

JAN 26 2009

A BILL FOR AN ACT

RELATING TO RECREATIONAL RENAISSANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature, together with the
2 administration, recognizes that extraordinary means must be
3 employed to catch up on deferred maintenance on parks, forests,
4 and ocean recreation facilities. With a one-time, substantial
5 upgrade to our parks, trails, and ocean recreation systems, the
6 State could go from being "reactive" - where failing facilities
7 absorb our time and attention - to "proactive" - with new
8 facilities, we can become forward looking and focus more on our
9 primary mission of serving the public.

10 At the same time, the legislature, together with the
11 administration, recognizes that it is not enough to do a one-
12 time upgrade, but it is also necessary to put systems in place
13 to ensure that the facilities are maintained at a higher
14 standard. Keeping our parks, trails, and ocean recreation
15 facilities at world class levels requires more resources than
16 have been available in the past.

17 Small boat harbors and ocean recreational areas constitute
18 significant assets of the State. Their proper maintenance and

1 operation allow Hawaii residents to benefit from the State's
2 natural resources by engaging in recreational boating,
3 commercial and personal fishing, and small business operations.
4 In addition, visitors and residents alike use small boat harbors
5 and launch ramps to participate in local, regional, and
6 international yacht races, fishing tournaments, canoe regattas,
7 surfing, and other water sports.

8 The state parks and trails systems contribute to the
9 quality of the lives of our residents. Maintaining the natural
10 resources of the State, will ensure that future generations will
11 continue to enjoy these assets. In addition, the legislature
12 further finds that there exists a connection between Hawaii's
13 state park system and tourism. Tourists visit our islands each
14 year to enjoy our great outdoors, including the natural beauty
15 and the cultural treasures that comprise much of the state park
16 system. Residents and visitors heavily utilize these
17 facilities. The recreational renaissance plan includes:

- 18 • A one-time \$240 million upgrade to park and boating
19 facilities financed by \$40 million in general obligation
20 bonds and \$200 million in reimbursable general obligation
21 bonds;

- 1 • Additional fee increases to better support on-going
2 operations and maintenance at boats and parks (primarily
3 for slips, boat ramp access, concessions, and other
4 commercial activities);
- 5 • Identification and development of specific state land
6 parcels to create a dedicated revenue source to pay for the
7 reimbursable general obligation bonds issuance.
- 8 • Development of at least 119 new acres of light industrial
9 space at Keehi lagoon as a long term source of revenue to
10 support park and conservation activities at the department
11 of land and natural resources. The legislature finds that
12 the man-made, triangle-shaped island situated in the center
13 of Keehi lagoon and may serve as a center of economic and
14 recreational activity if properly developed.

15 The purpose of this Act is to provide the funding and the
16 policy tools which enable the department of land and natural
17 resources to upgrade and maintain the state parks, trails and
18 ocean recreational facilities at world class levels and to
19 protect the precious natural resources of the State.

20 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
21 amended by adding a new section to be appropriately designated
22 and to read as follows:

1 "§171- Establishment of recreational renaissance

2 special fund. (a) There is established in the department a
3 special fund to be designated the recreational renaissance
4 special fund. The fund shall be administered by the department.

5 The following shall be deposited into the recreational
6 renaissance special fund:

7 (1) Appropriations by the legislature;

8 (2) Moneys from public or private sources dedicated toward
9 recreational areas and facilities designated by the
10 chairperson to be part of the department's
11 recreational renaissance program, as long as those
12 moneys are not currently going to the general fund;
13 and

14 (3) Moneys derived from interest, dividends, proceeds from
15 sales, rents from leases, licenses, and permits,
16 or other income from other sources generated from
17 recreational areas and facilities designated by the
18 chairperson to be part of the department's
19 recreational renaissance program.

20 The department, through its chairperson, may also at its
21 discretion deposit moneys from other special funds of the
22 department notwithstanding any law to the contrary, provided

1 that their expenditures shall be consistent with the purposes of
2 the recreational renaissance special fund that the moneys were
3 transferred from;

4 (b) The department may expend moneys from the recreational
5 renaissance special fund for the recreational renaissance
6 program related to:

7 (1) Information technology to support the recreational
8 renaissance program;

9 (2) Payment of principal and interest due on reimbursable
10 general obligation bonds;

11 (3) Planning, design, and construction not limited to
12 repairs, replacement, additions, demolitions,
13 entitlements, mitigation, and extensions of new and
14 existing facilities if necessary;

15 (4) Operation and maintenance costs of the recreational
16 renaissance program of the department; and

17 (5) Land acquisition and related costs.

18 (c) Moneys on balance in the recreational renaissance
19 special fund at the close of each fiscal year shall remain in
20 that fund."

1 SECTION 3. Chapter 206J, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately inserted and
3 to read as follows:

4 **"§206J-5.6 Partnership with department of land and natural**
5 **resources for Keehi small boat harbor and triangle island.**

6 Consistent with its general powers under this chapter, the
7 development corporation shall undertake projects including, but
8 not limited to, development of infrastructure, demolition, as
9 necessary, and expansion of facilities and acquisition of lands,
10 for Keehi small boat harbor and triangle island, which are under
11 the jurisdiction of the department of land and natural
12 resources. Notwithstanding any provision in section 206J-17 to
13 the contrary, payments to the development corporation for its
14 administrative and operational expenses shall be made by the
15 department of land and natural resources and deposited into the
16 Aloha Tower fund in a subaccount designated for projects related
17 to Keehi small boat harbor and triangle island. The department
18 of land and natural resources shall delegate to the development
19 corporation the implementation of projects related to Keehi
20 small boat harbor and triangle island. All projects, prior to
21 implementation by the development corporation, shall be approved
22 by the chair of the department of land and natural resources and

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1 the governor. After approval by the chair of the department of
2 land and natural resources and the governor, the expending
3 authority for the approved projects shall be delegated to the
4 development corporation."

5 SECTION 4. Section 171-132, Hawaii Revised Statutes, is
6 amended to read as follows:

7 **"§171-132 Designation of industrial park.** A contiguous
8 area of not less than five acres of public lands which is
9 classified or otherwise determined by the board as suitable and
10 economically feasible for industrial use may be designated as an
11 industrial park:

12 (1) By resolution adopted by the board [~~of land and~~
13 ~~natural resources~~], and approved by the legislature by
14 concurrent resolution; or

15 (2) By law.

16 For purposes of this section, a contiguous area may include
17 existing roadways that would provide access to or within the
18 industrial park."

19 SECTION 5. Section 171-135, Hawaii Revised Statutes, is
20 amended to read as follows:

21 **"§171-135 Joint venture or development agreement.** (a) An
22 industrial park may be developed under section 171-134 by the

1 department in partnership or under a development agreement with
2 a federal agency, county, or private party subject to a
3 partnership or development agreement executed by the chairperson
4 of the board[; ~~provided that if the industrial park is to be~~
5 ~~developed in partnership or under a development agreement with a~~
6 ~~private party, the private party shall be selected in accordance~~
7 ~~with section 103D-302 or 103D-303]. At a minimum, the agreement
8 shall provide for:~~

- 9 (1) A determination by the board that the partnership
10 agreement or the development agreement is for a public
11 purpose;
- 12 (2) Long-term assurance that the public land within the
13 industrial park will be utilized for industrial uses;
- 14 (3) Final approval by the board of the plans and
15 specifications for the industrial park;
- 16 (4) Exclusive authority by the board to issue leases or
17 master leases within the industrial park; and
- 18 (5) Conditions to ensure a public benefit from any state
19 funds expended for the industrial park.
- 20 (b) Notwithstanding any other provision of law to the
21 contrary, a partnership or development agreement entered into
22 pursuant to subsection (a) may provide for:

- 1 (1) The board to issue master leases within an industrial
2 park by negotiation, without regard to the limitations
3 provided in sections 171-16(c) and 171-59(a), to the
4 entity that developed or will develop the industrial
5 park or the nominee or nominees of the entity that
6 developed or will develop the industrial park; and
7 (2) A master lease with terms and conditions upon which
8 the master lessee may issue tenant subleases within
9 the industrial park without the consent of the board."

10 SECTION 6. Section 200-9, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) Vessels used for purposes of recreational boating
13 activities which are also the principal habitation of the owners
14 shall occupy no more than one hundred twenty-nine berths at the
15 Ala Wai boat harbor and thirty-five berths at Keehi boat harbor,
16 which is equal to fifteen percent of the respective total
17 moorage space that was available as of July 1, 1976, at the Ala
18 Wai and Keehi boat harbors. [~~Notwithstanding the purposes of~~
19 ~~small boat harbors, moorage for commercial vessels and~~
20 ~~commercial vessel activities is not permitted in the Ala Wai and~~
21 ~~Keehi boat harbors; provided that commercial catamarans, for~~
22 ~~which valid permits or registration certificates have been~~

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1 ~~issued by the department which allow the catamarans to operate~~
2 ~~upon Waikiki shore waters for hire, may be permitted to moor in~~
3 ~~Ala Wai boat harbor at facilities leased for commercial~~
4 ~~purposes.]~~ The total number of valid commercial use permits
5 which may be issued for vessels assigned mooring in Ala Wai boat
6 harbor shall not exceed fifteen per cent of the total berths and
7 shall not exceed thirty-five per cent of the total berths at the
8 Keehi boat harbor.

9 The department shall allow a sole proprietor of a catamaran
10 operating with a valid commercial [~~registration certificate~~] use
11 permit issued by the department for a commercial catamaran to
12 land its commercial catamaran on Waikiki beach and to operate
13 upon Waikiki shore waters for hire, to transfer the ownership of
14 the vessel from personal ownership to corporate or other
15 business ownership without terminating the right to operate
16 under the commercial [~~registration certificate.~~] use permit.
17 The existing commercial [~~registration certificate~~] use permit
18 shall be reissued in a timely manner in the name of the
19 transferee corporation or other business entity. No commercial
20 [~~registration~~] use permit issued to an owner of a commercial
21 catamaran operating in the Waikiki area shall be denied or

1 revoked without a prior hearing held in accordance with chapter
2 91."

3 SECTION 7. Section 200-10, Hawaii Revised Statutes, is
4 amended by amending subsection (c) to read as follows:

5 "(c) The permittee shall pay moorage fees to the
6 department for the use permit that shall be based on, but not
7 limited to, the use of the vessel, its effect on the harbor, use
8 of facilities, and the cost of administering this mooring
9 program; and, furthermore:

10 (1) [~~Moorage~~] Except for commercial maritime activities
11 for which there is a tariff established by the
12 department of transportation, moorage fees shall be
13 established by appraisal by a state licensed appraiser
14 approved by the department, and shall be higher for
15 nonresidents[+]. The mooring fees shall be set by
16 appraisal categories schedule A and schedule B, to be
17 determined by the department, and shall increase
18 accordingly, annually, to any cost-of-living index
19 increase, provided that:

20 (A) Schedule A will include existing mooring holders
21 with an annual increase toward schedule B rates
22 spread out evenly over a five year period; and

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1 (B) Schedule B will apply to all new mooring
2 applicants and transient slips on or after July
3 1, 2009.

4 (2) For commercial maritime activities for which there is
5 a tariff established by the department of
6 transportation, harbors division, the department may
7 adopt the published tariff of the department of
8 transportation, harbors division or establish the fee
9 by appraisal by a state licensed appraiser approved by
10 the department.

11 ~~[(2)]~~ (3) An application fee shall be collected when
12 applying for moorage in state small boat harbors and
13 shall thereafter be collected annually when the
14 application is renewed. The application fee shall be:

- 15 (A) Set by the department; and
- 16 (B) Not less than \$100 for nonresidents;

17 ~~[(3)]~~ (4) If a recreational vessel is used as a place of
18 principal habitation, the permittee shall pay, in
19 addition to the moorage fee, a liveaboard fee that
20 shall be calculated at a rate of:

- 21 (A) \$5.20 a foot of vessel length a month if the
- 22 permittee is a state resident; and

1 (B) \$7.80 a foot of vessel length a month if the
2 permittee is a nonresident;
3 provided that the liveaboard fees established by this
4 paragraph may be increased by the department at the
5 rate of the annual cost-of-living index, but not more
6 than five per cent in any one year, beginning
7 [~~January~~] July 1 of each year; [~~and~~]

8 [~~(4)~~] (5) If a vessel is used for commercial purposes from
9 its permitted mooring, the permittee shall pay, in
10 lieu of the moorage and liveaboard fee, a fee based on
11 three per cent of the gross revenues derived from the
12 use of the vessel or two times the moorage fee
13 assessed for a recreational vessel of the same size,
14 whichever is greater[-]; and

15 (6) In addition, the department is authorized to assess
16 and collect utility fees (e.g., electrical and water
17 charges) and common area maintenance fees in small
18 boat harbors."

19 SECTION 8. For any projects paid with state funds by the
20 department of land and natural resources pursuant to Act 118,
21 Session Laws of Hawaii 2006, as amended by Act 89, Session Laws
22 of Hawaii 2007, as amended by Act 94, Session Laws of Hawaii

1 2008, that become eligible for federal reimbursement, the
2 federal reimbursement funds shall be deposited into the
3 recreational renaissance special fund established by this Act,
4 to be used for the purposes of the recreational renaissance
5 program of the department of land and natural resources.

6 SECTION 9. The recreational renaissance plan for water-
7 based facilities and areas (boating and ocean recreation) shall
8 include but not be limited to the following improvements: boat
9 ramps; boat wash-down areas; comfort stations; pavilions;
10 offices; piers; docks; infrastructure improvements (roads,
11 parking lots, water systems, sewer systems, drainage systems,
12 electrical, telephone, lighting, signage, fencing, landscaping,
13 irrigation systems, etc.); breakwater/revetment improvements;
14 dredging; sand by-passing; environmental restoration/mitigation
15 channel markers, mooring and demarcation buoys; ocean
16 recreational facility; environmental restoration/mitigation; and
17 other improvements. The improvements for the recreational
18 renaissance plan for water-based facilities and areas (boating
19 and ocean recreation) shall be constructed at but not limited to
20 the following locations:

- 21 1. Kawaihae small boat harbor (south), Hawaii;
- 22 2. Honokohau small boat harbor, Hawaii;

- 1 3. Kailua-Kona wharf, Hawaii;
- 2 4. Keauhou small boat harbor, Hawaii;
- 3 5. Puako boat ramp, Hawaii;
- 4 6. Kawaihae small boat harbor (north), Hawaii;
- 5 7. Wailoa small boat harbor, Hawaii;
- 6 8. Port Allen small boat harbor, Kauai;
- 7 9. Nawiliwili small boat harbor, Kauai;
- 8 10. Kukuiula small boat harbor, Kauai;
- 9 11. Waikaea boat ramp, Kauai;
- 10 12. Kikiaola small boat harbor, Kauai;
- 11 13. Manele small boat harbor, Lanai;
- 12 14. Lahaina small boat harbor, Maui;
- 13 15. Mala boat ramp, Maui;
- 14 16. Kihei boat ramp, Maui;
- 15 17. Kahului boat ramp, Maui;
- 16 18. Maalaea small boat harbor, Maui;
- 17 19. Maliko boat ramp, Maui;
- 18 20. Kaunakakai small boat harbor, Molokai;
- 19 21. Sand Island ocean recreation park, Oahu;
- 20 22. Ala Wai small boat harbor, Oahu;
- 21 23. Keehi small boat harbor, Oahu;
- 22 24. Kahana boat ramp, Oahu;

- 1 25. Maunalua bay, Oahu;
- 2 26. Heeia Kea small boat harbor, Oahu;
- 3 27. Haleiwa small boat harbor, Oahu;
- 4 28. Waianae small boat harbor, Oahu; and
- 5 29. Sand Island boat ramp, Oahu.

6 SECTION 10. The recreational renaissance plan for land-
7 based facilities and areas (state parks and forestry and
8 wildlife) shall include but not be limited to the following
9 improvements: comfort stations; pavilions; cabins; camping
10 areas; picnic areas; visitor/educational/ranger station centers;
11 concession facilities; caretaker residences; palace facilities;
12 memorial areas; shoreline stabilization; flood and rockfall
13 mitigation; heiau, fishpond and rock wall restorations;
14 protective measures at cultural and archaeological sites;
15 dredging; infrastructure improvements (roads, parking lots,
16 bridges, water systems, sewer systems, composting toilets,
17 drainage systems, electrical, telephone, lighting, signage,
18 fencing, gates, landscaping, irrigation systems, etc.);
19 informational/interpretive signage and display devices; climate
20 control systems; lookouts/viewing areas; new trails and trail
21 restorations; boardwalks; shooting ranges; off highway vehicle
22 trails; marina facilities; pier improvements; waterbird

1 sanctuaries and wetland restoration; master plans and
2 environmental assessments; land acquisition; asset management
3 plan; entry and parking control stations; and other
4 improvements. The improvements for the recreational renaissance
5 plan for land-based facilities and areas (state parks and
6 forestry and wildlife) shall be constructed at but not limited
7 to the following locations:

- 8 1. Hapuna Beach state recreation area, Hawaii;
- 9 2. Wailoa River state recreation area, Hawaii;
- 10 3. Kekaha Kai state park, Hawaii;
- 11 4. Kiholo state park, Hawaii;
- 12 5. Akaka Falls state park, Hawaii;
- 13 6. Wailuku state park, Hawaii;
- 14 7. Kalopa state recreation area, Hawaii;
- 15 8. Hulihee palace, Hawaii;
- 16 9. Lapakahi state historical park, Hawaii;
- 17 10. Kealakekua Bay state historical park, Hawaii;
- 18 11. Ala Kahakai national historic trail, Hawaii;
- 19 12. Upper Waiakea forest reserve, Hawaii;
- 20 13. Mauna Loa forest reserve, Hawaii;
- 21 14. Hilo watershed forest reserve, Hawaii;
- 22 15. Puu Anahulu game management area, Hawaii;

- 1 16. Kapapala forest reserve, Hawaii;
- 2 17. Mauna Kea forest reserve, Hawaii;
- 3 18. Kohala forest reserve, Hawaii;
- 4 19. Kokee state park, Kauai;
- 5 20. Waimea Canyon state park, Kauai;
- 6 21. Haena state park, Kauai;
- 7 22. Napali Coast state wilderness park, Kauai;
- 8 23. Wailua River state park, Kauai;
- 9 24. Polihale state park, Kauai;
- 10 25. Russian Fort state historical park, Kauai;
- 11 26. Waimea state recreational pier, Kauai;
- 12 27. Lihue-Koloa forest reserve, Kauai;
- 13 28. Na Pali-Kona forest reserve, Kauai;
- 14 29. Ala Kai wilderness preserve, Kauai;
- 15 30. Mana Plains forest reserve, Kauai;
- 16 31. Waianapanapa state park, Maui;
- 17 32. Iao Valley state monument, Maui;
- 18 33. Halekii-Pihana heiau state monument, Maui;
- 19 34. Polipoli Springs state recreation area, Maui;
- 20 35. Puaa Kaa state wayside, Maui;
- 21 36. Makena state park, Maui;
- 22 37. Wahikuli state lands, Maui;

- 1 38. Palaau state park, Molokai;
- 2 39. Hoolehua wetlands, Molokai;
- 3 40. Diamond Head state monument, Oahu;
- 4 41. Iolani Palace state monument, Oahu;
- 5 42. Ka Iwi scenic shoreline, Oahu;
- 6 43. Malaekahana state recreation area, Oahu;
- 7 44. Nuuanu Pali state wayside, Oahu;
- 8 45. Pupukea-Paumalu state wilderness area, Oahu;
- 9 46. Sand Island state recreation area, Oahu;
- 10 47. Puu Ualakaa state park, Oahu;
- 11 48. Keaiwa Heiau state recreation area, Oahu;
- 12 49. Wahiawa freshwater state recreation area, Oahu;
- 13 50. Kaena Point state park, Oahu;
- 14 51. Kahana Valley state park, Oahu;
- 15 52. Waahila Ridge state recreation area, Oahu;
- 16 53. Kaena Point natural area reserve, Oahu;
- 17 54. Mokuleia forest reserve, Oahu;
- 18 55. Moanalua forest reserve, Oahu;
- 19 56. Honolulu watershed forest reserve, Oahu;
- 20 57. Waimanalo forest reserve, Oahu; and
- 21 58. Lanikai trail, Oahu.

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1 SECTION 11. The authorized capitol improvement projects
2 are listed in sections 9 and 10 of this Act.

3 SECTION 12. There is appropriated out of the recreational
4 renaissance special fund the sum of \$3,000,000, or so much
5 thereof as may be necessary each year, for fiscal years 2009-
6 2010 and 2010-2011, to be used for the purposes of the
7 recreational renaissance special fund. The sum appropriated
8 shall be expended by the department of land and natural
9 resources.

10 SECTION 13. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

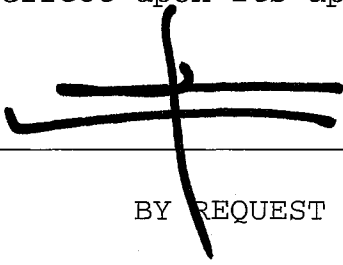
12 SECTION 14. This Act shall take effect upon its approval.

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INTRODUCED BY:



BY REQUEST

Report Title:

Recreational Renaissance Program

Description:

Fortifies the Recreational Renaissance Program of the Department of Land and Natural Resources through various amendments to state law.

SB 949

JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO RECREATIONAL RENAISSANCE.

PURPOSE: To:

- (1) Establish a Recreational Renaissance Special Fund to fund improvements and activities related to the Recreational Renaissance Program of the Department;
- (2) Authorize the Aloha Tower Development Corporation to undertake projects related to Keehi Small Boat Harbor and the Triangle Island under the jurisdiction of the Department;
- (3) Provide the Department with additional flexibility in developing industrial parks and help address the growing demand in the State for available industrial lands;
- (4) Authorize moorage for commercial vessels and commercial vessel activities in the Ala Wai and Keehi Small Boat Harbors;
- (5) Clarify that moorage fees in state small boat harbors shall be set by appraisal performed by a state licensed appraiser approved by the Department and to establish utility and common area maintenance fees for users of state small boat harbors;
- (6) Clarify that for any projects paid with state funds by the Department pursuant to Act 118, Session Laws of Hawaii (SLH) 2006, as amended by Act 89, SLH 2007, as amended by Act 94, SLH 2008, that become eligible for federal reimbursement, the federal

reimbursement funds shall be deposited into the Recreational Renaissance Special Fund.

MEANS: Add new sections to chapter 171 and chapter 206J, Hawaii Revised Statutes (HRS), and amend sections 171-132, 171-135, and 200-9(b), and 200-10(c), HRS.

JUSTIFICATION: The economic downturn and subsequent budget reductions have detrimentally affected the capital improvement programs and operations of various divisions in the Department, jeopardizing much needed improvements and repairs to existing facilities. Beautification and enhancement of facilities have been in abeyance as mandated improvements such as Americans With Disabilities Act compliance, removal of large capacity cesspools, and public safety actions such as rockfall removal and repair of vandalized facilities, have consumed available funds. Financially challenged, the Department believes establishing a Recreational Renaissance Special Fund will alleviate its budget shortfall and provide the catalyst in future revenue enhancement to support the elevation of our land and ocean recreational facilities into world class experiences for our residents and visitors. Provisions in the establishment of the Recreational Renaissance Special Fund identify sources of revenues and how moneys collected may be expended. Moneys collected will be expended to benefit various recreational facilities ultimately benefitting the public.

Collaboration with the Aloha Tower Development Corporation will allow the Department to expedite execution of projects in Keehi Lagoon and hence meet the critical demand for harbor expansion and upgrades.

The Department is taking a more proactive approach to managing public lands, including planning the use of public lands in a more

efficient and productive manner. As part of this planning effort, the Department has identified sites with possible development potential as industrial parks.

There is also a lack of available industrial lands in various areas, e.g., Hilo, Island of Hawaii. Development of industrial parks in those areas will help address the demand, keep lease rents reasonable, and provide options for lessees facing expiring lease terms. This bill proposes to clarify various provisions of the industrial park statute, including:

- (1) An industrial park must consist of at least five acres of contiguous lands. The proposed amendment to section 171-132, HRS, clarifies that lands that are bisected by a roadway or roadways may be deemed "contiguous"; and
- (2) The proposed amendment to section 171-135, HRS, deletes the requirement that a private entity selected to lease and develop an industrial park be selected pursuant to chapter 103D, HRS (State Procurement Code). The leasing of public lands is already governed by chapter 171, HRS, which contains the appropriate procedures for selecting a lessee.

Portions of lease rents derived from industrial parks would be used to supplement the Recreational Renaissance Program.

As presently written, section 200-9(b), HRS, does not authorize commercial vessel mooring or commercial vessel activity to take place in the Ala Wai and Keehi Small Boat Harbors. When taken into context, these harbors are in surrounding areas of commerce. The Ala Wai Small Boat Harbor is located at the beginning of Waikiki and the Keehi Small Boat Harbor lies in between the Honolulu International Airport and Honolulu Harbor. Allowing moorage for commercial vessels and commercial vessel activities in the Ala Wai and Keehi Small Boat Harbors would be consistent with existing commercialism in

their respective vicinities. This bill would clarify the total number of valid commercial use permits that may be issued for vessels assigned mooring in the Ala Wai Small Boat Harbor shall not exceed fifteen per cent of total berths and shall not exceed thirty-five per cent of the total berths at the Keehi Small Boat Harbor. In as much, commercial activity within state small boat harbors increases vessel activity, which has a positive effect on all marine related business and results in the Department generating additional revenues, which could be applied to the Recreational Renaissance Program.

Currently, moorage fees in state small boat harbors have been established by the Department, without any appraisal method. As a result, moorage fees are far below the market standard. Further, the Department presently does not assess any of its mooring permit holders additional fees to address utility (i.e., water and electricity) and common area maintenance expenses. As permit holders are the direct beneficiaries of small boat harbor amenities, collecting utility and common area maintenance fees would be reasonable and in line with similar fees that are assessed on a resident under a condominium property regime, for example. As such, this bill would increase moorage fee rates to more realistic figures required for proper small boat harbor operations and maintenance and authorize the Department to assess utility and common area maintenance fees for users of state small boat harbors.

Impact on the public: Safer recreational facilities, ultimately, enhanced recreational facilities.

Impact on the department and other agencies: Provides a depository for various sources of funding to be used toward the Department's Recreational Renaissance Program.

GENERAL FUND: None.

OTHER FUNDS: \$3,000,000 in special funds each year for fiscal years 2009-2010 and 2010-2011.

PPBS PROGRAM DESIGNATION: LNR 101, LNR 801, LNR 804, LNR 806, LNR 906.

OTHER AFFECTED AGENCIES: Department of Transportation, Aloha Tower Development Corporation, Department of Budget and Finance.

EFFECTIVE DATE: Upon approval.