

MAR 15 2006

S.R. NO. 99

SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO
DETERMINE THE FEASIBILITY OF CONTRACTING WITH A PRIVATE
NONPROFIT CORPORATION TO MANAGE THE ALA WAI SMALL BOAT
HARBOR.

1 WHEREAS, the Division of Boating and Ocean Recreation of
2 the Department of Land and Natural Resources manages Hawaii's
3 ocean recreation and coastal programs, including small boat
4 harbors and boating facilities, pursuant to chapter 200, Hawaii
5 Revised Statutes; and

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7 WHEREAS, the small boat harbors provide important
8 recreational and commercial opportunities for those engaging in
9 boating, fishing, and other ocean activities; and

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11 WHEREAS, the Boating Division has inadequately managed the
12 small boat harbors, as cited in the Auditor's reports of 1993,
13 1998, and 2001; and

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15 WHEREAS, this mismanagement continues till today as
16 evidenced by the recent departure of senior managers from the
17 Boating Division and a lawsuit brought against the Department by
18 a Boating Division employee; and

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20 WHEREAS, due to this mismanagement, Hawaii's boating
21 facilities have deteriorated to the point where the public's
22 safety is threatened, significant revenues are lost, and ocean
23 recreational opportunities are diminished; and

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25 WHEREAS, the Ala Wai small boat harbor is just one example
26 of inefficient management in the Boating Division; and

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28 WHEREAS, the Ala Wai small boat harbor has deteriorated to
29 the point that seventeen per cent of the mooring slips are out
30 of service and another twenty-three per cent are in such bad
31 condition that they should be closed, leaving only sixty per
32 cent of the slips in working condition which detrimentally
33 impacts revenues; and

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1 WHEREAS, the Auditor's Report No. 01-09, cited an
2 insufficient fee structure for boating facilities with the
3 State's highest mooring rate (of \$4.10 per foot of vessel at the
4 Ala Wai) is less than half the \$9 charged at Ko Olina, a private
5 boating facility; and

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7 WHEREAS, the state land near the Ala Wai small boat harbor
8 is one of the most valuable in the Department's inventory and is
9 used for more than seven hundred fifty parking spaces that are
10 free to the general public, hotel workers, condominium tenants,
11 and construction workers while providing no income for the
12 maintenance of the Ala Wai boat harbor; and

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14 WHEREAS, the lack of security is another public safety
15 issue at the Ala Wai small boat harbor with theft, drinking,
16 drug use, fights, and even murder taking place on the premises;
17 and

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19 WHEREAS, the Hawaii Yacht Club, with over eight hundred
20 members, and the Waikiki Yacht Club, with over seven hundred
21 members, currently lease fast and submerged lands at the Ala Wai
22 from the Department and manage and operate successful boating
23 facilities; and

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25 WHEREAS, the leases serve as good models that establish
26 performance standards and progressive benchmarks as achievement
27 targets; and

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29 WHEREAS, these boating clubs have conceptually proposed a
30 public/private partnership that would have a community-directed
31 nonprofit corporation operate the entire Ala Wai small boat
32 harbor through a similar lease with the Department; now,
33 therefore,

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35 BE IT RESOLVED by the Senate of the Twenty-third
36 Legislature of the State of Hawaii, Regular Session of 2006,
37 that the Department of Land and Natural Resources is requested
38 to determine the feasibility of contracting with a private
39 nonprofit corporation to manage the Ala Wai small boat harbor;
40 and

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42 BE IT FURTHER RESOLVED that the Department of Land and
43 Natural Resources is requested to convene and facilitate an Ala
44 Wai harbor working group to provide general guidance in the



1 development of the study that includes one member each from the
2 Hawaii Yacht Club, the Waikiki Yacht Club, Ala Wai harbor
3 tenants, area surfers, area canoe paddlers, the Hawaii Prince
4 Hotel Waikiki, the Ala Moana Neighborhood Board, and a for-
5 profit marina management company; and

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7 BE IT FURTHER RESOLVED that the Ala Wai harbor working
8 group, with the assistance of the Department, is requested to,
9 at a minimum:

- 10
11 (1) Define the proposal, including but not limited to its
12 goals and objectives, the type of contractual
13 relationship and proposed contract terms, and the
14 division of functions and authorities between the
15 nonprofit and the Department;
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17 (2) Recommend an operations and management plan, including
18 but not limited to organizational structure, policies
19 and procedures, decision-making, and financial
20 functions;
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22 (3) Identify capital improvement needs and costs;
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24 (4) Prepare projected financial statements showing
25 proposed funding sources, estimated income and
26 expenses, and cash flow;
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28 (5) Identify any pertinent legal, personnel, operational,
29 financial, transitional, or community issues, such as
30 collective bargaining and the application of the
31 Boating Division's administrative rules;
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33 (6) Perform a cost/benefit analysis for this proposal
34 versus earlier privatization initiatives; and
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36 (7) Identify a timeline of tasks necessary to effectuate
37 the proposal; and
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39 BE IT FURTHER RESOLVED that the Department of Land and
40 Natural Resources and the Ala Wai harbor working group are
41 requested to conduct public hearings on the draft of the
42 feasibility study to obtain feedback from the general public;
43 and
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1 BE IT FURTHER RESOLVED that the Department of Land and
 2 Natural Resources is requested to submit the final version of
 3 the feasibility study, including an executive summary, the
 4 process used to conduct the study, findings, and
 5 recommendations, to the Legislature no later than twenty days
 6 prior to the convening of the Regular Session of 2007; and
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8 BE IT FURTHER RESOLVED that certified copies of this
 9 Resolution be transmitted to the Chairperson of the Board of
 10 Land and Natural Resources, the President of the Hawaii Yacht
 11 Club, the President of the Waikiki Yacht Club, the General
 12 Manager of the Hawaii Prince Hotel, and the Chairperson of the
 13 Ala Moana Neighborhood Board.
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