



CITY COUNCIL

CITY AND COUNTY OF HONOLULU

Honolulu, Hawaii 96813-3065/Telephone 547-7000

Charles K. Djou

Councilmember, District IV

Phone: (808) 547-7004 / Facsimile: (808) 523-4220

Email: cdjou@honolulu.gov

Web: www.honolulu.gov/council/d4

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For More Information, Please Contact:

Councilmember Charles K. Djou

Phone: (808) 265-2858

U.S. 9TH CIRCUIT COURT OF APPEALS: DJOU WAS RIGHT ON LEASEHOLD

Yesterday, the U.S. 9th Circuit Court of Appeals in San Francisco ruled against the City and County of Honolulu on lease-to-fee conversion. The court found the Honolulu City Council should have allowed applicants from Discovery Bay, who had substantially completed the lease-to-fee conversion process, to complete their conversion when the City repealed the mandatory lease-to-conversion law. Like District Court Judge David Ezra, the Federal Appeals Court specifically referenced an amendment introduced by Honolulu City Councilmember Djou that would have eliminated all of this litigation.

“Yesterday’s ruling by the Federal Appeals Court gives me no joy to once again say ‘I told you so.’ To avoid years of litigation and attorneys’ fees, I argued that the City Council should exempt those parties that had already substantially completed the lease-to-fee process when we repealed mandatory lease-to-fee conversion in 2005. Now, after three years of litigation and thousands of dollars in litigation costs, the 9th Circuit has stepped in to reverse the City Council and force compliance with the law,” stated Councilmember Djou. “Like so many matters at Honolulu Hale, it is disappointing to once again see that the City government needs to be disciplined by the Feds to do the right thing.”

The decision by the 9th Circuit may now result in Oahu taxpayers paying for the legal fees for the plaintiffs’ attorneys. All of this litigation could have been avoided had the Honolulu City Council adopted Djou’s amendment.

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