

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 608
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 608 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC LANDS,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Department of Land and Natural Resources to review and consider the sale or exchange of parcels in Sand Island Industrial Park, taking into account existing and potential lease terms, lease income, and use of lease revenues.

Your Committee received testimony in support of this measure from the Sand Island Business Association. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that in 1992, the Department of Land and Natural Resources entered into a fifty-five year lease with the Sand Island Business Association for the Sand Island Industrial Park. Your Committee also finds that the lessee made substantial improvements, subleased the lots, and managed the Sand Island Industrial Park on behalf of the Department of Land and Natural Resources, pursuant to the terms of the lease, at a significant cost. Your Committee acknowledges that the members of the Sand Island Business Association are interested in purchasing fee title to the lands at the Sand Island Industrial Park.



After considering the testimony presented, your Committee finds that sale of the fee title to the Sand Island lessees would not be in the best interests of the State's economy or its natural resources. Your Committee also finds that the Department of Land and Natural Resources relies heavily on income from lease revenues derived from the Sand Island Industrial Park lease.

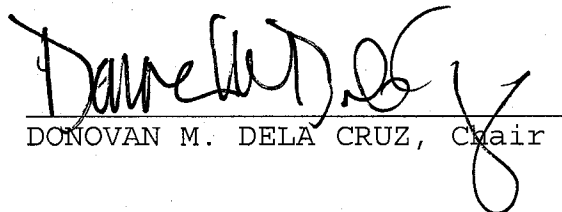
Your Committee further finds that an exchange of lands could benefit and support the State's economy and resources. Accordingly, a proposed S.D. 1 eliminating the State's duty to consider the sale of the Sand Island property was made available to members of the public.

Your Committee has adopted the proposed S.D. 1 made available to the public, which amends the measure by:

- (1) Making discretionary the Department of Land and Natural Resources' review and consideration of the exchange of any Sand Island parcels, and eliminating its duty to review and consider the sale of any Sand Island parcel; and
- (2) Clarifying the factors that the Department may consider in evaluating an exchange of Sand Island parcels.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 608, S.D. 1, and be referred to the Committee on Ways and Means.

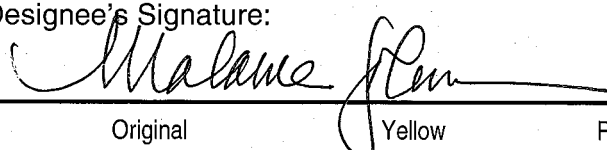
Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Water, Land, and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB608	WLH, WAM	02-17-11		
<input checked="" type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u>HOLD</u>				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)		✓		
SOLOMON, Malama (VC)		✓		
FUKUNAGA, Carol				✓
RYAN, Pohai				✓
SHIMABUKURO, Maile		✓		
TOKUDA, Jill N.				✓
SLOM, Sam		✓		
TOTAL		4		3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes