

Honolulu, Hawaii

FEB 09 2007

RE: S.B. No. 1242
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred S.B. No. 1242 entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE RELOCATION OF HONOLULU MARINE, INC., DBA KEWALO SHIPYARD,"

begs leave to report as follows:

The purpose of this measure is to promote the maritime industry in Hawaii by appropriating funds for Honolulu Marine, Inc., to relocate the Kewalo Shipyard from Kewalo Basin to a proposed site at Keehi Lagoon.

Testimony in support of this measure was submitted by Honolulu Marine, Inc., the Hawaii Boaters Political Action Association, and one individual. The Department of Land and Natural Resources, the Department of Transportation, and the Hawaii Community Development Authority submitted comments.

The Kewalo Shipyard has been a fixture for the State's maritime industry for many years. During its early years, the Shipyard supported the local commercial fishing fleet and then expanded into government contract work. While the Shipyard still provides services for the commercial fishing fleet, Honolulu Marine, Inc., which obtained the lease for the facility in 1984, has aggressively pursued other commercial and government contracts. Honolulu Marine, Inc., employs a shipyard staff of up to seventy personnel who are involved in the maintenance and repairs of various sized vessels. The Shipyard averages \$1,500,000 to \$3,000,000 per year in new construction orders with



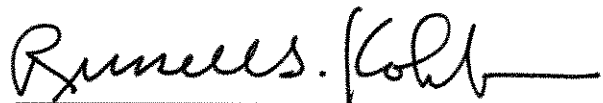
a projected forecast of \$3,000,000 to \$4,000,000 in new construction orders for 2008. Due to development plans at its present location at Kewalo, the Shipyard needs to relocate its facilities. Your Committee finds that the Shipyard's proposed site at Keehi Lagoon is an unimproved and vacant lot, which will need additional funds to install port security infrastructure, grade and level the property, and construct a finger pier, sea retaining walls, and bulkheads.

Your Committee has amended this measure by deleting the dollar amount and left it unspecified for determination by the Committee on Ways and Means, and made technical amendments for accuracy.

Furthermore, your Committee notes that in the comments submitted by the Department of Land and Natural Resources, the Department of Transportation, and the Hawaii Community Development Authority, these agencies all deferred to another agency as the expending agency for the appropriation. Your Committee believes that this matter merits further discussion by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1242, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land,
Agriculture, and Hawaiian
Affairs,



RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Water, Land, Agriculture and Hawaiian Affairs
WAH

Bill / Resolution No.:* <i>SB 1242</i>	Committee Referral: <i>WAH, WAM</i>	Date: <i>FEB. 05, 2007</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	X			
TOKUDA, Jill N. (VC)	X			
FUKUNAGA, Carol	X			
HEE, Clayton				X
SLOM, Sam		X		
TOTAL	<i>3</i>	<i>1</i>		<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	

*Only one measure per Record of Votes