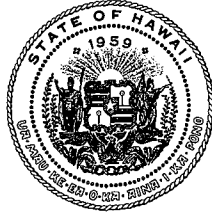
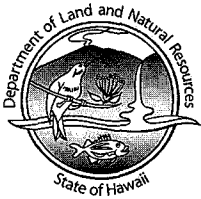


**SB 3211**

LINDA LINGLE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

LAURA H. THIELEN  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI  
FIRST DEPUTY

KEN C. KAWAHARA  
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

**TESTIMONY OF THE CHAIRPERSON  
OF THE BOARD OF LAND AND NATURAL RESOURCES**

**On Senate Bill 3211 - Relating To Boating Facilities At Keehi Lagoon**

**BEFORE THE SENATE COMMITTEE ON  
WATER AND LAND**

**February 13, 2008**

Senate Bill 3211 appropriates \$4,889,400 to the Department of Land and Natural Resources (Department) for plans and construction for the establishment of pier, bulkhead, and other facilities at Keehi Lagoon to accommodate the relocation of boat repair facilities from Kewalo Basin. The Department has concerns with the budgetary implications this bill will have on the Executive Supplemental Budget request and the prudence of expending \$4,889,400 in state funds to relocate a private enterprise.

While the Department understands that this bill was introduced to accommodate the relocation of Honolulu Marine, Inc. (HMI), DBA Kewalo Shipyard, from Kewalo Basin to the Keehi Small Boat Harbor, the Department however has not been able to substantiate the trigger for the relocation. In the meantime, the Department has, at the request of HMI, issued a right of entry for the purpose of conducting preliminary inspections of the site and is preparing to enter into a revocable permit in order for HMI to begin relocating equipment, supplies, and building infrastructure to support the operation. Lastly, in light of HMI still having tenure on their existing lease agreement, perhaps the entity or entities desiring the relocation from Kewalo Basin should be responsible for the relocation costs.

**testimony**

---

**From:** rhardlydavison@aol.com  
**Sent:** Monday, February 11, 2008 3:31 PM  
**To:** testimony  
**Subject:** Testimony in Support of SB3211

**Testimony in Support of SB3211 Wednesday, 13 February 2008 in room 414**

Senate Committee on Water and Land

Chair Hee and respected members of the Water and Land committee

Please allow Honolulu Shipyard to move from Kewalo Basin to Keehi Lagoon. I depend on Honolulu shipyard and strongly urge you to Support SB3211.

Thank you,

Richard Davison  
41-585 Poalima street  
Waimanalo Hawaii 96795  
[Rhardlydavison@aol.com](mailto:Rhardlydavison@aol.com)

---

More new features than ever. Check out the new [AOL Mail!](#)

**testimony**

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**From:** RawcoHI@cs.com  
**Sent:** Monday, February 11, 2008 2:26 PM  
**To:** testimony  
**Subject:** Testimony in support of SB3211

**Testimony in Support of SB3211 Wednesday, 13 February 2008 in room 414**

Senate Committee on Water and Land

Chair Hee and respected members of the committee

If we are to have and maintain a viable boating industry here in Hawaii then we most certainly need to have the repair and maintenance facilities to enable this industry to thrive. My firm has dealt with this shipyard through all of our fifty years operating from Kewalo Basin for our cruise boat maintenance needs. Two of our original vessels were built in this yard. This bill enables Honolulu Shipyard to move from the valuable commercial real estate on the waterfront of Kewalo Basin, which is now slated for urban development and to relocate at a more commercial area of Honolulu's waterfront. This makes a win/win situation, as it frees up the Kewalo Basin waterfront for modern development and still keeps the marine maintenance facility of the shipyard available to our industry.

Please support and fund this bill, SB3211.

Thankyou,

Reg White  
Vice president, project development  
Paradise Cruise, Ltd.  
1540 S. King St.  
Honolulu, HI 96826-1919  
(808) 222-9794  
RawcoHI@cs.com

Charles Pires  
Honolulu Marine, LLC

February 11, 2008

Senator Clayton Hee, Chair  
Senator Russell S. Kokubun, Vice Chair  
Committee on Water and Land

DATE: 02/13/08  
TIME: 2:45 PM  
PLACE: CONFERENCE ROOM 414

TESTIMONY ON SENATE BILL 3211 RELATING TO  
BOATING FACILITIES KEEHI LAGOON

My name is Charles Pires and I am testifying in favor of and ask for support on SB 3211 on behalf of Honolulu Marine. I am the Owner and President Honolulu Marine. SB 3211 appropriates \$4,889,400 of the State General Funds to assist in relocating Honolulu Marine from Kewalo Basin to the designated site at Keehi Lagoon.

The Shipyard at Kewalo has been a fixture in the island economy for almost 100 years. During its early years, the shipyard supported the local commercial fishing fleet and expanded into government contracting. Honolulu Marine obtained the lease for the facility in 1984 from Castle and Cooke Inc. at which time we made substantial improvements to increase the workload capacity and labor force. While we maintained the core business of servicing the commercial fishing fleet, we also aggressively pursued other commercial and government contracts. During this time, we experienced the transition from wooden vessels to vessels constructed of other materials such as steel, aluminum, and fiberglass. With the changes in the industry we retooled and retrained our workforce to accommodate the new construction techniques.

Additional challenges followed the 91' gulf war, 911, and increased homeland security demands that created unimaginable paradigm shifts in the industry; however with

innovation, foresight, retooling and retraining, we once again managed to discover a new opportunity. This challenge was new construction of vessels. With the aid of digital computer design and cutting, material could be ordered from the mainland ready for assembly. Not an easy task, we traveled the country learning the process, equipment, and skills required to be successful. The learning curve proved to be intense as we proceeded with our new venture. Our skill level improved and we become a competitive player in the market place. At the 2006 International Work Boat Show in New Orleans, two of our vessels were promoted as state of the art by separate vendors. We have been able to accomplish this remarkable success story without requiring funding assistance from any state or federal agency.

The proposed site at Keehi Lagoon is a raw, unimproved vacant lot. The development cost of the property is substantial and we have already invested a significant amount of money towards our relocation. For example, we have already undertaken a \$3,000,000 project to build a new floating dry-dock to be used at the new facility. Attached is a direct comparison of the characteristics of the current facility as compared to the relocation site. Although the Keehi Lagoon site is smaller in most areas we believe with a managed layout of the parcel it would be adequate for our needs.

Honolulu Marine, along with its sister company P&R Water Taxi, employs a shipyard staff of up to 70 personnel involved in the maintenance and repairs of various sized vessels. We currently average 1.5 to 3 million dollars per year in new construction orders. Prospects for future maintenance and repair work remains strong at the 2 million dollar mark and new construction orders should increase to the 3 to 4 million dollar range in 2008. Due to the shortage of the type vessels we are building the forecast should remain steady for the future.

The requirement for repair of government ships cycles with world events such as

the present gulf war. As the current threat in the area diminishes and the operational tempo of the ships is reduced, the flood gate will open with an enormous amount of required repairs. We were witness to this deluge of work after the 91' gulf conflict. As a displaced tenet relocation timing is critical in order for us to participate in the rare work opportunity that will be ten's of millions of dollars.

We support the passage of SB 3211.

	<b>Kewalo</b>	<b>Keehi</b>
Fast Land Area	103,597 sq. ft.	74,400 sq. ft.
Sub Land Area	33,616 sq. ft.	20,800 sq. ft.
Paved Area Concrete	73,300 sq. ft.	74,400 sq. ft.
Bulkhead Pier	350 ft.	None
Finger Pier	120 ft.	135 ft.
Fab Shop Area	12,000 sq. ft.	4,000 sq. ft.
Office Space	2,920 sq. ft.	4,000 sq. ft.
Storeroom Space	3,000 sq. ft.	4,000 sq. ft.
Marine Railway 130 x 40	6 Vessels	3 Vessels



**HONOLULU MARINE LLC  
KEEHI SITE CONSTRUCTION ESTIMATE  
January 2008**

<b>PLANS</b>	
Planning, Permitting, & Construction documents	<b>\$550,000</b>
<b>CONSTRUCTION (SITE PREPARATION)</b>	
Bulkhead & backfill	<b>\$1,624,000</b>
Pier	<b>\$1,275,000</b>
Utilities	<b>\$385,000</b>
Concrete & Site Work	<b>\$845,400</b>
Storm Water Management	<b>\$210,000</b>
<b>CONSTRUCTION SUBTOTAL</b>	<b>\$4,339,400</b>
<b>TOTAL REQUEST</b>	<b>\$4,889,400</b>

**Estimate does not include cost of drydock or facilities which are separately funded.**

### **Chronological list of Events**

- February 12, 2007; Honolulu Marine LLC meets with DOBOR (DLNR Boating) to discuss lease options and right of entry for the proposed location at Keehi.
- 
- March 7, 2007 ; Honolulu Marine LLC submits documentation to DOBOR for the purposes of obtaining the Land Board's approval in " Principle of Direct Lease to Honolulu Marine LLC"
- 
- March 8, 2007; HM LLC along with Senator Chun-Oakland and Representative Manahan's staff meets with Keehi Boat Club to provide a status update. HM LLC displays an artist rendition of the proposed facility and to answer questions or address any concerns on the proposed relocation. Concern: If they are any air borne emissions i.e. paint overspray from HM LLC operations that damaged there boats or cars, would HM LLC be responsible? A. Yes, we will be responsible however we do not anticipate any problems. Q. Will HM LLC be using any part of the Keehi boat ramp? A. Absolutely not. Q. Can you keep us updated? A. Yes and if you have any questions or concerns feel free to call Mark Delventhal at 526-9311 or contact Senator Chun -Oakland's or Representative Manahan's office. Support from the Boat Club was positive.
- 
- July 13, 2007; Obtain from Department of Land Natural Resources " Approval in Principle of Direct Lease to Honolulu Marine LLC for the construction of a shipyard and Limited Right-of -Entry at Keehi Small Boat Harbor, Oahu Tax. Map Key: (1) 1-2-025: par 024
- 
- September 8, 2007; Draft Environmental Assessment(DEA) is published by Office of Environmental Quality Control (OEQC)
- 
- January 29, 2008; Final Environmental Assessment (FEA) completed and awaits signature by the Chairperson of DLNR.
- 
- February 6, 2008: Final Environmental Assessment (FEA) sign by the Chairperson of DLNR



Ocean Tourism Coalition

*Shining Light on Ocean Tourism Concerns*  
P.O. Box 546, Lahaina, Hawaii 96767  
(808) 205-1745 Phone (808) 661-0654 Fax  
office@oceantourism.org

## **Committee on Water and Land**

Date: Wednesday February 13, 2008

Time: 2:45 PM

Place: Conference Room 414

### **Speaking in Strong Support of SB 3211**

Senator Clayton Hee, Chair; Senator Russell S. Kokubun, Vice Chair  
and members of the WTL Committee:

My name is James E. Coon, President of the Ocean Tourism Coalition (OTC) Hawaii's State-wide organization. We represent the 300 Small Commercial Passenger Vessels operating out of State Harbor facilities. We speak in **Strong Support of HB 3345.**

This facility is long over due. Please pass SB 3211.

Sincerely,

James E. Coon, President OTC

END

SB 3211