RES23-138
Testimony

MISC. COMM. 326

BUDGET (BUD)

BUDGET (BUD) Meeting

Meeting Date: Jun 20, 2023 @ 09:00 AM

Support: 2

Oppose: 0

I wish to comment: 0

Name:	Email:	Zip:
Gerald Fujita	gifat902@aol.com	96816
Representing:	Position:	Submitted:
International Express, Inc.	Support	Jun 16, 2023 @ 03:10 PM
Name:	Email:	Zip:
Cliff Laboy	clifflaboy@yahoo.com	96789
Representing:	Position:	Submitted:
International Express, Inc.	Support	Jun 16, 2023 @ 03:14 PM

June 15, 2023

Honorable Radiant Cordero, Chair
Honorable Matt Weyer, Vice Chair
Members of the Committee on Budget
Honolulu City Council
530 South King Street
Honolulu, HI 96813

Testimony in Support of:

(1) RESOLUTION 23-137 – SALE OF REAL PROPERTY TO INTERNATIONAL EXPRESS, INCORPORATED. Approving the sale of the real property purchased by the Honolulu Authority for Rapid Transportation located at 2613 Waiwai Loop, Honolulu, HI 96819, to International Express, Incorporated; and
(2) **RESOLUTION 23-138** – GRANT OF EASEMENT TO INTERNATIONAL EXPRESS, INCORPORATED. Approving the grant of a perpetual easement over Easement C located on the Lagoon Drive Station parcel at 515 Lagoon Drive, Honolulu, HI 96819, for access purposes to International Express, Incorporated.

Committee on Budget Hearing - Tuesday, June 20, 2023, 9:00 a.m., City Council Chamber

Chair Cordero and Members of the Budget Committee,

My name is Gerald Fujita. I am an attorney and have assisted International Express and Mr. Mitsui during the period covering the corporation's involvement with HART and its rail project. IEX is a small and locally owned business that provides trucking and warehousing services.

I understand the issue presented to the Council is to decide whether the sale of the subject property and grant of the access easement to International Express is appropriate under the circumstances. The Council knows that the sale and grant are part of the resolution of a much larger dispute between IEX and HART over relocation claims. The factual background that gave rise to the disputes is very long and complicated, and took place over many years. The settlement negotiations were spread over more than 3 years. We do not intend to recite the claims and factual allegations underlying the disputes and rely instead on the fact that the issues were fully discussed and argued among the parties

We believe that the Council should take note of the fact that the protracted dispute with HART has had a disastrous effect on the financial aspects of IEX's business, including the loss of customers and revenue caused by the uncertainties of relocation, and the damages and loss incurred as a direct result. This company is representative of the many small local businesses that have been detrimentally affected by the rail project.

Through all of this, IEX has tried to cooperate with HART with the hope that the situation that has been such a detriment to its business can be resolved, and it can go back to rebuilding the company without the distraction of dealing with HART and the seemingly endless problems created for it by the rail project. IEX has negotiated toward a final settlement in good faith, supplying all information requested by HART to substantiate its claims and position. IEX believes that the final negotiated terms of the settlement now before the Council, the basis of which is the sale of the property and exchange of easements as described in the Resolutions, is a fair and reasonable compromise of the contested issues.

Having reached this point of agreement, neither HART nor IEX wants to go back to some point in the resolution process and rehash with HART the issues in this complicated claim by litigation or otherwise. IEX urges the Council to approve the settlement and let the parties go back to their core operations and move forward.

Thank you for your anticipated positive review of the matter.

Gerald I. Fujita
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June 15, 2023

Honorable Radiant Cordero, Chair
Honorable Matt Weyer, Vice Chair
Members of the Committee on Budget
Honolulu City Council
530 South King Street
Honolulu, HI 96813

Testimony in Support of 1) RESOLUTION 23-137 – SALE OF REAL PROPERTY TO INTERNATIONAL EXPRESS, INCORPORATED. Approving the sale of the real property purchased by the Honolulu Authority for Rapid Transportation located at 2613 Waiwai Loop, Honolulu, HI 96819, to International Express, Incorporated; and
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Committee on Budget Hearing - Tuesday, June 20, 2023, 9:00 a.m., City Council Chamber

Aloha Chair Cordero and Members of the Budget Committee,

My name is Cliff LaBoy, Special Projects Coordinator for International Express Incorporated (IEX). I have been associated with IEX and its owner, Mr. Masao Matsui, for many years and I have always known him to be a fair and cooperative individual. I can tell you that the stress and strain of the events leading up to the settlement of the sale of real property, which is the subject of the above-referenced Resolutions, has taken a toll on his health as well as his business.

Mr. Mitsui purchased International Express in 1988 with only two trucks and a small warehouse and built it into a highly successful company. However, in Mr. Mitsui's 35 years as a local small business owner, the biggest threat to IEX has come from HART. For nearly a decade, Mr. Mitsui has been caught up in a bureaucratic mess that began when he was notified in 2010 that his property on Waiwai Loop could be affected by the rail project.

Thereafter, in 2013, HART sent a contractor to perform work on the sidewalk in front of his property. When it became obvious that the proposed rail column

would make it impossible for his 40-foot container trucks to enter and exit his property to conduct business, HART proposed an easement along the front of his property, but it still would not solve the problem for the large trucks required for his operations.

What followed was years of confusing directions and redirections by contracted real estate agents of HART. In 2016 the entire property was sold to HART with the promise of full relocation assistance from its agent, Paragon Partners. Months later, Paragon was terminated, and HART assumed the account. With uncertainty and confusion over FTA requirements, HART then announced the relocation plan was to be nullified.

In 2017 HART suggested the parties enter into settlement discussions to resolve all claims. After two settlement proposals were offered and then withdrawn by HART, a third proposal was made in 2018 to sell the property back to IEX less adjustments for damages and costs incurred by IEX. This has been under consideration since 2019.

This proposed settlement will not completely compensate Mr. Mitsui for the hardships imposed upon him and his business due to HART's presumed need for his property, but it could bring closure to several years of stressful and costly deliberations. In spite of HART's frequent and costly indecisiveness, Mr. Mitsui has remained cooperative and hopeful for a conclusion to this ordeal.

There are many indisputable facts and reasons why this current settlement proposal is justifiable and reasonable – all of which have been presented and fully vetted. Most importantly, after thorough examination, evaluation, and scrutiny, the HART Board, HART Administration, and the City's Department of the Corporation Counsel support the terms of the settlement. On June 14, 2023, HART's Executive Director and CEO, Ms. Lori Kahikina, therefore transmitted a request for the City Council's consideration of these two Resolutions, evidencing that the settlement of the sale is considered a fair one by HART personnel closest to the situation and is also acceptable to Mr. Mitsui and IEX. Your approval of these Resolutions would therefore bring final closure to a critical issue for both parties after more than a decade of deliberations. Thank you for your support.

Mahalo.