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Wednesday, April 7, 2021
1:00 P.M.
State Capitol, Videoconference

H.C.R. 49 H.D. 1
AUTHORIZING THE ISSUANCE OF A LEASE COVERING STATE SUBMERGED
LANDS AT PIER 27 IN HONOLULU HARBOR, OAHU, TO ATLANTIS SUBMARINES
HAWAII, LLC.

Senate Committee on Water and Land

The Department of Transportation (DOT) **supports** H.C.R. 49 H.D. 1, requesting the DOT with prior approval by the Board of Land and Natural Resources to authorize by concurrent resolution to lease submerged lands to Atlantis Submarines Hawaii, LLC (Atlantis), at Pier 27, identified as Tax Map Key (1) 1-5-038:78 (Por.), in Honolulu Harbor, Oahu. Pursuant to HRS §171-53, the leasing of submerged lands requires authorization by the Legislature.

The DOT relocated Atlantis from Pier 41, Honolulu Harbor, to Pier 27 during August 2014 to make way for the development of the Kapalama Container Terminal (KCT), a critical modernization project identified by the Legislature in the enactment of the Harbors Modernization Plan under Act 200, Session Laws of Hawaii 2008. The relocation of Atlantis is addressed in the Kapalama Container Terminal and Tenant Relocations Final Environmental Impact Statement, accepted by the Governor on October 30, 2014. Phase I of the KCT yard was completed during the fall of 2020 and notice to proceed on the 36-month phase II pier improvements was issued during January 2021.

Atlantis' use of the premises includes 44,054 square feet of fast lands, 360 square feet of pier improvements, and 26,868 square feet of submerged lands to support the operation of its commercial tour submarine operations, support vessels, tour boat operations with a berthing facility, office, and maintenance facility. Atlantis' use of the submerged lands area is for its floating docks to access the submarines to maintain and recharged the vessel's electric batteries. The proposed lease is for 35 years.

The Board of Land and Natural Resources approved the direct negotiations of the lease for fast lands and the submerged lands, subject to approval by the Legislature, at its March 25, 2021 regular meeting.

Thank you for the opportunity to provide testimony.



April 6, 2021

VIA E-MAIL [SENINOUYE@CAPITOL.HAWAII.GOV]

Senator Lorraine R. Inouye
Chair, Water and Land Committee
Hawaii State Legislature
Hawaii State Capitol, Room 210
415 South Beretania Street
Honolulu, HI 96813

Re: HCR No. 49 HD 1 - RELATING TO AUTHORIZING THE ISSUANCE OF A LEASE COVERING STATE SUBMERGED LANDS AT PIER 27, IN HONOLULU HARBOR, OAHU, TO ATLANTIS SUBMARINES HAWAII, LLC

Dear Senator Inouye:

Thank you for allowing me to testify on House Concurrent Resolution No. 49 HD 1 - Relating to Authorizing the Issuance of a Lease Covering State Submerged Lands at Pier 27, in Honolulu Harbor, Oahu, to Atlantis Submarines Hawaii, LLC.

I am the President/CEO of Atlantis Submarines Hawaii, LLC ("Atlantis"), which conducts a part of its tour and cruise vessel operations out of Honolulu Harbor. This includes a submarine used for underwater tours, the vessel Majestic, used for dinner cruises, and numerous other support vessels. Atlantis previously leased Pier 41 at the Honolulu Harbor from the State of Hawaii, Department of Transportation, Harbors Division ("State") as a base for our repair and maintenance facility.

As part of the Honolulu Harbor Master Plan for the Kapalama Container Terminal, the State planned a new overseas container terminal in Honolulu Harbor that included Pier 41. As such, the State required that Atlantis relocate its repair and maintenance facility to Pier 27. This relocation is discussed in the Final Environmental Impact Statement, Kapalama Container Terminal and Tenant Relocations, (August 2014). See map of project from Figure 1-1 of this EIS, attached hereto.

Atlantis is negotiating a new lease for Pier 27 with the State, which includes the "fast lands" on which Atlantis has constructed its new facilities and will also include state submerged lands fronting the property bound by Pier 27, identified as tax map key 1-5-38-78 (por.). These submerged lands have an area of approximately 26,876 square feet.

Pursuant to Section 171-53, Hawaii Revised Statutes, this disposition of state submerged lands requires the prior approval of the Governor and prior authorization of the Legislature by Concurrent Resolution. The lease of the fast lands and submerged lands at Pier 27 also received approval of the Board of Land and Natural Resources at its meeting on March 25, 2021, subject to approval by the Legislature.

Thus, we are asking that House Concurrent Resolution No. 49 HD 1 be approved.

Thank you for your time and consideration of this Resolution. I would be pleased to answer any questions you may have.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ronald Williams", with a long horizontal flourish extending to the right.

Ronald Williams



Figure 1-1. Honolulu Harbor, O'ahu