JOSH GREEN, M.D. GOVERNOR I KE KIA'ĂINA

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA





STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621 HONOLULU, HAWAII 96809

Testimony of DAWN N. S. CHANG Chairperson

Before the Senate Committee on WATER AND LAND

Monday, February 13, 2023 12:30 PM State Capitol, Conference Room 229

In consideration of SENATE BILL 1153 RELATING TO HONOLUA BAY

Senate Bill 1153 proposes to establish the Honolua Bay Special Fund for conservation purposes and the upkeep and maintenance of Lipoa Point. It also establishes a Honolua Bay Advisory Board to administer the Honolua Bay Special Fund and oversee the conservation of Honolua Bay. Finally, it requires the Department of Land and Natural Resources (Department) to include and incorporate Honolua Bay into the Department's Division of State Parks' (State Parks) online reservation system and provides for an appropriation. The Department appreciates the intent of this measure, but opposes this measure as it is premature.

Honolua Bay and Lipoa Point are located along the northwestern coast of Maui, approximately 10 miles north of Lahaina. The area is part of the Honolua ahupua'a. The area is rich in cultural and scenic resources and is a world-renowned surfing and snorkeling destination. The rugged Lipoa Point coastline is also popular for pole fishing for leisure and sustenance. In 2014, the State of Hawai'i acquired the lands at Honolua Bay and Lipoa Point from Maui Land and Pineapple, following a tremendous effort by the Save Honolua Coalition, the State's political leaders and others to prevent development of the agricultural lands surrounding Honolua Bay and preserve open space values. In 2016, the Hawaii State Legislature appropriated \$500,000 of CIP funds: \$375,000 for planning and \$125,000 for construction of safety and security improvement including signage and tree hazard removal. However, there was no additional management funding or positions associated with the acquisition of 244 acres of new public land. The dominant land use zoning is Agriculture and Conservation.

DAWN N.S. CHANG CHAIRPERSON BOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

> LAURA H.E. KAAKUA FIRST DEPUTY

M. KALEO MANUEL 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 ENGRICEMENT FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS The landscape is now vastly composed of the remnants of abandoned pineapple cultivation now renaturalizing, coupled with stunning coastal vistas and Honolua Bay, which is a Marine Life Conservation District.

To augment existing planning and stewardship efforts in safeguarding this unique and special landmark, the Department has commissioned the preparation of a scoping plan which is the first of a two-phase project to develop a management plan for the area, as well as addressing hazards from overgrown trees and high cliffs. The scoping plan cost is approximately \$160,000.

The Draft Honolua to Honokōhau Management Plan (HHMP) was completed in June 2021. The final management plan will be completed once a Finding of No Significant Impact (FONSI) determination is made for the Final Environmental Assessment (FEA). The Draft Environmental Assessment (DEA) will be completed by June 2023 and the FEA by December 31, 2023.

The contract cost for the development of the management plan and Environmental Assessment is approximately \$611,819.00 and will expire on December 31, 2024. The final deliverables will comprise of a Final Honolua to Honokōhau Management Plan and a Final Environmental Assessment. The current schedule for the final deliverables is December 31, 2023. The project's scoping plan and subsequent draft management plan address the significant management challenges related to the natural environment, cultural resources, public health and safety, and stewardship.

Community outreach has occurred with a series of facilitated stakeholder meetings composed of design charrettes that included: community residents, marine resource users, lineal descendants and the Department's State Parks staff and consultants. There has been a community open house with 86 participants, representing a broad spectrum of the community: lineal descendants, cultural practitioners, fishers, surfers, community members, political leaders, and Department staff. A stakeholder vetting of draft recommendations included four working group meetings with an average 15 attendees, represented by community residents, lineal descendants, surfers, watershed management interests, Hawaii Island Land Trust, and the Save Honolua Coalition. Another meeting of approximately 52 participants representing a broad spectrum of the community participated in a virtual open house for review of the draft plan. Environmental Assessment preparation and pre-consultation outreach is anticipated in February 2023, with formal agency and stakeholder consultation in Spring 2023.

The Department appreciates the proposed support for stewardship of Honolua Bay and Lipoa Point, but based on the current planning efforts, the provisions of Senate Bill 1153 are premature to implement at this time.

Mahalo for the opportunity to testify on this measure.





Ka Moku'aina 'O Hawai'i Aha Moku O Pae'Aina State of Hawai'i Aha Moku

P. O. Box 621

Honolulu, Hawaii 96809

Testimony of the Hawaii State Aha Moku Before the Senate Committee on Water and Land

Monday, February 13, 2023

12:30 PM

Conference Room 229 & Videoconference

IN SUPPORT of Senate Bill 1153

Relating to Honolua Bay

Senate Bill 1153 establishes the Honolua Bay Special Fund for conservation purposes and the upkeep and maintenance of Lipoa Point. It establishes a Honolua Bay Advisory Board to administer the Honolua Bay Special Fund and oversee the conservation of Honolua Bay. It requires the Department of Land and Natural Resources (DLNR) to include and incorporate Honolua Bay into the Division of State Parks' online reservation system and makes an appropriation.

The Hawaii State Aha Moku (Aha Moku) strongly supports this measure with amendments.

Honolua Bay, Mokule'ia Bay and Lipoa Point are part of the Honolua, Honokohau and Honokahua ahupua'a, Moku of Ka'anapali, Mokupuni o Piilani (Island of Maui). They are primarily known for surfing and snorkeling. Honolua Bay is a marine conservation district – no fishing or taking of any marine life. Essentially a tourist spot, Honolua Bay is a popular destination place.

Lipoa Point was officially conveyed to the state on October 16, 2014 by Maui Land & Pineapple Co. and encompassed 250 coastal acres stretching from Honolua to Honokohau. These lands hold weighty historical and archaeological sites.

However, no serious work to conserve Lipoa Point happened until 2017 when a threat of the development of 40 homes and a golf course along the pristine shoreline was imminent. While there was a strong push from environmentalists, surfers, marine biologists, snorkelers and open space advocates, there was a stronger push from the generational and lineal descendants of Honolua, Honokohau and Honokahua ahupua'a to protect the numerous culturally significant places associated with these Ahupua'a. All three ahupua'a have a strong history with Honolua Bay which should be noted and protected. A *huaka'i* (journey) was undertaken with DLNR and direct descendants so important *mo'olelo* (history) of the place as it relates to Lipoa Point could be shared. The purpose of this journey was to identify areas that are culturally significant to the native Hawaiians.

Those efforts seem to have taken a back seat to the importance of this place to the visitor industry and surfing enthusiasts. To alleviate that, Aha Moku makes a recommendation to Section 2. § 171-A, Advisory Board (b) to add <u>(6) One member</u> who is a generational and lineal descendant of the Honolua ahupua'a; (7) One member who is a generational and lineal descendant of the Honolua ahupua'a. New language is in bold and underscored. These members will be identified by the Kupuna of each ahupua'a.

It is important to understand that the pristine condition of the bay is part of the entire ahupua'a. What happens mauka is critical to the health of makai. Generational descendants know this and will be a crucial part of this Advisory Board. They hold the history of the natural and cultural resources of Lipoa Point.

Pae'Aina: Moku O Keawe, Moku O Piilani, Moku O Kanaloa, Nana'i Kaula, Moloka'i Pule O'o, Moku O Kakuhihewa, Manokalanipo, Ka'Aina O Kawelonakala Thank you for any consideration you may render to the Native Hawaiian generational and lineal descendants of Honolua, Honokohau and Honokahua Ahupua'a. We strongly support this measure with these added amendments and ask that this committee adopt them.

Respectfully,

Drusilla (Silla) Kaina, Honolua Ahupua'a Representative

Hawaii State Aha Moku

808-669-8191

kainareal@yahoo.com

JOSH GREEN, M.D. GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND OFFICE OF THE PUBLIC DEFENDER



LUIS P. SALAVERIA DIRECTOR

SABRINA NASIR DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE Ka 'Oihana Mālama Mo'ohelu a Kālā P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY TESTIMONY BY LUIS P. SALAVERIA DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEE ON WATER AND LAND ON SENATE BILL NO. 1153

> February 13, 2023 12:30 p.m. Room 229 and Videoconference

RELATING TO HONOLUA BAY

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 1153: 1) creates a five-member Honolua Bay Advisory Board to oversee conservation efforts at Honolua Bay; 2) establishes a new Honolua Bay Special Fund; 3) requires that Honolua Bay be included in the State Parks Division's online reservation system; 4) establishes a permit structure and fee system for tour boats that enter the Honolua Bay Marine Life Conservation District; and 5) appropriates an unspecified sum of general funds for FY 24 and FY 25 for deposit into the special fund and an unspecified sum of special funds for FY 24 and FY 25 for conservation at Lipoa Point. The Honolua Bay Special Fund would be used for maintenance of Lipoa Point and would derive revenues through legislative and county appropriations, federal funds, gifts, donations, grants, and interest earnings.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an

explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 1153, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, B&F does not support the deposit of federal funds into any special fund as federal funds should be kept separate for compliance and reporting purposes. Further, the purpose of the federal grant may not be totally aligned with statutory uses of the special fund.

Thank you for your consideration of our comments.

Council Chair Alice L. Lee

Councilmembers Tom Cook Gabe Johnson Tasha Kama Tamara Paltin Keani N.W. Rawlins-Fernandez Shane M. Sinenci Yuki Lei K. Sugimura Nohelani Uʻu-Hodgins



Director of Council Services Traci N. T. Fujita, Esq.

Deputy Director of Council Services David M. Raatz, Jr., Esq.

COUNTY COUNCIL

COUNTY OF MAUI 200 S. HIGH STREET WAILUKU, MAUI, HAWAII 96793 www.MauiCounty.us

February 11, 2023

TO: The Honorable Lorraine R. Inouye, Chair, and Members of the Senate Committee on Water and Land

FROM: Alice L. Lee Council Chair

SUBJECT: HEARING OF FEBRUARY 13, 2023; TESTIMONY IN SUPPORT OF SB 1153, RELATING TO HONOLUA BAY

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to establish the Honolua Bay Special Fund for conservation purposes and upkeep and maintenance of Līpoa Point. It also establishes a Honolua Bay Advisory Board to administer the Honolua Bay Special Fund and oversee the conservation of Honolua Bay.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

- 1. The bill is consistent with the West Maui Community Plan's Policy 3.4.2, "Development at Līpoa Point must respect the area's cultural and scenic resources and historic significance, and uses must be limited to open space and low-intensity recreation."
- 2. The Maui County Council has long supported the preservation of Honolua area, Līpoa Point, and adjacent shoreline areas in perpetuity. This bill would expand on Act 241 (2013), which was supported by Councilmembers and established the State's commitment to preserve the area.
- 3. Honolua Bay is part of the Marine Life Conservation District in Honolua-Mokuleia. Therefore, it is imperative to protect and preserve the area for future use.

For the foregoing reasons, I **support** this measure.

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Bryan Y.Y. Ho

Attorney At Law, A Law Corporation Suite 909, Davies Pacific Center 841 Bishop Street Honolulu, Hawaii 96813

February 10, 2023

Telephone:(808) 864-4071

bryanho@admiraltyattys.com

HONORABLE LORRAINE R. INOUYE Chair Committee on Water & Land Hawaii State Capitol, Room 210 Honolulu, Hawaii, 96813

> Re: Water & Land Hearing on SB1153 February 13, 2023 @ 12:30 p.m. Our File No. 1504.0306

Senator Inouye,

I submit the following comments *IN OPPOSITION* to SB1153, relating to the Honolua Marine Life Conservation District ("MLCD"), on behalf of Kapalua Kai Sailing, Inc. ("KKSI"), Crystal Seahorse, Ltd. ("CSL"), and their owners, Peter Wood and Inca Robbin. KKSI and CSL each own/operate a commercial passenger catamaran that conducts snorkel and scuba diving tours in the Honolua MLCD pursuant to commercial use permits issued by the DLNR, Division of Boating & Ocean Recreation ("DOBOR").

As a general matter, Peter and Inca strongly support all efforts to protect and preserve the pristine beauty of Honolua Bay, however, for the reasons outlined below, they are equally strong in opposing many of the strategies/policies outlined in SB1153 to accomplish needed protections because they are off target and unfairly impose unnecessary burdens and responsibilities on commercial vessel tour operators.

A. <u>PROPOSED TOUR BOAT FEE SYSTEM</u>

SB1153 unfairly proposes to make commercial tour boat operators financially responsible for correcting identified threats/problems (soil erosion, illegal dumping, crime, over tourism and the proliferation of invasive noxious plants) to the Honolua MLCD that are <u>solely</u> attributable to user groups that access the resource from shore. In its current form, SB1153 assesses a per passenger fee for all tour boats utilizing the Bay, but doesn't similarly mandate the collection of entrance fees from <u>all</u> resident and non-resident user groups directly responsible for the damage.

HONORABLE LORRAINE R. INOUYE February 10, 2023 Page 2

SB1153 also doesn't take into consideration that each and every commercial tour boat operator *statewide* is already subject to significant monetary assessments in the form of monthly commercial use permit fees paid to DOBOR and the Ocean Stewardship User Fee ("OSUF") under Hawaii Revised Statutes ("HRS") §187A-52, which will be paid to the DLNR, Division of Aquatic Resources ("DAR") starting January 1, 2024. ¹ When HRS §187A-52 was passed into law in 2021, the Legislature mandated funds collected were expressly for the "*conservation, restoration and enhancement of the States marine resources*". <u>See</u>: Act 46, 2021 Session Laws. Former DLNR Chairperson, Suzanne Case, noted in written testimony submitted, according to the feasibility study commissioned by DLNR, she reasonably estimated between \$14.4 - \$30.3 million is OSUFs will be generated for DAR's use over 15 years. Under the circumstances, there is no valid basis in fact or law to impose a third, *duplicative* assessment on commercial tour boats each and every time they use Honolua. Any and all further financial contributions must come from *all* user groups, resident and non-resident, accessing the resource from shore. ²

B. **PROPOSED RESERVATION SYSTEM**

Peter and Inca oppose any plan to make a commercial tour boat's right to access Honolua subject to an online reservation system. This is an unnecessary measure that serves no purpose other than adversely impact commercial tour boat companies.

There are three established moorings in Honolua Bay that the larger tour boats operate from. Peter/Inca and the other vessel operators have worked cooperatively to develop a schedule so that the number of large commercial catamarans operating in the Bay simultaneously at any given time is limited and staggered over the course of the day. Tour operations do not over tax the resource because, due to the distance of the moorings from shore, they operate in a completely different area of the Bay than persons entering the ocean from shore. In addition to safety procedures, customers are educated on eco friendly practices (reef friendly sun screen, how to observe marine wildlife, prohibiting the taking of shells, live rock, coral, use on board trash receptacles and lavatories, etc.). All of the boats leave virtually no footprint because everyone packs out everything they bring in. These practices, in combination, serves to minimize any impact commercial operations might have on the Bay.

¹ KKSI and CSL each pay a set monthly permit fee plus <u>3% of all</u> monthly gross revenues generated to DOBOR.

² Peter and Inca support and raise awareness of any future program implemented that enables their customers to make <u>*voluntary*</u> donations to protect and preserve Hawaii's marine resources in general and/or the Honolua-Mokuleia MLCD specifically.

HONORABLE LORRAINE R. INOUYE February 10, 2023 Page 3

C. <u>APPOINTMENT OF ADVISORY BOARD MEMBERS</u>

Peter and Inca support the establishment of an advisory board comprised of interested federal and state agencies, as well as, representatives of environmental/conservation groups, ocean industry/tourism business and other stakeholders. As currently drafted SB1153 does not provide sufficient direction to ensure persons with the responsibility of appointing voting members to the Board use their authority in manner that results in balanced representation of all interested stakeholders to ensure there is, "meaningful participation of many community members and other groups." *See*: Page 2, lines 13-15, SB1153.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Bryan Y.Y. Ho

 cc: Hon. Brandon J.C. Elefante, Vice Chair Hon. Stanley Chang Hon. Angus L.K. McKelvey Hon. Kurt Favella Peter & Inca Wood (via e-mail)

PETERWOOD\SB1153TESTIMONY\001



THE THIRTY-SECOND LEGISLATURE REGULAR SESSION OF 2023

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair Senator Brandon J.C. Elefante, Vice Chair

NOTICE OF HEARING

DATE: TIME: PLACE:

B: Monday, February 13, 2023
: 12:30 PM
: Conference Room 229 & Videoconference State Capitol 415 South Beretania Street

TESTIMONY OF OCEAN TOURISM COALITION IN STRONG OPPOSITION TO SB1153 AS WRITTEN

The Ocean Tourism Coalition (OTC) represents over 300 ocean tour operators statewide. OTC is writing in strong opposition to SB1153 as it is written. OTC does not oppose funding for the Honolua Bay Marine Life Conservation District, however, commercial boaters already are providing significant financial support to DLNR. Funds for Honolua Bay should come from those who are not currently paying.

First, in 2021, OTC worked with the Division of Aquatic Resources to pass a legislation that will charge boat operators a \$1 per passenger fee starting in 2024, known as the Ocean Stewardship Fee. This fee will generate millions of dollars for DLNR to invest in marine ecosystems and infrastructure at Honolua Bay and other locations across the state. The fee is in addition to the 3% of gross receipts tour boats already pay as a commercial permit fee to DLNR. Accordingly, additional funds necessary for the maintenance of Honolua Bay should come from those not currently paying.

Furthermore, encouraging visitors to enter Honolua Bay by boat is crucial as it has a lower impact on the environment compared to land entry. Boats use designated moorings, which prevent damage to coral reef and other sensitive marine habitats. Additionally, boats are equipped with proper waste disposal systems, which help prevent trash and debris from entering the bay and harming native plant species on land. Furthermore, guests are accompanied and supervised by trained crew, ensuring that the area is not damaged, and local marine life is not harassed. This results in a more pristine and protected environment, beneficial for both the local ecosystem and visitors. An increase in fees for tour boats could discourage visitors from taking boats and result in more damage to the coastal ecosystem.

In addition, OTC is not opposed to an online reservation system for those entering Honolua Bay for recreational purposes. However, OTC is opposed to an online reservation system as it applies to commercial operators who have strict time constraints and schedules.

In conclusion, tour boats already pay their fair share. Thus, the legislature should look for Honolua Bay funding from those who are not currently paying. OTC requests the following language for §171-C of the bill:

"§171-C Reservations. (a) The department of land and natural resources shall include and incorporate Honolua bay into the division of state parks online reservation system.

(b) The Honolua bay advisory board, in consultation with the department of land and natural resources, shall establish a permit structure for access to Honolua bay **for recreational purposes and not as part of a boat tour**, to be modeled after the existing Waianapanapa state park entry and parking reservation system. In addition, the advisory board, in consultation with the department, shall create a system by which donations can be made for bay conservation."

Sincerely, VIN

Denver S. Coon Director OTC

T R I L O G Y

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair

Senator Brandon J.C. Elefante, Vice Chair

NOTICE OF HEARING

DATE: Monday, February 13, 2023

TIME: 12:30 PM

PLACE: Conference Room 229 & Videoconference

State Capitol

415 South Beretania Street

TESTIMONY OF JAMES COON IN STRONG OPPOSITION TO SB1153

Aloha Chair Inouye, Vice Chair Elefante Committee on Water & Land:

My name is Jim Coon speaking in opposition to SB1153. I support the Ocean Tourism Coalition's testimony and want to add some additional information:

Commercial Boaters already pay their fair share and should not be included in this proposal. The Ocean Tourism industry helped pass legislation in 2019 that resulted in The Ocean Stewardship Fee which will provide millions of new dollars to the DLNR Department of Aquatic Resources each year. This is in addition to the 3% of our gross revenue we pay to DLNR DOBOR. Our industry net profit margin is 3.72%

Commercial Boating Access to Honolua is already very limited and orderly. There are only three moorings in Honolua Bay itself. These three moorings are

shared by several vessels each utilizing the mooring for about 90 minutes then moving so the next vessel has access. The various boat companies have created schedules to work together so they can all be accommodated. A reservation system for commercial vessels would be a nightmare in scheduling and cause unnecessary hardship and uncertainty for these companies.

MAILING: P.O. Box 1119, LAHAINA, HAWAII 96767 CORPORATE OFFICE: 207 KUPUOHI STREET, LAHAINA, HAWAII 96761 PHONE (808) TRILOGY (888) MAUI-800 FAX (808) 667-7766 INFO@SAILTRILOGY.COM WWW.SAILTRILOGY.COM Ocean Adventures ~ Island Hospitality Guided snorkel access by boat is the most environmentally benign method to experience Honolua Bay MLCD. There is no supervision of land-based snorkeler access whereas the vessel snorkel access is supervised and educational. Charter Boat guests only take pictures and leave bubbles.

The Ocean Tourism Industry has been a good steward of Honolua Bay. For many years Trilogy's Blue 'Aina Reef Cleanup has hosted local volunteers to clean Honolua Bay and the coastline. The Charterboats have also conducted fundraisers to help in the purchase of Lipoa Point.

Advisory Board: There should be two additional seats on this advisory board. One board member from the Charter Boat Companies that moor in Honolua Bay MLCD.

One board member of the Honolua Surfing Community.

Our industry cherishes Honolua Bay and the land surrounding it. We have been among the most ardent supporters and stewards for decades. However, this proposal is designed for land-based improvements and oversight but is not appropriate nor necessary for commercial vessel access that is already limited, regulated, taxed and permitted by DLNR.

I humbly ask you to carefully consider and grant our requests to modify this bill if you are going to pass it, by **focusing on the land-based elements** as is done in State Parks. This bill as currently written will cause significant economic harm to every company that depends on continued Honolua access.

Sincerely, (1/mm

James E. Coon, Vice President

<u>SB-1153</u> Submitted on: 2/9/2023 8:08:58 PM Testimony for WTL on 2/13/2023 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Support	Written Testimony Only

Comments:

I STRONGLY support this Bill.