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

P.O. BOX 621
HONOLULU, HAWAII 96809

Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson

Before the Senate Committee on
WATER, LAND, CULTURE AND THE ARTS

Friday, February 6, 2026
1:00 PM
State Capitol, Conference Room 224

In consideration of
SENATE BILL 2367
RELATING TO STATE BOATING FACILITIES

Senate Bill 2367 proposes to establish the State Boating Facility Management Lease Program within the Division of Boating and Ocean Recreation (DOBOR) of the Department of Land and Natural Resources; authorizes the Board of Land and Natural Resources to lease management of the entire Ala Wai Small Boat Harbor (AWSBH); repeals provisions relating to the leasing of certain fast and submerged lands of Ala Wai Boat Harbor; and requires annual reports to the Legislature. **The Department supports this measure.**

The Department notes that there are currently four harbor facilities under the jurisdiction of DOBOR on O'ahu already being managed under a public-private partnership (P3) model: La Mariana Sailing Club, Ke'ehi Marine Center, Waikiki Yacht Club, and Hawai'i Yacht Club. The Department believes that the P3 model for management and operation of small boat harbors is the most effective way to manage these facilities due to the private sector's ability to provide adequate staffing, faster responses for repairs & maintenance, and facility improvements, all while providing lease revenue to the State.

Kewalo Basin Harbor, which is under the jurisdiction of the Hawai'i Community Development Authority (HCDA), is also a prime example of a State-owned harbor under a P3 management model. The Department is grateful to HCDA, which has expressed its willingness to advise and work with the Department to help set up the lease of AWSBH, should this measure become law.

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

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHANE
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 Department notes two common misconceptions among critics regarding the P3 management model proposed by this measure: (1) private management would lead to exorbitantly high mooring fee rates; and (2) private management would lead to the transfer of State lands under public trust to the private sector. The Department clarifies that: (1) the authority and method for determining fees remains unchanged, where the Department will set fees pursuant to Section 200-10, Hawai'i Revised Statutes, with the Board maintaining authority for approval of any proposed fee increases; and (2) this measure will not authorize any sale or transfer of State lands and only proposes to allow a lease for AWSBH and associated submerged lands in the State to attract private partners who plan to make improvements, provide adequate management, and transform AWSBH into the paragon that it should be as the Gateway to Waikīkī. The Department has no plans to sell any State lands and will only offer a lease as part of a P3 model.

Mahalo for the opportunity to comment on this measure.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE
KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026

COMMITTEE ON WATER, LAND, CULTURE AND THE ARTS

Sen. Chris Lee, Chair

Sen. Lorraine Inouye, Vice Chair

Friday, February 6, 2024, 1:00 PM
Conference Room 224 & Videoconference

Re: Testimony on SB2367 – RELATING TO STATE BOATING FACILITIES

Chair Lee, Vice Chair Inouye, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO ("UPW") is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **strongly opposes** SB2367, which establishes the State Boating Facility Management Lease Program within the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources. This measure also authorizes the Board of Land and Natural Resources to lease management of the entire Ala Wai Small Boat Harbor, repeals provisions relating to the leasing of certain fast and submerged lands of Ala Wai Boat Harbor.

This bill establishes the State Boating Facility Management Lease Program specifically to lease the management of the Ala Wai Small Boat Harbor, including the fast and submerged lands, for private development, management, and operation for a term not beyond June 30, 2046. The program, as proposed, would be exempted from Sections 171-53(c) and 171-60(a). UPW understands that these exemptions may be necessary for DLNR's Division of Boating and Ocean Recreation to maintain facilities that have historically proven to be a burden for managing agencies, but we believe that this public-private partnership, and others like it, degrade the working rights of public workers.

While this bill does attempt to preserve the rights the impacted civil service positions, we fear that the success of such a program will lead to the expansion of private-public partnerships for state boating facilities and the eventual loss of these types of positions in the future.

Mahalo for the opportunity to testify on this measure.

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HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Water, Land, Culture and the Arts

Testimony by
Hawaii Government Employees Association

February 6, 2026

S.B. 2367 – RELATING TO STATE BOATING FACILITIES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes S.B. 2367, which establishes a state boating facility management lease program to be implemented and administered by the Division of Boating and Ocean Recreation (DOBOR) within the Department of Land and Natural Resources (DLNR). This measure further allows the Board of Land and Natural Resources (BLNR) to lease the management of the Ala Wai small boat harbor in its entirety, including fast lands and submerged lands within its boundaries, by public auction, request for proposals, or direct negotiation for private development, management, and operation.

The proposed privatization language is very broad and does not provide enough information. We fear that this measure will eventually lead to job loss and/or job displacement for our members that work at the small boat harbors. Additionally, granting the BLNR blanket authority and discretion of having the state boating facility lease program exempt from the legislative authorization is bad policy – the Legislature should maintain sole responsibility in determining which public resources should be privatized and should allow the public an opportunity to weigh in. Data should be available for the positives and negatives of a harbor that is privately managed, for example Kewalo Basin Harbor to allow for a sound policy decision.

Small boat harbors and waterways is valuable public asset, and no private entity should have control over our state's waterways to make a profit. If the justification of this measure is to make a small boat harbor contract more attractive to allow private entities to make improvements to the state small boat harbor facilities, then it would behoove the Legislature to provide more support to our employees and department – not allow the Board to contract out this function. Furthermore, we find it troubling that the DOBOR management will quickly jump to privatizing an essential function, which may result in job displacement/loss for our members, due to their inability to execute and provide clear direction on the maintenance of the harbor. DOBOR has repeatedly presented the same narrative story to the legislature, session after session, attempting to accomplish privatization, instead of managing the situation and focus on recruitment and retention of civil service employees.

Thank you for the opportunity to provide testimony in strong opposition of S.B 2367.

Respectfully submitted,

Randy Perreira
Executive Director

LATE



February 2, 2026

Almar Marina Management

We would like to support SB 2367 as we feel it is in the best interest of the public.

Public-private partnerships are sometimes misunderstood as a transfer of public assets or authority to private interests. In practice, when properly structured, these partnerships preserve public ownership, maintain government oversight, and protect public access while allowing the State to address infrastructure needs that would otherwise remain unfunded or delayed.

In Hawai'i's marina system, public-private partnerships do not constitute privatization. The State retains ownership of the harbor and full regulatory authority. The private partner operates under a long-term lease and a performance-based contract that clearly defines responsibilities, service standards, and compliance requirements. Failure to meet those standards places the lessee at risk—not the State.

Kewalo Harbor in Honolulu provides a concrete example of how this model protects the public interest. Through its partnership with the Hawai'i Community Development Authority (HCDA), substantial capital improvements were completed without State funding. Aging docks were replaced, and a new fuel dock was constructed to serve harbor users following the closure of the facility at Ala Wai. These improvements would have required significant public investment or would likely have been deferred absent private participation.

Concerns regarding public access and fairness have not materialized. Harbor occupancy has remained near 100 percent for several years, serving both commercial and recreational users. Rates, operational policies, and use of the facility remain subject to State oversight and lease requirements. The harbor continues to function as a public resource, not a private enclave.

Accountability and transparency are central to the partnership structure. The private lessee assumes responsibility for capital costs, maintenance, security, and day-to-day operations. Investments such as security cameras at each gate were funded by the lessee, improving safety while reducing operational costs for the State. Financial risk associated with construction overruns, maintenance needs, or operational challenges is borne by the private partner, shielding taxpayers from unexpected liabilities.

Importantly, this partnership has not shifted risk to the public, it has reduced it. The State benefits from modernized infrastructure, improved safety, and reliable operations without

assuming long-term maintenance or capital replacement obligations. Performance metrics, reporting requirements, and regulatory compliance remain enforceable throughout the lease term.

As the Legislature evaluates options to address aging marina infrastructure, constrained capital budgets, and growing maintenance backlogs, the Kewalo Harbor partnership demonstrates that public-private partnerships can strengthen—not weaken—public control, fiscal responsibility, and service quality when they are carefully structured and actively overseen.

We welcome any questions or requests for additional information regarding marina operations, lease structures, or oversight mechanisms. Almar Marinas has operated marinas in Hawai‘i for more than 25 years and has extensive experience working within the State’s regulatory, environmental, and community frameworks.

Sincerely,

Jim Hayes



Regional Director
Almar Marina Management
805.794.3415



Ala Wai Small Boat Harbor
1651 Ala Moana Blvd. Slip 499, Honolulu, HI 96185

LATE

Aloha Chair and Committee Members,

My name is Brynn Rovito, and I am the **owner and operator of the historic yacht Vida Mia**, a 61-foot classic wooden motor yacht built in 1929 and moored at Slip 499 in the Ala Wai Small Boat Harbor since the 1960s. Vida Mia crossed the Pacific during the Transpac race in 1963 as an escort vessel and has been a cherished part of Hawaii's maritime heritage ever since. As the first woman to own and helm this rare antique yacht—one of only a handful left in the world—I offer daily private charters, sunset cruises and coffee tours. We are hugely popular with local residents and visitors alike.

In the last five years, we have created six full-time professional apprenticeship positions for captains and tradesmen and generated over \$1 million in annual revenue—all while navigating the constraints of the current state-managed facility. This shows the real economic potential right here in the harbor when dedicated operators have better infrastructure and support.

I am writing to **strongly support SB2367**. This bill offers a practical path to restore and revitalize what should be Waikiki's premier community harbor.

This is not about privatization for profit alone; **it's smart stewardship**. The bill retains strong state oversight with annual legislative reports and public trust protections. Private partners can deliver the investment, innovation, and urgency that state resources alone have struggled to provide.

The current condition of Ala Wai Small Boat Harbor is **unacceptable and worsening**. As a daily user and business operator, I see the chronic deferred maintenance backlog—estimated statewide at over \$1 billion for DOBOR facilities, with Ala Wai shouldering a major share. Docks and piers are deteriorating (many condemned), sunken boats remain unrecovered and crumbling pilings and derelict or impounded vessels occupy valuable berths without generating revenue. Infrastructure shows obvious neglect, turning a once-vibrant gateway into an eyesore that detracts from Waikiki's appeal.

This neglect directly hampers businesses like mine. Maintaining a historic wooden vessel demands reliable docks, safe access, and modern services—yet we face clunky state processes for slips, moorings, and repairs. Without change, revenue potential stagnates, and **historic assets like Vida Mia struggle in a facility meant to support them**.

SB2367 **enables private management expertise** to fix these issues efficiently. Historically, Ala Wai generated substantial net income—averaging \$2.6 million annually for the Boating Special Fund—subsidizing other harbors statewide. Under private stewardship, we could unlock even greater revenue through improved operations: better slip utilization (now limited by infrastructure failures), enhanced commercial tenant performance (e.g., high-earning parasail and charter



Ala Wai Small Boat Harbor
1651 Ala Moana Blvd. Slip 499, Honolulu, HI 96185

operators), added services (marine repairs, events, eco-friendly retail), and innovative activations that draw more visitors without compromising public access.

Recreational harbors like Ala Wai **naturally attract both money and community**, serving as vibrant hubs that drive economic growth while fostering social connection. They facilitate recreation and tourism, creating immediate revenue streams and powerful ripple effects throughout the local economy. Small boat harbors support boating, charters, fishing, and events, where boaters spend significantly on fuel, maintenance, dining, lodging, shopping, and more. Studies show multipliers of \$6.50–\$10 in community spending for every dollar spent at a marina. **Tourism gets a major boost** as harbors draw visitors for stunning scenic views, water-based activities (such as charters, whale watching, paddle sports, and surfing), and lively events like boat parades and festivals—translating to higher spending at local hotels, restaurants, shops, and attractions.

Beyond the numbers, **harbors are simply fun places where people love to gather**—strolling the docks, admiring the boats, soaking in the ocean vistas, and watching surfers ride the waves. They create welcoming public spaces that **build community pride, encourage repeat visits**, and turn everyday waterfront moments into cherished experiences for residents and visitors alike.

For my operation alone, a well-maintained harbor means safer, more attractive charters—boosting bookings, creating jobs (crew, maintenance, marketing), and contributing taxes and fees to the state. Scaled up, private management could generate millions more in direct revenue while reducing DOBOR's maintenance burden on taxpayers—freeing funds for other ocean recreation needs.

I urge the Committee to advance SB2367 swiftly. Ala Wai deserves to shine again as a community jewel—honoring its heritage, supporting local businesses like Vida Mia, and delivering economic and recreational wins for all of Hawaii.

Mahalo for your dedication to our coastal resources. I am available for questions and would welcome the opportunity to provide oral testimony.

Sincerely,

Brynn Rovito

Owner/Operator, Vida Mia Hawaii
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**Testimony Requesting Amendment of SB 2367
Relating to State Boating Facilities**

Submitted to Senate Committee on Water, Land, Culture and the Arts
Friday, February 6, 2026, 1 PM, Hearing in State Capitol Room 224

Please amend SB 2367 to require that:

Any lease of fast lands and submerged lands of Ala Wai Small Boat Harbor shall provide for the maintenance of at least three hundred public parking stalls at no cost to users for recreational ocean access and for the practice of traditional and customary Native Hawaiian rights.

This amendment will guarantee future Hawaii residents the same recreational ocean access that I had. I am 78. I have parked at Ala Wai Harbor for access to Waikiki Beach and surf spots for 61 years. For a few years, before my wife talked some sense into me, I owned a 22' trimaran daysailer moored in a slip at Ala Wai Harbor. When my friends and family went sailing with me, we all used the public parking at Ala Wai Harbor.

It's simply wrong for public agencies to charge fees for Hawaii residents to park on public property to use the beach, swim, fish, or surf. And it's simply wrong to allow private lessees, concessions, or contractors to charge fees for Hawaii residents to park on public property to use the beach, swim, fish, or surf. Public parking lots which Hawaii residents use for recreational ocean access should be managed like a kind of park facility. They should NOT be managed like pay toilets maintained with user fees.

LATE

Position: Comments

My name is Scott Allen, and I respectfully submit comments on SB2367.

I offer these comments drawing from multiple perspectives. I have berthed my boat at Ala Wai Harbor, at other state boating facilities, and at private marinas on O‘ahu. I also hold a master’s degree in urban and regional planning and currently work for the State Office of Planning and Sustainable Development. I am submitting this testimony in my personal capacity.

At a general level, I understand the motivation behind SB2367. The State is seeking new approaches to improve the management, maintenance, and long-term viability of boating facilities, and public–private partnerships can, in some contexts, be an appropriate tool to advance those goals.

However, I have concerns about how the bill is structured, particularly with respect to governance, transparency, and public accountability—concerns that are especially salient given the bill’s explicit focus on the Ala Wai Small Boat Harbor.

Ala Wai Harbor is not simply a boating facility. It sits within a dense urban environment and is deeply connected to Waikīkī, the Ala Wai Canal, flood mitigation efforts, water quality issues, and long-standing patterns of community use. Decisions regarding its management have implications that extend well beyond boating alone. For that reason, **the scale and duration of authority contemplated by this bill warrant heightened scrutiny.**

As drafted, SB2367 would allow for long-term leasing of the *entire* Ala Wai Harbor—potentially through 2046—while exempting the program from standard public notice and legislative authorization requirements that normally apply to state land leases. While the requirement for annual reporting to the Legislature is important, **reporting after the fact is not a substitute for meaningful legislative review prior to the execution of long-term agreements involving public trust lands.**

Additionally, based on my experience across both state-managed and privately managed marinas, management priorities matter greatly. Fee structures, access for small boat owners, liveaboards, and community-based users, and the overall public character of a harbor can change significantly depending on governance and incentive structures. **As written, the bill does not clearly establish guardrails to ensure that public access, affordability, and public purpose remain central under a privatized management model.**

For these reasons, **I am submitting comments rather than support or opposition, along with suggested amendments intended to strengthen the bill. These proposed amendments focus on:**

- Enhanced legislative oversight for long-term leases involving Ala Wai Harbor;
- Narrowing exemptions from public notice and authorization requirements;
- Explicit protections for public access and affordability;
- Clear performance standards and enforcement authority; and

- More structured and actionable legislative reporting.

These recommendations are offered in the spirit of preserving the bill's flexibility while ensuring that any long-term changes to the management of Ala Wai Harbor remain transparent, accountable, and firmly grounded in the public interest.

Thank you for the opportunity to provide comments on SB2367. I appreciate your consideration and would be happy to provide additional information if helpful.

Mahalo,
Scott Allen

ISSUE ADDRESSED	PROPOSED AMENDMENTS	RATIONALE
Long-term control of a uniquely important public asset without upfront legislative oversight.	Amend subsection (b) to read (new language underlined): “(b) The board may lease the management of the Ala Wai small boat harbor in its entirety, including fast lands and submerged lands within its boundaries, by public auction or request for proposals for private development, management, and operation; <u>provided that any lease of the Ala Wai small boat harbor with a term exceeding ten years shall be subject to legislative review and approval prior to execution</u> ; and provided further that any lease entered into pursuant to this section shall expire on or before June 30, 2046.”	<ul style="list-style-type: none"> • Ala Wai Harbor has statewide significance beyond boating • Preserves legislative oversight without prohibiting partnerships • Allows flexibility while preventing unchecked long-term commitments
Overly broad exemption from HRS 171 safeguards.	Amend subsection (c) to read: “(c) The state boating facility management lease program shall be exempt from the notice and legislative authorization requirements of sections 171-53(c) and 171-60(a); <u>provided that this exemption shall not apply to leases involving the Ala Wai small boat harbor or to any lease exceeding ten years in duration.</u> ”	<ul style="list-style-type: none"> • Keeps efficiency for smaller or less sensitive facilities • Recognizes Ala Wai Harbor as a special case • Maintains public trust in state land disposition
Risk of prioritizing revenue over community access.	Add a new subsection (f): “(f) Any lease entered into pursuant to this section shall include enforceable provisions that: (1) Preserve reasonable public access to state boating facilities; (2) Protect access for small boat owners and community-based users; (3) Preserve the tradition of allowing liveaboards (4) Ensure that fee structures remain reasonable and transparent; and (5) Prohibit the conversion of state boating facilities into exclusive or primarily luxury-oriented uses inconsistent with their public purpose.”	<ul style="list-style-type: none"> • Aligns with public trust doctrine • Provides clarity to private partners • Reduces future conflict and litigation risk
Limited state leverage once a long-term lease is executed.	Add a new subsection (g): “(g) Any lease executed under this section shall include measurable performance standards backed by public support and related to facility maintenance, environmental stewardship, public access, and user satisfaction.”	<ul style="list-style-type: none"> • Shifts oversight from reactive to proactive • Protects the state if management underperforms

	and shall provide the department with clear authority to impose corrective actions or terminate the lease for persistent failure to meet such standards."	<ul style="list-style-type: none">• Encourages higher-quality proposals
Reports that are informational but not evaluative.	Amend subsection (d) to include: "(d) ... The report shall include, at a minimum: (1) An evaluation of lease performance against established benchmarks; (2) Impacts on public access and affordability; (3) Impacts on ability to subsidize maintenance for other State small boat harbors; (4) Financial outcomes for the State; and (5) Any complaints, disputes, or enforcement actions related to the lease."	<ul style="list-style-type: none">• Makes reporting actionable• Supports informed legislative decision-making• Creates an institutional feedback loop