McCully Works 40 Kamehameha Ave. Hilo, Hi, 96720

March 20, 2017

HB 1469, HD1: Testimony in SUPPORT

Senate Joint Committees: ETT/WTL

Aloha Chairs Wakai and Rhoads,

I'm a business owner in Hilo since 1976. I can see the obvious benefits that HB 1469, HD1 can provide to my community. I support it wholeheartedly.

I have reviewed the testimony this bill has generated in previous hearings and view with dismay the argument that this bill is merely a resurrection of the disgraced "PLDC". This bill specifically seeks to address the **redevelopment** of already improved state lands. By doing this it seeks to <u>recycle and renew</u> existing use rather than expand and consume other open or less developed public lands. It's critical that we understand the merits of this bill to solve longstanding problems to help our community. A thoughtful review, rather than a reflexive one, would see that this is both a modern and an enlightened approach to the economic use of public lands in an urban environment. In the interests of some the concerns I might respectfully suggest the clarification in section 2 of the proposed HRS171-F (f). I don't believe it to be entirely necessary to the successful implementation of this bills intent.

I note that this bill allows for the areas identified to have their own community members be the decision makers. Determining policy and process is best effected at the local level and this authority will be critical to the successful implementation of this bill. Home Rule is important, especially to the smaller communities on the neighbor islands.

I might also observe that the public lands in the Banyan Drive and KIAA are in the latter stages of their leases and have fallen into economic obsolescence. These "wasting assets" are to the detriment of the business owners, their customers, the general welfare of our community, and finally the state of Hawaii at large. These conditions, caused by the restrictions on leasehold policy contained in HRS171-36, need to be addressed and corrected. This bills approach to amending HRS171-36 could provide significant benefits to the state as well as protecting the public interest. Public lands that are not used on an optimal basis are an obvious waste of our resources and statutory language that can correct these deficiencies is sorely needed. This bill could be well utilized to correct these long standing issues. Please support HB1469

Mahalo,

James McCully

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 3:52 PM
То:	ETT Testimony
Cc:	momo.modus@gmail.com
Subject:	*Submitted testimony for HB1469 on Mar 20, 2017 14:45PM*

Submitted on: 3/19/2017 Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Laura	Individual	Oppose	No

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.





MICHAEL K. FUJIMOTO – CHAIRMAN, PRESIDENT & CEO SHIPMAN BUSINESS PARK • 16-166 MELEKAHIWA STREET • KEAAU, HAWAII 96749 OFFICE (808) 966-5636 • CELL (808) 936-2373 • FAX (808) 966-7564

March 17, 2017

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY Senator Glenn Wakai, Chair Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON WATER AND LAND Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

Testimony in Support of HB1469 HD1

Aloha Chairs Wakai and Rhoads,

Hawaii Planing Mill, Ltd. dba HPM Building Supply will be celebrating its 96th anniversary on August 8, 2017. We have over 320 employees and operate 8 facilities across Hawaii Island, Oahu and Kauai. Today we are a 100% employee-owned company and proud that all our success is returned to the communities we serve. Our roots are in Hilo, where HPM was founded in 1921. Since 1961, we have been a lessee of the State of Hawaii and were a recipient of one of the original "tidal wave" leases. The original 55-year lease term came up in 2016 and we have since been granted a 10-year lease extension which expires in 2026.

We respectfully ask for your support of HB1469 HD1. The opportunity to establish and designate public land redevelopment districts brings forward an effective framework to revitalize our Hilo community. Also important to this bill is the establishment of procedures for designating planning committees, district redevelopment plans, and redevelopment district revolving fund appropriations. We also appreciate that HB1469 modifies public land lease restrictions, which will benefit the Kanoelehua industrial area where our primary 5-acre Hilo customer center exists. This is important to us as this may allow HPM and other companies currently under lease with the DLNR to potentially renew our lease terms and make substantial improvements to our properties and facilities. Most importantly, we have confidence that the comprehensive nature of HB1469 and its mechanisms for funding provide the right ingredients to make meaningful and timely impact and will establish the economic foundation and engine for our future generations of our Hilo community to thrive.

Thank you for your support of this bill.

Mahalo,

Robert M. Fujimoto, Chairman of the Board Emeritus

Michael K. Fujimoto, Chairman and Chief Executive Officer

Jason R. Fujimoto, President & Chief Operating Officer

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 4:32 PM
То:	ETT Testimony
Cc:	mark.gordon333@gmail.com
Subject:	Submitted testimony for HB1469 on Mar 20, 2017 14:45PM

HB1469

Submitted on: 3/19/2017 Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Gordon	Individual	Comments Only	No

Comments: Aloha In regards to HB1469, State Agencies should ensure that any public lands before they are rezoned or used for any commercial, industrial, resort or hotel use are in total compliance with the Community Development Plans in which the public lands are located. In addition, there should be provided an ample amount of time for Public testimony and Comment before any Final decisions are made. Public comment and testimony should be evaluated fully before any Final decisions are made. Mahalo Mark Gordon Waikoloa HI

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From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 5:14 PM
То:	ETT Testimony
Cc:	russell@ginozarealty.com
Subject:	Submitted testimony for HB1469 on Mar 20, 2017 14:45PM

HB1469

Submitted on: 3/19/2017 Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Russell Arikawa	Individual	Support	No

Comments: I am in full support of HB1469. Sincerely, Russell Arikawa President, Japanese Chamber of Commerce & Industry of Hawai'i Board Member, Kanoelehua Industrial Area Association

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TESTIMONY IN OPPOSITION TO HB 1469 RELATING TO PUBLIC LANDS Hearing March 20, 2:45 pm, Room 414

TO: Chair Glenn Wakai, Vice Chair Brian Taniguchi Members of the Committee on Economic Development, Tourism, and Technology

Chair Karl Rhoads, Vice Chair Mike Gabbard Members of the Committee on Water and Land

FROM: Barbara Polk

I am testifying as an individual in strong opposition to HB 1469 that seeks to turn over major decision making about the future use of public lands, including their sale and alienation from public use, to appointed committees comprised of people who would stand to benefit substantially by the decisions they would be permitted to make. The seven "public" members, not all of whom have to be state residents, must be: Managers of small or large businesses; people engaged in Banking, Investment or Finance; Real estate developers; Real Estate managers; Marketers; and Hotel and resort managers. The general public is excluded from involvement except for one public meeting *after* the plan has been completed. This is entirely inappropriate.

I strongly object to classifying hotel and resort development as a "public purpose", since such developments use large amounts of land that would no longer be available for public use. This bill would apparently allow sale of public land for hotels and resorts.

The bill also includes inconsistencies that raise questions about its intent.

Section 171-E (9) (B) indicates that the plans must conform to state and county laws and ordinances: (B) The use or uses to which the parcel shall be put <u>in conformance</u> with the redevelopment plan, and <u>with applicable state and county laws and ordinances</u>;

Section 171-F (b) (6) (f) says the opposite:

(f) The designated district redevelopment plan <u>shall supersede all other</u> <u>inconsistent ordinances and rules relating to the use</u>, <u>planning</u>, <u>development</u>, <u>and</u> <u>construction on public land in the designated district</u>. (*underlining added*)

A second inconsistency arises in the following sections:

SECTION 5. Section 171-36, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (a) and (b) to read:

"(a) Except as otherwise provided, the following restrictions *shall apply to all leases:*

(b) The board, from time to time, upon the issuance or during the term of any intensive agricultural, aquaculture, commercial, mariculture, special livestock,

pasture, hotel, resort, school or government entity pursuant to section 171-95,

<u>eleemosynary organization pursuant to section 171–43.1</u>, or industrial lease, may: (1) *Modify or eliminate any of the restrictions specified in subsection (a);*

What is the point of having restrictions that "apply to all leases" if they may be modified or eliminated?

I especially object to letting an unelected board that is not representative of the community, and that includes members from out of state, modify the requirements of "hotel, resort, school or government entity, eleemosynary organization . . ." It's bad enough that resorts and hotels may be exempt from restrictions, but why exempt schools and eleemosynary organizations? Those entities are not referenced elsewhere in the bill, and their inclusion here raises serious questions about the overall intent of the bill

It appears that the bill is intended to apply to a specific area of the state (perhaps Hilo given HB 1479 and previous testimony). However, if the bill is passed, it may be applied to any area of the state and result in multiple boards that may develop plans exempt from certain ordinances and rules, resulting in patchwork planning in the state. This bill is much too broad and threatens the coordinated planning for public lands in the state.

I urge you to defer HB1469.

Thank you for your attention to my concerns.

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 10:53 PM
То:	ETT Testimony
Cc:	djr@teamdeluz.com
Subject:	*Submitted testimony for HB1469 on Mar 20, 2017 14:45PM*

Submitted on: 3/19/2017 Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
David S. De Luz, Jr.	Big Island Toyota, Inc./De Luz Chevrolet	Support	No

Comments:

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SENATE JOINT COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY AND WATER AND LAND Monday, March 20, 2017 2:45PM Room 414 In OPPOSES HB1469 Relating to Public Lands

Aloha Chairmen Wakai, and Rhoads, and members of the joint Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i strongly opposes HB1469, which creates a new redevelopment district exempt from all basic land use laws.

Since 1968, the Sierra Club of Hawai'i has been working to protect the unique natural and cultural resources of our islands. We have extensive experience in defending the veracity of Hawai'i's land use laws. The Sierra Club was part of the massive community outcry that repealed the ill-fated Public Lands Development Corporation. We oppose HB1469 for many of the same reasons the PLDC was rejected.

HB1469 seeks to authorize the establishment of redevelopment districts for specific public lands deemed dilapidated and in need of rejuvenation. While recognizing the valid need to address blight on public lands, we nonetheless find this bill to be a bad deal for the public because it would erase all basic protections public land in the proposed redevelopment district, including all land use laws, and time limits on leases, without providing any added protections.

On page 13 at line 13, the proposed bill would create district redevelopment plans that "...shall supersede all other inconsistent ordinances and rules relating to the use, planning, development, and construction on public land...".

In addition, the bill would also eliminate the current 65 to 75 year time limits on leases of public land, which is an essential protection for the public lands inventory, while adding a new layer of political bureaucracy for redevelopment of public lands.

The consequence of this bill, if passed as written, is the construction of commercial buildings on public land that do not conform to land use laws, building codes, or planning guidelines. These non-conforming structures would either return to the public inventory as a burden on the department, or be perpetually leased for commercial uses, effectively removing the lands from the public inventory, without any guarantee that the public would benefit.

For these reasons, we consider this bill is a bad deal for the people of Hawai'i, and strongly urge this joint committee to reject this measure. If this committee seeks to redevelop specific public lands, then we recommend the proposed SD1 for HB1479. Thank you very much for this opportunity to provide testimony on this important issue.

Mahalo,

Marti Townsend Director Honorable Representatives:

My name is Michael Shewmaker, My wife, Keiko and I own one of the most successful businesses in Downtown Hilo as well as two leasehold properties in the Hilo Industrial Area. Our nearly forty years of doing business in Hilo have given us a deep love and concern for our community.

We would most appreciate your support for HB1469 Relating to the Waiakea Peninsula Development District. This will allow those in our community to determine the destiny of our community. We have been held in limbo for too many years because nearly all of our commercial, industrial and resort zoned lands are leasehold properties held by the State of Hawaii and Hawaiian Homes.

As strange as it may seem Hilo suffers every day from the Tsunami of 1960. That dreadful wave cut through the heart of the city and stripped us of our vital, fee simple commercial and industrial lands. In order to insure survival of the city these lands were replaced by State owned leasehold parcels in the Waiakea area. This permanently removed the ability of the small business owner to build equity in their property; one of primary ways the small guy has always depended on to get ahead. Now there are just a few years remaining on these leases, the buildings are in disrepair and no viable way to refurbish the community is available to us. Without leasehold reform Hilo and more specifically the Hilo Industrial Area and the Banyan Drive area will remain stagnant.

Thank you for your consideration.

Sincerely,

Michael Shewmaker

From:	mailinglist@capitol.hawaii.gov
Sent:	Monday, March 20, 2017 5:56 AM
То:	ETT Testimony
Cc:	paikoman@yahoo.com
Subject:	Submitted testimony for HB1469 on Mar 20, 2017 14:45PM

Submitted on: 3/20/2017 Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Hallett	Individual	Oppose	No

Comments: Thank you for considering my testimony. I think it is wrong this legislation would create untold amount of revolving funds. When meeting with the public regarding public lands/conservation lands/crownlands, one meeting is not enough. These "public lands" should remain undeveloped and for all. Thank you, Lisa Hallett, Todd Andrews, Jessica Andrews

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From:	mailinglist@capitol.hawaii.gov
Sent:	Monday, March 20, 2017 7:07 AM
То:	ETT Testimony
Cc:	begoniabarry@gmail.com
Subject:	*Submitted testimony for HB1469 on Mar 20, 2017 14:45PM*

Submitted on: 3/20/2017 Testimony for ETT/WTL on Mar 20, 2017 14:45PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Barry	Individual	Support	No

Comments:

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