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# The Honolulu Advertiser

HAWAII'S NEWSPAPER

June 5, 2009

The Honorable Linda Lingle, Governor  
State of Hawaii  
State Capitol  
415 S. Beretania St., 5th floor  
Honolulu, HI 96813

Ms. Cathy Veillard  
Policy - Office of the Governor  
State Capitol, Rm. 417  
Honolulu, HI 96813

Dear Governor Lingle and Ms. Veillard:

RE: SB 1350 SD2 HD1 CD1 Relating to Kakaako

Gannett Pacific Corporation requests that you give serious consideration to the veto of SB 1350 SD2 HD1 CD1, a bill relating to Kakaako. We have serious concerns about the effect that this measure has on our property and the area known as Kakaako Mauka.

Gannett Pacific Corporation owns property that is located at the corners of Kapiolani Boulevard, Kawaiahao Street and South Street. Located on our property are the historic Honolulu Advertiser News Building (on the corner of South and Kapiolani) and a press production facility that is located toward the back of the property bordering Kawaiahao Street.

A major concern for us is the requirement to build reserved housing. The need to provide and develop affordable housing is an issue that we support. However, as presented in this measure, the requirement to build reserved housing would have a detrimental effect on our ability to use our property. If we wanted to improve its buildings, either for necessary building improvements, expansion or updating, we would be required, under this legislation, to build reserved housing. Compounding this issue, we would not be able to begin the process for any building improvements until the Hawaii Community Development Association (HCDA) passes administrative rules. Additionally, we would very likely have to find another location within Kakaako to build the reserved housing.

These requirements place a moratorium on any building in the Kakaako Mauka area. A moratorium on potential construction at a time of economic uncertainty and instability seems to be very bad government policy. Usually construction development is viewed as an economic booster or stimulator, especially during a down economy as we are experiencing today.



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Legal issues, such as the lack of due process and what could amount to a taking of property are also issues of significant concern to us.

Lastly, we believe that there may be consequences to the valuation of property. The requirements mandated in the measure will very likely lower the value of our property. We do not believe that the intent of the measure is to de-value property, but it is certainly an unintended consequence. The lowering of any property value will have an immediate and grave impact on the ability of smaller property owners to improve the property or to secure financing to improve and or sell their property. This would have a severe impact on our operations and could affect the more than 400 employees that we have on our site in Honolulu.

We believe that it was the intent of the Legislature to try to address a growing problem of available, affordable housing. However, the proposed solution is fraught with issues and consequences that could jeopardize our ability to effectively operate in Honolulu.

Therefore, we again ask that you veto SB 1350 SD2 HD1 CD.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Fake". The signature is fluid and cursive, with a large initial "R" and "S".

Richard S. Fake

Senior Vice-President, Finance