Public Land Trust, a Report to the Legislature of the State of Hawaii, Submitted by the Legislative Auditor of the State of Hawaii (December 1986), page 50. OHA maintains that the state cannot diminish the ceded lands corpus until the Native Hawaiian people's claim to ceded lands has been resolved.

Mahalo for the opportunity to testify on this important measure.

PO Box 17603 • Honolulu, HI 96817-0603 • (808) 842.1359 • Fax (808) 841.1270 www.siba-hawaii.org

Honorable Jerry L. Chang,

Chair Committee on Water, Land and Ocean Resources House of Representatives 415 South Beretania Street room 435 Honolulu, HI 96813

Support for House Bill 1164, Relating to Public Lands

Dear Jerry L. Chang, Chair and Committee Members

The Sand Island Business Association (SIBA) is a non-profit corporation, whose members are the tenants of the 74 acre Sand Island Industrial Park (SIIP), located on Sand Island.

SIBA negotiated a 55 year lease with the Department of Land and Natural Resources (DNLR) effective July 1, 1992, for the SIIP property. SIBA's responsibility was to put in all of the infrastructure and manage the park on behalf of DLNR. The members of SIBA invested over \$41,000,000 in infrastructure improvements. Each member has made leasehold improvements that the City Property Tax Department has appraised at over \$20,000,000.

Because of the substantial investment SIBA members have made, they desire to purchase the fee. In this way they will be able to continue to invest in their Leasehold improvements and be able to realize the benefit of their Investment, and make long range business plans.

SIBA has had discussions with DLNR on this issue of purchasing the fee interest to SIIP. We recognize DLNR's concern over the loss of revenues if they sell the fee.

Therefore, SIBA is in favor of passage of HB 1164, because it provides a procedure to analyze the pro and cons of selling the fee to SIIP to SIBA

We note for the record that the State would realize a substantial profit for SIIP. This is because the property before the improvements was raw fill land. All improvements were made by SIBA members at no cost to the DNLR. If SIBA would purchase Sand Island, it would be paying for all of the improvements again.

SIBA strongly supports the passage of HB 1164.

Very truly yours,

Rodney Kim
Executive Director and Secretary, SIBA



Maui 202 Lalo Street ● Kahului, HI. 96732-2924 Phone: (808) 877-3902 ● Fax: (808) 871-6828 Service Dept: (808) 877-4040 ● Fax: (808) 873-6199 Oahu 2265 Hoonee Place ● Honolulu, HI. 96819 Phone: (808) 841-2112 ● Fax: (808) 847-1991

To: Honorable Jerry L. Chang,
Chair Committee on Water, Land and Ocean Resources
House of Representatives
415 South Beretania Street room 435
Honolulu, HI 96813

From: Dorvin D. Leis, Chairman and Stephen T. Leis, President Dorvin D. Leis Co., Inc. 2265 Hoonee Place, Honolulu, Hl. 96819

Support for House Bill 1164, Relating to Public Lands

Dear, Honorable Jerry L. Chang, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 5 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$1.5 million into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

Dorvin D. Leis,

Chairman

Stephen T. Leis, President



ideki construction inc

1098 ULUPONO ST., SAND (SLAND HONOLULU, HAWAII 88819 TELEPHONE: (808) 845-0502 FAX; (808) 842-7010

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Honorable Jerry L. Chang

Chair Committee on water, land, & ocean resources

House of Representatives

415 South Beretania St., Room 435

Honolulu, Hawaii 96813

FECM:

Aileen H. Enos

Sec./Treas.

Ideal Construction, Inc.

1038 Wlupono St.

Honolulu, Hawaii 96819

Support for House Bill 1164, Relating to Public Lands

Dear, Jerry L. Chang, Chair & Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (STIP) I am in support of HBll64.

Over the last 15 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$650,000.00 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DLNR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to knowlthat allimy hard work, time, and investment. I made can be passed on to my family.

Therefore, I am in favor of passage of HB1164, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

Aileon H. Enos,

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To:	HONDRANG JERRY CHANG CHANG	RESOURCES
	House of Representatives 415 South Beretania Street nom. 435 Honolulu, Hi 96813	

From: Name Title Company 505 SAKANDED WELDING INC. 1052 Ulurono St.

Support for House Bill 1164, Relating to Public Lands

Dear Jerry Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand-Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 27 years I have contributed to the over \$41,000,000 that SIBA has invested in into my leasahold improvements. Infrastructure improvements to SIIP and I have invested \$___ All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Mahelo Nul Loa,



HONOLULU, HAWAII 96817 Ph. (808) 841-0217 Fax (808) 841-0219

To:

Honorable Donovan M. Dela Cruz,

Chair Committee on Water, Land and Housing

House of Representatives

415 South Beretania Street room 225

Honolulu, HI 96813

From: Brian M. Tajiri

Member

Tajiri Demolition and Disposal LLC. 1005 Puuwai St. Honolulu, Hl 96819

Support for House Bill 1164, Relating to Public Lands

Dear, Donavan Dela Cruz, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 7 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$1,000,000. into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Thank you,

Brian M. Tajiri



General Contractors

To:

Honorable Jerry L. Chang

Chair Committe on Water, Land, & Ocean Resources

415 South Beretania Street room 435

Honolulu, HI 96813

From: Glenn Ushlo

President Tomop Corp.

500 Alakawa Street #100A Honolulu, Hawaii 96817

Support for House Bill 1164, Relating to Public Lands

Dear Jerry Chang Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 11 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$3 Million into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SI8A, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

Glenn Ushio,

President, Tomco Corp

500 Alakawa Street #100A, Honolulu, Hawaii 96817 Ph. (808) 845-0755 Fax (808) 845-1021 License # ABC 16941 UNIVERSAL CONSTRUCTION, INC.

1038 PU'UWAI STREET HONOLULU, HAWAI'I 96819 Phone: (808) 845-3986 Fax: (808) 842-3881

February 11, 2011



Honorable Jerry L. Chang Chair Committee on Water, Land and Ocean Resources 415 South Beretania Street Room 435 Honolulu, Hawaii 96813

> RE: Support of House Bill 1164, Consideration of Sale or Exchange of Sand Island Industrial Park

Dear Chair Chang and Members of the Committee on Water, Land and Ocean Resources,

We are Dean Asahina, President and Gene Asahina, Secretary/Treasurer of Universal Construction, Inc., testifying in support of HB 1164 - "Consideration of Sale or Exchange of Sand Island Industrial Park". Our company is a second generation, family-owned and operated General Contractor and has been in business for over 46 years.

We have been a tenant and member of Sand Island Industrial Park (SIIP)/Sand Island Business Association (SIBA) since its inception in 1992 and have worked out of the area since 1989. As an original tenant, we have seen the area transformed from raw fill land to the industrial park that it is today, by the commitment and investment of the members of SIBA. In addition to our share of the +\$41 million dollar investment made to complete the infrastructure improvements (i.e. streets, sidewalks/curbs, utilities, landscaping, etc.), we have invested in excess of \$250,000.00 to date, on leasehold improvements of our property. All of this, while continually operating out of the property on a daily basis.

Therefore, we are in favor of the passage of HB 1164, as it would afford a procedure to assess the benefits and negatives of selling the fee of SIP to SIBA. Ownership of the fee, would provide us the opportunity to make long term plans for our business and utilize the investment to re-invest in our business by maintaining expanding and improving our physical plant.

Thank you for the opportunity to testify on this bill.

Very truly yours,

UNIVERSAL CONSTRUCTION, INC.

Dean I. Asahina

President

Gene T. Asahina, AIA Secretary/Treasurer

DA/GA/gta



To:

Honorable Jerry L. Chang, Chair

Committee on Water, Land and Ocean Resource

House of Representatives

415 South Beretania Street room 435

Honolulu, HI 96813

. From: Terry G. Telfer

President

Reynolds Recycling, Inc. 1122 Mikole Street Honolulu, HI 96819

Date:

2/11/11

SUBJ: Support for House Bill 1164, Relating to Public Lands

Dear Jerry Chang, Chair and Committee Members:

Aloha. Reynolds Recycling has been a member of the Sand Island Business Association (SIBA) for over 6 years. As a current leaseholder of the Sand Island Industrial Park, we are in strong support of HB 1164.

Reynolds Recycling has helped Hawaii recycle since our company's inception in 1981. With over 40 recycling locations state wide, we are proud of having our Recycling Processing Plant located in Sand Island. Every year Reynolds Recycling recycles enough beverage containers and non ferrous metals to save approximately 1 months of landfill space. We create over 130 recycling jobs statewide. We take pride in being "Your Neighborhood Recycler" and in helping keep Hawaii beautiful.

During the past six years we have invested over \$550,000 of capital into leasehold improvements. Over the next few years we plan to double that amount. With this continued investment in our facilities we would welcome the opportunity to purchase the fee interest in our property, to insure our future, and the good work we do for the state every day.

In closing, I ask for your support in favor of HB1164. It will help small businesses in the Sand Island Industrial Park and therefore the State of Hawaii as well.

Best regards,

P.O. Box 29639

Honolulu, HI 96820

Ph: (808) 487-2802

Fax: (808) 486-7753

www.reynoldsrecycling.com.

Printed on recycled paper

To: Honorable Jerry L. Chang,

Chair Committee on Water, Land and Ocean Resources

House of Representatives

415 South Beretania Street room 435

Honolulu, HI 96813

From: James Kobatake

President/Owner Projects Plus Inc. 1017 Mikole Street Honolulu, HJ 96819

Support for House Bill 1164, Relating to Public Lands

Dear Honorable Jerry L. Chang, Chair and Committee Members,

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 15 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested over \$1,000,000.00 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa.

James Kobatake President

Projects Plus Inc.

Honolulu Recovery Systems Preserving Hawaii's Resources

To: Honorable Jerry L. Chang,

Chair Committee on Water, Land and Ocean Resource

House of Representatives

415 South Beretania Street room 435

Honolulu, HI 96813

From: Jerald Fujii

Vice-President

Aloha Tool & Rental, Inc. dba Honolulu Recovery Systems

358 Hookela Place Honolulu, HI 96819

Support for House Bill 1164, Relating to Public Lands

Dear Jerry Chang, Chair and Committee Members

As a long time small business owner and member of Sand Island Business Association (SIBA), we strongly support the passage of HB 1164.

Over the last 19 years, our company has invested over \$3.75M into leasehold improvements in our facility. Because of this sizable amount of capital investment into our property, our hope is to one day having the option to purchase the fee on our property. This would allow our company to continue to invest in capital improvements as the size of our business continues to grow in the future.

As a leaseholder of Sand Island Industrial Park (SIIP), we have seen the tremendous infrastructure improvements put in over the last several years and take great pride in having our company located here and being able to conduct business in SIIP.

Therefore, we are strongly in favor of passage of HB 1164, because it benefits all the small businesses located in Sand Island Industrial Par (SIIP).

Mahalo Nui Loa



To: Honorable Jerry L. Chang,

Chair Committee on Water, Land and Ocean Resource

House of Representatives

415 South Beretania Street room 435

Honolulu, HI 96813

From: Mike Saito

Controller

Honolulu Disposal Service, Inc.

1169 Mikole St.

Honolulu, HI 96819

Support for House Bill 1164, Relating to Public Lands

Dear Jerry Chang, Chair and Committee Members

We are a small business owner and a member of Sand Island Business Association (SIBA). As a leaseholder of the Sand Island Industrial Park (SIIP), we are in strong support of HB 1164.

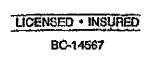
Our company has come a long way from having a small two-story wooden structure 18 years ago surrounded by un-paved streets and poor street lighting. Since then, we have witnessed a drastic overhaul of capital improvements put in by the Sand Island Business Association (SIBA) which have included new paved roads, modern street lighting, stonewalls fronting each property and beautiful floral landscaping. On the heels of these infrastructure improvements, our company has also invested \$8.05M of our own capital into leasehold improvements and has plans to continue investing in our facility here in SIIP.

Therefore, we would very much welcome the opportunity to have the option to purchase the fee interest in our property. This will give us the security in knowing that our business can continue to grow and be carried on to future generations without having to worry about possibly relocating our facility.

In conclusion, we are strongly in favor of the passage of HB 1164, as it will benefit all the small businesses in SIIP as well as the State of Hawaii.

.Mahalo Nui Loa,

1169 Mikole Street, Honolulu, Hl 96819 • [808] 845-7581 • [808] 841-3996; Fax Division of Oahu Waste Services, Inc.





Ikaika Builders, Inc.

Residential & Commercial (808) 847-0000

General Contractor 99-1240 Halawa Heights Road Aica, Hawaii 96701 847-0000 (BUS) / 842-3707 (FAX)

11 February 2011

Honorable Jerry L. Chang Chair Committee on Water, Land and Ocean Resources 415 South Beretania Street, Room 435 Honolulu, Hawai'i 96813

Re:

Support for House Bill 1164, Relating to Public Lands

Dear Honorable Jerry L. Chang, Chair and Committee Members:

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP), I am in support of HB 1164.

My construction company, Ikaika Builders, has been located in Sand Island for 25 years. Since SIBA obtained the Master Lease for the SIIP in 1992, nearly 20 years ago, I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to the industrial park. All infrastructure improvements were made by SIBA members at no cost to the DNLR or the State. I have personally invested approximately \$750,000 into leasehold improvements on my property. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future. If needed, it will enable me to approach financial institutions to borrow on the property that may not be possible as the end of the lease becomes shorter.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small businesses in SIBA.

Sincerely,

Ikaika Builders, Inc.

J Carvalhò President

P.01/01

TAJIRI LUMBER, LTD.

DEMOLITION CONTRACTOR

1002 PU'UWAI STREET, SAND ISLAND HONOLULU, HAWAII 96819-4330 Ph. (808) 841-2896 Fax (808) 848-4847

February 11, 2011

Honorable Jerry L. Chang Chair Committee on Water, Land and Ocean Resources 415 South Beretania Street, Room 435 Honolulu, HI 96813

Re: Support for House Bill 1164, Relating to Public Lands

Dear Honorable Chang and Committee Members,

I am a small business owner and a member of Sand Island Business Association (SIBA). Tajiri Lumber, Ltd. is a demolition company, who also provides excavation, hauling/trucking, concrete recycling, and equipment rental services. As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP), I am in support of HB 1164.

Over the last 18 years, I have contributed to the over \$41,000,000.00 that SIBA has invested in infrastructure improvements to SIIP and I have invested approximately \$1,400,000.00 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DLNR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small businesses in SIBA.

Sincerely,

Keith Y. Tajiri

President

IMUA SALES & SERVICE Inc. 335 Hookela Place Honolulu, HI 96819 PH: (808) 845-2579

Feb. 11, 2011

To:

Honorable Jerry L. Chang

Chair Committee on Water, Land and Ocean Resources

415 South Beretania Street room 435

Honolulu, HI 96813.

From: Keith Souza

Vice President

Imua Sales & Service Inc.

335 Hookela Place

Honolulu, HI 96819

Support for House Bill 1164, Relating to Public Lands

Dear Honorable Jerry Chang, Chair and Committee Members

I am a small business owner with a company involved in the sales and service of low voltage equipment. As a member of Sand Island Business Association (SIBA) and one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 18 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$500,000 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements, re-invest in my business, and make long term plans. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Mahalo Nui Loa,

Vice President

Imua Sales & Service Inc.

Fax No . 586-8504







525 Kokea Street, Bidg. B-3 • Honolulu, Hawal) 98617 • Phone: (808) 845-6477 • Fax: (808) 845-6471 • E-meil: rmkeya@hawall.m.com Building and Improvement Specialist Since 1937 Serving Hawali for Over a Half Century

February 11, 2011

Honorable Jerry L. Chang Chair Committee on Water, Land and Ocean Resources 415 South Beretania Street, Room 435 Honolulu, HI 96813

Subject:

Support for House Bill 1164, Relating to Public Lands

Dear Honorable Jerry Chang and Committee Members,

I am a small business owner of a general contracting company and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP), I am in support of HB 1164.

Over the last 25 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$257,752 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

We humbly ask for your thoughtful consideration of our request.

Sincerely,

ROBERT M. KAYA BUILDERS, INC.

Scott I, Higa President

FEB-11-2011 02:00PM FAX:808 845 8249 🛒

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S AND M WELDING CO., LTD.

1320 Kalani Street, #202 Honolulu, HI 96817-4920 Telephone: (808) 848-0090 Fax: (808) 848-0323 License No.C-2652

February 11, 2011

Honorable Jerry L. Chang Chair Committee on Water, Land and Ocean Resources 415 South Beretania Street, Room 435 Honolulu, HI 96813

SUBJECT: SUPPORT FOR HOUSE BILL 1164, RELATING TO PUBLIC LANDS

Dear Honorable Jerry L. Chang, Chair and Committee Members:

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Over the last 18 years I have contributed to the over \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$1,000,000.00 into my leasehold improvements. All improvements were made by SIBA members at no cost to the DNLR or the State. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family to be carried on into the future.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small business in SIBA.

Very truly yours,

S AND M WELDING CO., LTD.

anil P. Wino

Daniel P. Woo, President

DPW:ag



ECONOMY PLUMBING & SHEET METAL, INC.

1029 Ulupono Street Honolulu, Hawaii 96819-4334 Phone: (808) 842-5100 Fax: (808) 848-2703

February 11, 2011

To: Hono

Honorable Jerry L Chang,

Chair Committee on Water, Land and Ocean Resources

House of Representatives

415 South Beretania Street, Room 435

Honolulu, HI 96813

Fax # 586-8504

From: Kent Matsuzaki

President

Economy Plumbing & Sheetmetal, Inc.

RE: House Bill 1164, Relating to Public Lands - Support

Dear Honorable Jerry L Chang, Chair and Committee Members

I am a small business owner and a member of Sand Island Business Association (SIBA). As one of the 112 leaseholders of the Sand Island Industrial Park (SIIP) I am in support of HB 1164.

Our business and family moved to Sand Island in 1958 when there was nothing here but sand, koa bushes, a river and a dirt road. We were on month to month lease for over 30 years. Finally, in 1992 SIBA was able to negotiate a long term lease for us and we were finally able to invest monies into long term leasehold improvements. Since 1992, SIBA has now contributed over \$41,000,000 for infrastructure improvements to the Sand Island Industrial Park. All of these improvements were made by SIBA members at no cost to the State. The State can now realize a substantial profit for the sale of the Sand Island Industrial Park since originally it was just raw filled land and today, it is a fully developed Industrial Park.

In today's tough economic times, the State could benefit from the additional income and the future increased spending generated when businesses actually own the land they sit on.

We as SIBA business owners like other small business owners have put in substantial capital and sweat labor into our businesses and towards the infrastructure improvements of Sand Island. Our hope and dream as small business owners is to one day own the land we do business on and have the option to purchase the fee.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small businesses in the Sand Island Industrial Park.

Sincerely,

Kent Matsuzaki .

President

WALTER Y. ARAKAKI GENERAL CONTRACTOR, INC.

P.O. BOX 17790 * HONOLULU. HAWAII 96817 LICENSE NO. ABC-8024

To:

HONORABLE JERRY L. CHANG

Chair Committee on WATER. LAND AND OCEAN RESOURCES

House of Representatives

415 South Beretania Street, Room 435_

Honolulu, Hawaii 96813

From: Name: Walter Arakaki

Title: President

Company: Walter Y. Arakaki General Contractor, Inc. and Brian's Contracting, Inc.

Address: 1029 Punwai Street, Honolulu, HI 96819

Lot No.: 51 SIIP

Support for House Bill 1164, Relating to Public Lands

Dear, HONORABLE CHANGChair and Committee Members

I am a member of Sand Island Business Association (SIBA) and owner of Lot 51. We (my son and daughter) owns a construction company, that employs 16 people. As one of the 112 leaseholders of Sand Island Industrial Park (SIIP), we are all in support of HB 1164.

Over the last 19 years we have contributed to the \$41,000,000 that SIBA has invested in infrastructure improvements to SIIP and I have invested \$2.5 million into my leasehold improvements. All improvements were made at no cost to the DNLR or the State of Hawaii. I believe that the State would realize a substantial profit for the sale of SIIP because the property before the improvements was raw fill land. The State would now be able to reap the benefits of the improvements in this sale.

Due to the substantial capital we, SIBA, have invested into SIIP and our individual properties, my hope is to have the option to purchase the fee. This would allow me to continue to invest in my improvements and at some point be able to realize the benefit of my investment. My aspiration is to know that all the hard work, time, and investment I made can be passed on to my family and employees.

Therefore, I am in favor of passage of HB 1164, because it benefits the State as well as all the small businesses and the creation of more jobs and employment for the people of Hawaii.

God Bless You All.

1029 PUUWAI STREET, HONOLULU, HAWAII 08840

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