Testimony Presented Before the
Senate Committee on Higher Education
February 13, 2018 at 1:25 p.m.
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SB 3063 – RELATING TO AN ECONOMIC ANALYSIS OF BEACHES ON THE NORTH SHORE OF OAHU

Chair Kahele, Vice Chair Kim, and members of the committee:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) supports the intent of Senate Bill 3063 provided that its passage does not replace or adversely impact priorities as indicated in the University's Board of Regents approved executive biennium budget. This legislation appropriates research funds to Hawai'i Sea Grant to conduct an economic analysis of North Shore beaches for the area of the North Shore of O'ahu that stretches from the Kawailoa to Waiale'e ahupua'a in order to estimate the economic value of North Shore beaches.

Hawai'i's beaches have become increasingly threatened by coastal erosion. According to the United States Geological Service (USGS) National Assessment of Shoreline Change for the Hawaiian Islands, 70% of Hawai'i's beaches are eroding and 13 miles of beach have been lost over the last century. Beach erosion effects shoreline access, recreation and cultural activities, coastal environments, and our economy. Beaches are the backbone of Hawai'i's \$15 Billion tourism industry and are central to Hawai'i's unique culture and lifestyle. With sea-level rise and chronic coastal erosion, the state is challenged to find effective and efficient ways to preserve and maintain our naturally occurring sand beaches. We believe the proposed legislation will help support the long-term preservation and protection of our coastal resources.

North Shore beaches are at increasing risk of deterioration from intensive shorefront development and chronically retreating beaches and rising water levels with climate change and sea level rise. The North Shore is host to championship surfing contests throughout the winter season, bringing millions of dollars into the local economy. It is also an invaluable public and cultural resource for residents from all over Oʻahu.

While the beaches of the North Shore of Oʻahu are highly regarded, the true economic value of North Shore beaches is currently unquantified and therefore, likely undervalued. Moreover, having quantitative economic and natural resource value estimates of North Shore beaches will assist local decision-makers regarding critical issues, such as coastal land use, shoreline management, and applications for armoring of the shoreline for private development. Other applications of natural resource valuation estimates include assessing long-range planning options including managed retreat.

Managed retreat strategies, are among some of the most effective long-term coastal policy tools. Managed retreat can employ a range of tools including, but not limited to, purchase of conservation easements, assistance with relocation of current property owners, and other means for allowing the coastline to migrate inland over time. These are the best alternative for preserving North Shore beaches as a public trust resource in the long-term. A managed retreat strategy needs to also take into account the total value of the public resource including the beaches, and natural coastal resources. A natural resource valuation model would provide an economic basis for evaluating innovative new coastal management and land use policies.

Hawai'i Sea Grant supports SB 3063 in the effort to establish an economic justification for beach management and conservation and to support the develop of new innovative coastal management policies that may include managed retreat. Hawai'i Sea Grant has the demonstrated capacity and experience to successfully carry out this research having just completed a similar economic study for Waikīkī Beach that values the beach at \$2 Billion per year. Thank you for the opportunity to testify on this measure.



SENATE COMMITTEE ON HIGHER EDUCATION

Tuesday, February 13, 2018 1:25PM Conference Room 224

In SUPPORT of SB 3063 Relating to an economic analysis of beaches on the North Shore of Oʻahu

Aloha Chair Kahele, Vice Chair Kim, and members of the Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i, a member of the Common Good Coalition, **supports SB 3063**, which calls for the University of Hawai'i Sea Grant College program to conduct an economic analysis of North Shore beaches for the area of the North Shore of O'ahu from the Kawailoa to Waiale'e ahupua'a to estimate the economic value of North Shore beaches.

The Sierra Club of Hawai'i, dedicated to exploring, enjoying, and protecting these unique and beautiful islands we call home, have engaged in decades-long efforts to protect public access to beaches. From a cultural perspective these beaches are, in fact, priceless. They belong to the people of Hawai'i as part of their public trust heritage, and they provide habitat for the *honu* (sea turtle), the *'llio holo i ka uaua* (Hawaiian monk seal), and other species with whom we have a kinship. And, we face the prospect of losing these beaches as sea level rise and other threats related to climate change are accelerating the historic rate of erosion these shorelines have experienced. Nonetheless, it costs money to protect and restore these heavily used beaches, so it is appropriate to identify and quantify their economic value.

We are in danger of losing these beaches from a combination of historic rates of erosion exacerbated by sea level rise, storm surges, and other threats posed by global warming¹. In the absence of barriers such as coastal roads, houses, or other structures, beaches will migrate inland as sea levels rise, maintaining their width in the process. When blocked by barriers the beach narrows and may eventually disappear altogether. This has happened recently in the

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¹ Hawai'i Sea Level Rise Vulnerability and Adaptation Report (2017)

densely developed Sunset Beach area where the coast highway is especially close to the Shoreline.

Under these circumstances, decision makers face critical choices for determining the fate of these beaches, including the possibility of relocating the coastal highway and other developments further inland—a process called managed retreat, with the goal of avoiding narrowing or loss of the beaches over time. Such strategies will require funding to implement, but it is only fair that a portion of the tax revenues generated by tourists visiting the North Shore for recreation and to attend the major surfing events held there be applied to the protection of the natural resources of the area, especially the beaches. The study authorized by this bill will help secure needed funding.

Mahalo for the opportunity to provide testimony on this important, and timely, bill.

<u>SB-3063</u> Submitted on: 2/12/2018 1:08:42 PM

Testimony for HRE on 2/13/2018 1:25:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying on behalf of OCC Legislative Priorities Committee	Support	No

Comments:

<u>SB-3063</u> Submitted on: 2/7/2018 8:12:52 PM

Testimony for HRE on 2/13/2018 1:25:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Bruns	Individual	Support	No

Comments: