OUR VIEW

HAWAIIAN HOMESTEADS

Casino a bad bet for DHHL lands

The Hawaiian Homes Commission has been land-rich and cash-poor for most of its century of existence.

And the mission it seeks to fulfill — issuing leases on homesteads for qualifying Native Hawaiians — requires cash. The question being posed to the commission this week: Would a casino be an appropriate way to raise that cash? Testimony on the issue will be heard on Monday, but the early reaction, rightly, indicates the answer is a firm "no."

The 203,000-acre land trust overseen by the commission was set aside under a 1921 federal law, years after the annexation of the Republic of Hawaii to the U.S., to support self-sufficiency for the indigenous people.

Those of at least 50% Hawaiian ancestry qualify for a residential, agricultural or pastoral lease. About 28,000 beneficiaries have languished on the waiting list, some for decades, for various reasons. Among them is that the highest demand is for parcels on Oahu, when more of the land, much of it needing costly infrastructure, is on other islands.

The state now administers the trust, through its Department of Hawaiian Home Lands, and the casino proposal by staff appeared on the agenda for the commission's Monday meeting.

Up for a vote, likely on Tuesday, is a request that the commission approve a draft of a legislative bill that would authorize limited casino gambling at a single resort property that is designated for commercial use.

The development, on an undetermined site within DHHL holdings in Kapolei, also could include the full range of resort accommodations and entertainment, such as golf, aquariums, theme parks, theaters and sporting events.

But the casino is plainly the centerpiece. The bill is necessary because Hawaii and Utah are the two states where gambling in any form is illegal. Not surprisingly, however, during times of economic distress, proposals to legalize gaming come up, partly as a means to bolster sagging state revenues.

Of course, this is not the first time gambling has been seen as a fiscal backstop, either for the state in general or for DHHL in particular. Through the years, for example, proposals for a lottery that could fund various state needs have been run up — and down — the state Capitol flagpole.

Casinos are a particular concern. The 2010 Legislature, facing myriad budgetary problems posed by the Great Recession, considered a measure that would legalize one: House Bill 2759, that "authorizes the Hawaiian Homes Commission (HHC) to allow gaming on Hawaiian Home Lands and to consult with the HHC Act beneficiaries and designate specific Hawaiian Home Lands parcels for the purposes of establishing casino gaming operations."

Even under those circumstances, it was controversial, even some of its "aye" votes coming "with reservations." And, it stalled out before getting a final vote in the House.

The same misgivings — especially about the financial risks, and the social ills that gambling brings — have been raised repeatedly. This time, there is an additional, pointed complaint. That part about consulting with the beneficiaries didn't seem to have happened in advance of the proposal moving onto the commission agenda.

Some homesteaders were quick to point that out, rightly, and to take offense. Details of the plan were undisclosed when the proposal first surfaced.

"They treat us not as beneficiaries," said one, Richard Soo. "They treat us as welfare recipients, that's what I get from Hawaiian Home Lands: 'We know better than you. Let us do what is best for you.' This is a pretty big thing."

The constituent homesteader councils across the state, which are set up for such consultation, have good reason to be insulted and to expect that DHHL had learned from its past mistakes on this score. Clearly, it has not.

The draft bill, which the commission would need to agree to send to Gov. David Ige for introduction to the Legislature, is out now. If enacted, it would allow for a 20-year renewable license to operate a destination resort, including the casino, and garner revenues for beneficiaries through a "wagering tax." Like the 2010 bill, it would create a gaming commission for oversight.

What makes critics leery of the plan is that casino gambling has fueled addictions, luring many who already have little money to waste, including the beneficiaries the project is meant to help. There are many casinos that, badly run, have not yielded the promised financial resources, either.

It may be that DHHL anticipated this blowback, based on past history, and is banking more on a compromise allowing for a resort complex, minus the casino. There should be an opportunity to consider an effort to monetize some of its property so that the agency's programs for beneficiaries become more sustainable.

That gain would need to be weighed against the loss of precious acreage dedicated to homesteading itself. However, assuming the specifics of any resort plan can be fully vetted, it deserves consideration.

But a casino? That's a bad bet, all around.