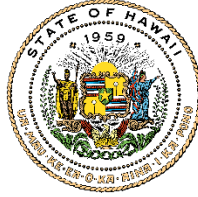


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

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

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M. KALEO MANUEL
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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 Senate Committee on
JUDICIARY

Friday, February 24, 2023
9:30 AM

State Capitol, Conference Room 016 & Videoconference

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

Senate Bill 837 proposes to authorize the Department of Business, Economic Development, and Tourism (DBEDT) to acquire real, personal, or mixed property; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, dispose, or encumber the property; and acquire property by condemnation. **The Department of Land and Natural Resources (Department) offers the following comments and suggested amendment.**

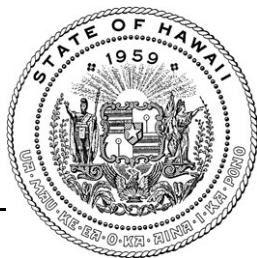
As written, this measure empowers DBEDT to acquire real, personal, or mixed property; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, dispose, or encumber the property; and acquire property by condemnation. While this measure gives DBEDT these powers, it does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

(c) The department of business, economic development, and tourism may acquire **and hold title to**, or contract to acquire by grant or purchase real, personal, or mixed property or any interest therein; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the

same; and acquire property by condemnation pursuant to chapter 101.

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

Mahalo for the opportunity to comment on this measure.



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

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
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Statement of
CHRIS J. SADAYASU
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON JUDICIARY

Friday, February 24, 2023
9:30 AM
State Capitol, Conference Room 016

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

Chair Rhoads, Vice Chair Gabbard, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports with amendments** SB837, which authorizes DBEDT to acquire real, personal, or mixed property; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, dispose, or encumber the property; and acquire property by condemnation.

As brought to our attention by the Chair of the Department of Land and Natural Resources in her testimony to the Senate Committee on Energy, Economic Development, and Tourism, we would also like to request an amendment to page 2, lines 9 through 15, by inserting the words, "and hold title to,"

(c) The department of business, economic development, and tourism may acquire **and hold title to,** or contract to acquire by grant or purchase real, personal, or mixed property or any interest therein; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the same; and acquire property by condemnation pursuant to chapter 101.

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

With this amendment, it would empower DBEDT's capacity to implement its objective of developing the economy of the State, including that which embraces innovation and is competitive, dynamic, and productive. DBEDT would be able to support projects that are beneficial to the development of multiple sectors and to create and boost economic opportunities for public benefit, with potential to address a wide array of the public's needs.

As DBEDT seeks to encourage and diversify economic activity, workforce and business development, we support the idea of acquiring properties that present financial opportunities for the State while stimulating economic growth and community revitalization.

Thank you for the opportunity to testify in support of Senate Bill 837.



Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Testimony in opposition to SB 837

Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

UNITE HERE Local 5 represents working people throughout Hawaii's hotel, food service and health care industries. **We oppose SB 837** because we believe that it is bad policy to expand the power of state agencies to sell or otherwise dispose of public land. This is exacerbated by the public not receiving adequate notice of such transactions, not having adequate methods to weigh in on such transactions, and without mandates to abide by public processes like those which are already provided for in detail in HRS 171. The bill currently would allow DBEDT to sell, assign, exchange, transfer, convey, lease, dispose of or encumber any property it owns or acquires. The bill would also allow DBEDT to acquire land, including via the use of condemnation. This could allow DBEDT to, for example, take over land by condemnation and then turn around and sell it to developers. This is not in the public's best interest.

Even if these land dispositions were listed agenda items at board meetings (which it is not clear whether they would be), the public would have to be watching every meeting agenda to even know about them. Would it apply to all ten of the agencies administratively attached to DBEDT as well?

Further, **this same power is being contemplated for the Hawaii Emergency Management Agency through SB 298**. If the Legislature passes SB 837, SB 298 or any other such measures, the public would have to be constantly watching for the agendas of a hodgepodge of board meetings to stand a chance at even being able to testify about such transactions, assuming they even knew that these agencies had these powers in the first place. Even if they did overcome all of those hurdles, interested parties would still be left with no tools except testimony before unelected boards not directly accountable to the public.

Selling land that is owned by the public - potentially for private gain - is highly problematic. Allowing public agencies to sell public land with minimal oversight opens the door for corruption and deals that are not in the public's best interest.

Please oppose SB 837.

Thank you for your consideration.