

LATE

Honorable Representative Marcus R. Oshiro, Chair  
Honorable Representative Marilyn B. Lee, Vice Chair  
House Committee on Finance

RE: HB 980, HD1 & HB 1766 - relating to Recreational Renaissance Commercial Water Activities  
in the small boat Harbors throughout the State of Hawaii - **WAIKIKI AREA RESIDENTS  
ASSOCIATION is IN STRONG OPPOSITION**

Good Afternoon Chair Oshiro, Vice Chair Lee and Finance Committee Members:

The Board of Directors of the Waikiki Area Residents Association, a quorum of 5 Directors including the President  
Lou Erteschik and Secretary Daisy Murai **have voted to OPPOSE House Bill 980, HD1 and House Bill 1766.**

The Board of Directors also authorizes Director Ray Gruntz of member Reggie White to represent our position  
in Opposing these 2 bills. The Waikiki Area Residents Association is comprised of residents living and working  
in the Waikiki/Kapahulu/Ala Moana/Kakaako areas, which includes the Ala Wai small boat harbor.

Thank you.

Daisy Murai, Waikiki Area Residents Association Secretary  
3039 Kaunaoa Street  
Honolulu, HI 96815  
March 3, 2009

Date: March 3, 2009 (Tuesday)  
Time: 5:00 pm  
Place: Conference Room 308  
Fax: 586-6001

*Daisy Murai*



WAIKIKI NEIGHBORHOOD BOARD NO. 9

c/o NEIGHBORHOOD COMMISSION • 530 SOUTH KING STREET ROOM 406 • HONOLULU, HAWAII, 96813  
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET: <http://www.honolulu.gov>

LATE

House Committee on Finance

March 3, 2009 5:00 PM  
Conference Room 308

~~HB 980~~ HB 980 , HD1

The Waikiki Neighborhood Board strongly opposes the provisions in both bills which allow for the commercialization and privatization of the Ala Wai Harbor. Our Board has historically stood strong with our local residents who have consistently opposed such attempts.

In addition to this being a quality of life issue for the local residents, we also oppose these efforts because if they succeed, they will economically make it much more difficult for the average individual to enjoy the recreational amenities of the Ala Wai harbor.

Our state has designated other harbors for commercial use. Those designations should be maintained and those activities should not encroach upon the Ala Wai harbor.

For those reasons, we strongly oppose both of these bills.

Submitted by

Louis Erteschik  
Vice chairman



LINDA LINGLE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
LAURA H. THIELEN  
Chairperson**

**Before the House Committee on  
FINANCE**

**Tuesday, March 3, 2009  
5:00 PM  
State Capitol, Conference Room 308**

**In consideration of  
HOUSE BILL 980, HOUSE DRAFT 1  
RELATING TO RECREATIONAL RENAISSANCE**

The purpose of House Bill 980, House Draft 1, is to provide for the improvement and long-term maintenance of the state's parks, boating facilities and forest recreation areas through an initiative known as the Recreational Renaissance Program. This measure is consistent with the Administrative proposals, House Bill 1131 and Senate Bill 949 – RELATING TO RECREATIONAL RENAISSANCE. As such, the Department of Land and Natural Resources (Department) strongly and enthusiastically supports this measure.

The Department's mission is to manage, restore and protect the natural and cultural resources that are the very essence of Hawai'i. These range from the Alakai Swamp and native forest trail, where you can wander through the mist-shrouded mountains of Kaua'i, to Ala Kahakai, one of 19 National Historic Trails that link three parks and a wealth of historic sites along Hawai'i's pristine shoreline.

Hawai'i's state parks and recreational areas are locations where residents can spend time with family and friends, practice cultural traditions, retreat from the hectic pace of daily life and gather sustenance for their families. They are also popular destinations for more than six million visitors annually. Unfortunately, over the past four decades, many of these places have suffered from degraded infrastructure, dilapidated facilities, spotty maintenance, minimal restoration and, in some cases, unsafe environments. The Department has attached three pictures of existing an "comfort" station, cabin and boat slip to illustrate what, unfortunately, is the common, shameful and dangerous condition of many of our state public outdoor recreational facilities.

To ensure that our most precious natural and cultural resources are preserved for use by residents today and tomorrow, the department is fundamentally restructuring the maintenance, restoration, and management of these important places.

**LAURA H. THIELEN**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**RUSSELL Y. TSUJI**  
FIRST DEPUTY

**KEN C. KAWAHARA**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The unprecedented “Recreational Renaissance” initiative aims to provide for a re-birth of recreational opportunities statewide and the continued stewardship of the 54 state parks, 20 small boat harbors, 25 boat ramps and landings, 275 miles of hiking trails and the Forest Reserve System.

The Recreational Renaissance initiative accelerates the State’s multi-year effort to repair, replace or improve facilities at state parks, trails and small boat harbors statewide. This new and unique plan includes 238 projects around the state, and leverages an investment of \$40 million over 2 years to generate new, non-taxpayer dollars that will support an additional \$200 million in capital improvements in the next five years to upgrade comfort stations, parking, small boat harbors and boat ramps, trails, cabins, piers, pavilions, interpretive programs and security.

The Department has come up with a way to raise new, non-taxpayer dollars to make the payments on the bond debt. In this challenging economic environment, it’s important to note that the department is not asking for a bigger piece of the existing fiscal pie. Instead, ingenuity, resources and sweat equity within the department have been combined to make a new, small pie that will cover the cost of the bonds and dramatically improve management of these areas - an investment that will benefit all the people of Hawaii.

Our \$240 million in infrastructure improvements will include restoring spaces the state has acquired in order to protect cultural and natural resources. In addition, the Department will adopt national model standards for scheduled repair and maintenance of facilities and sites through the support of limited fees and concessions.

While the bulk of the improvements will be paid from state commercial and industrial lease rents in urban areas, those rents will be insufficient to support the full scope of essential capital improvements and the regularly scheduled repair and maintenance to upkeep these public recreational places. Accordingly, the proposal also includes modest increases in user fees; specifically a five-year phase-in increase of boater slip fees to fair market value (with consideration of the fact that these are public harbors), and park entry fees for tourists only charged at up to eight state parks. House Bill 980, House Draft 1 addresses the increase in boater slip fees, however the issue of park entry fees is not addressed in the bill as that will be a matter for the Board of Land and Natural Resources to address after the Department has identified the final list of parks and the accompanying classifications for the designated parks.

The Department understands that some residents may be concerned that park entry fees are a harbinger of future development or commercialization within parks. Accordingly, the department intends to work with each affected community to adopt guidance policy or classifications for each affected park to provide assurance protecting from future commercialization. For example, we support placing Ka Iwi Park into the Conservation District, and can provide additional protection by classifying that area as a scenic shoreline wilderness park. In addition, the department has posted our five year CIP proposal in an effort to be transparent and engage the public in discussion of what improvements should be made in these areas. As the project lists attests, the Department is simply proposing to replace and repair existing infrastructure and build only a very limited number of new recreational opportunities that have been included in long-awaited master plans, such as the Ala Kahakai National Historic Trail and the Diamond Head Linear Park. There are no plans to develop Ka Iwi with cabins. However, maintaining a wilderness area has a cost as well, such as maintaining trails, keeping off highway vehicle away from the beach area, cleaning the park, and providing security.

While no one is eager to impose entry fees for tourists at our State Parks, the sad reality is the current levels of funding do not support Park operations, as the attached pictures attest. The Department has also attached a table which illustrates the existing funding for the operation of State Parks (approximately \$102,000 per park/per year), and the average level of capital improvement funding for State Parks (approximately \$78,000 per park/per year). Clearly given the fiscal situation, the State must choose between entry fees or closing (state) parks, as the Department simply cannot continue to operate 69 parks and park reserves with the projected 20% budget reduction in the upcoming biennium.

The Department wishes to point out that park entry fees are a common and time-tested national and international means to raise funds to support the operations of parks from the very people who are using and impacting the park resources. All of our National Parks charge entry fees; many state and international parks charge entry fees; and Hawaii charges an entry fee at Diamond Head State Monument. Indeed, one of the benefits of the Diamond Head entry fee was to provide steady presence, which eliminated much of the bad behavior that caused chronic complaints in the neighborhood. Similarly entry points at other parks will help reduce break-ins of vehicles; provide educational opportunities to enhance park visits, improve behavior of visitors thereby reducing costs of graffiti and vandalism, and reduce the likelihood of homelessness within public parks.

The Department understands one of the Hawaii Kai Neighborhood Board has requested House Bill 980, House Draft 1 be amended to remove Ka Iwi from the list of areas where improvements may be made. The Department points out that if the amendment is made, it will eliminate the ability to improve the lighthouse trail, which is currently in hazardous condition, and to make the overlook ADA accessible, which is legally required. The department is obligated by agreement to maintain the road for vehicular access so the Coast Guard can maintain the lighthouse.

Most of the Recreational Renaissance projects have already been designed or are in the master plan phase. More than \$30 million in projects are ready to begin construction this year, and more than \$20 million are ready to begin construction in 2010. Each island will receive integrated ocean and land-based recreational infrastructure improvements, including \$63,295,000 for 46 projects on Kaua'i; \$40,940,000 for 39 projects in Maui County; \$58,285,000 for 60 projects on Hawai'i; and \$72,580,000 for 73 projects on O'ahu.

In addition, the Department is developing partnerships with educational organizations to provide interpretive opportunities to enrich visitors' experiences and encourage them to embrace our shared kuleana, or responsibility, for these public spaces and resources.

Among the highlights of this measure are:

SECTION 2 of this measure creates a Recreational Renaissance Special Fund to support the initiative.

SECTION 3 creates a partnership between the Aloha Tower Development Corporation and the department to undertake projects related to Keehi Small Boat Harbor and the Triangle Island.

SECTIONS 4 and 5 provide the Department with additional flexibility in developing industrial parks and help address the growing demand in the State for available industrial lands;

SECTION 6 of the bill authorizes moorage for commercial vessels and commercial vessel activities in the Ala Wai and Keehi Small Boat Harbors;

SECTION 7 of the bill clarifies that moorage fees in state small boat harbors shall be set by appraisal and establishes utility and common area maintenance fees for users of state small boat harbors;

SECTION 8 clarifies 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.

SECTIONS 9 and 10 list the range of improvements and locations where Recreational Renaissance projects may occur.

This bill also authorizes an appropriation of an undefined amount for the Recreational Renaissance Special Fund in each year of the biennium.

The Department recommends the following revisions and amendments to the measure:

On Page 2, beginning on Line 21, the Department requests the dollar amount of the appropriation be included so the language reads the same as the original bill as follows:

“(1) A one-time **\$240,000,000** upgrade to park and boating facilities financed by **\$40,000,000** in general obligation bonds and **\$200,000,000** in reimbursable general obligation bonds;”

On Page 3, line 19 all the way to line 2 of Page 4, the Department would recommend deleting the ambiguous sentence:

"The legislature finds that the man-made, triangle-shaped island more than doubles the size of Ala Moana beach park situated in the center of Keehi lagoon and may serve as a center of economic and recreational activity if properly developed."

On Page 12, Line 2, the Department suggests adding a sentence stating that commercial vessels shall not exceed 65 feet in length.

On Page 13, Line 8, the Department suggests adding language that the appraiser will take into account that these are public facilities.

On Page 14, Line 4, the Department suggests adding similar language as Section 7 (1), stating that commercial fees will be implemented according to appraisal categories, schedule A and schedule B.

On Page 16, Lines 13 and 14, and on page 19, add the following phrase:

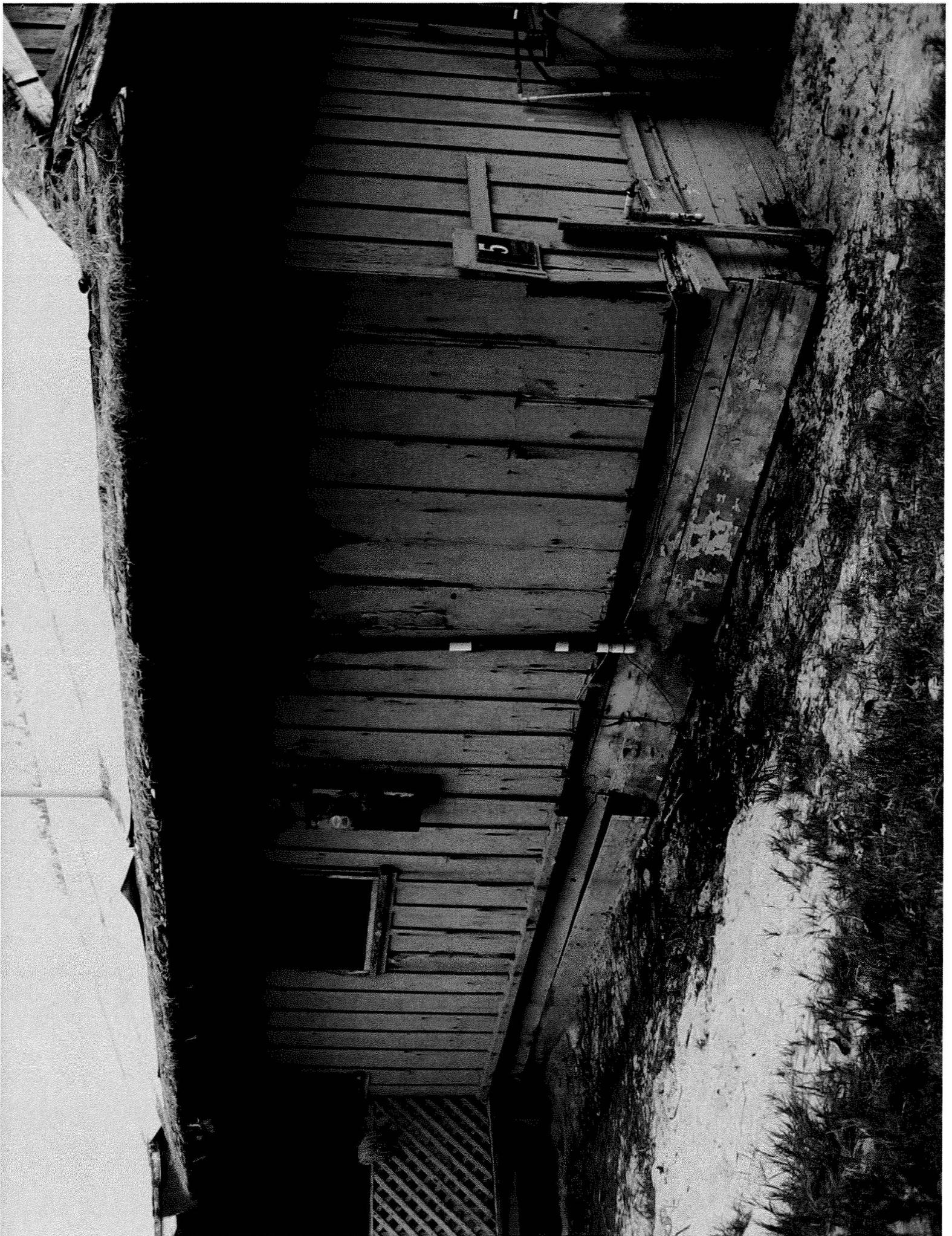
“safety, security, and enforcement capacity; **emergency mitigation**; and other improvements.”

On Page 22, Line 4, the Department requests the following dollar amount:

“renaissance special fund the sum of \$3,000,000 or so much”

In summary, with the recommended revisions and amendments, the Department is in full support of this measure which will enable the Department to implement an innovative initiative to move ahead with improving, operating and maintaining recreational facilities statewide.







## RECREATIONAL RENAISSANCE STATE PARK FACTS

The Department of Land and Natural Resources (DLNR), Hawai'i State Park System is responsible for 54 State Parks and 15 State Park Reserves statewide. State Park Reserves are areas acquired and set aside for park purposes, but not funded for development or improved for public use. Examples of these areas are Kaena Point, O'ahu; Kiholo, Hawai'i.

The Hawai'i State Park System encompasses approximately 27,000 acres across five islands: O'ahu, Hawai'i, Maui, Kaua'i, Moloka'i.

### DLNR State Parks Operating Budget 2009

General Fund	5,792,108
Special Fund <sup>1</sup>	<u>2,917,424</u>
<b>Total</b>	<b>\$ 8,709,532</b>
Cost of Lifeguard Contracts at State Parks <sup>2</sup>	- \$ 1,615,248
Total Funds Available to Support General Operation of All 69 State Parks and Reserves	<b>\$ 7,094,284</b>
<b>Average Operating Funds Per Park Per Year</b>	<b>\$ 102,815</b>

### DLNR State Parks CIP Budget for 2000 – 2009

2000-2004	26,875,000
2005-2009	<u>45,235,000</u>
Total 2000 – 2009 10 Year CIP	<b>\$ 72,110,000</b>
Minus Grants in Aid <sup>3</sup>	- 5,250,000
Minus Rockfall Mitigation	- 2,950,000
Minus Cesspool Removal	<u>- 10,000,000</u>
Total 2000 – 2009 CIP for State Park Facilities	<b>\$ 53,910,000</b>
<b>Average Annual CIP Per Park Per Year</b>	<b>\$ 78,130</b>

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<sup>1</sup> Although the State Parks Special Fund authorized expenditure ceiling is \$6,614,809, Parks have never generated this level of revenue. The average Special Fund revenue generated through leases, concessions, Diamond Head entry fees and HTA funds over the past five years has been \$2,917,424.

The Special Fund ceiling was increased in the mid-1990s during the economic downturn when Parks General Funds were reduced and the division was encouraged to generate additional revenues.

State Parks budget includes \$1,218,456 in Federal Land and Water Conservation Funds. However, these are primarily pass-through grants to the counties. While State Parks has been awarded modest federal grants from these pass-through funds in the past, the federal dollars are approved for specific capital improvements and not for general park operations.

<sup>2</sup> State Parks contracts for County lifeguard services at four State Parks.

<sup>3</sup> Funds appropriated to an outside organization and passed through State Parks.

## HAWAII RESIDENT AND TOURIST RECREATIONAL STATISTICS

<b>Fishing, Hunting &amp; Wildlife Watching</b> <sup>1</sup>			
Residents			227,000
Visitors			39,000
<b>Total</b>			<b>366,000</b>
Expenditures			\$342,000,000
<b>Ocean Recreation Industry (1996)</b> <sup>2</sup>			
Employment			7,021
Revenues			\$560,000,000
<b>Commercial Fishing Industry</b> <sup>3</sup>			
Licensed Commercial Fishers			3,220
Revenue (1998)			\$88,000,000
<b>Registered Boaters</b> <sup>4</sup>			
Oahu			9,063
Hawaii			2,735
Maui			1,887
Kauai			1,656
Molokai			248
Lanai			82
<b>Total</b>			<b>15,671</b>
<b>State Park Visitors</b> <sup>5</sup>			
Residents			3,405,400
Tourists			6,734,900
<b>Total</b>			<b>10,140,300</b>
<b>Racing Canoe Association Members</b> <sup>6</sup>			
Hawaiian Canoe Racing Assn			9,637
Hui Waa			1,847
<b>Total</b>			<b>11,484</b>

<sup>1</sup> Department Business Economic Development & Tourism 2007 Data Book

<sup>2</sup> DBEDT *A Synopsis of Hawaii Strategy for Ocean Industry Development*, 1996

<sup>3</sup> DBEDT 2007 Data Book & *A Synopsis*

<sup>4</sup> DLNR 2009 Boater Registration list

<sup>5</sup> 2007 HTA Hawaii State Parks Survey

<sup>6</sup> Based on 2-09 phone call, to be verified in writing