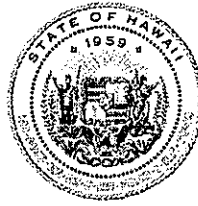
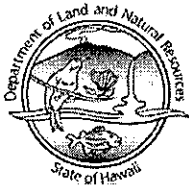


NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



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

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**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**Before the Senate Committee on  
WATER, LAND, AND HOUSING**

**Tuesday, February 08, 2011  
1:15 P.M.  
State Capitol, Conference Room 225**

**In consideration of  
SENATE BILL 1549  
RELATING TO SMALL BOAT HARBORS**

Senate Bill 1549 permits commercial permits in Ala Wai and Keehi small boat harbors, establishes that small boat harbor fees can be used only for the operating and maintenance of the small boat harbors, authorizes a process for a public-private partnership to develop a portion of Ala Wai small boat harbor, and changes mooring fee rate process.

The Department of Land and Natural Resources (Department) supports this measure. Comments on each section of the measure are as follows:

- The Department supports the issuance of a limited amount of commercial use permits for vessels operating from the Ala Wai and Keehi Small Boat Harbors. The Department notes that these are the only two harbors that currently do not allow for commercial vessel activity. Commercial vessel mooring within the Ala Wai Small Boat Harbor should not be limited to specific areas. Defining the commercial mooring areas, limits the Departments ability to effectively manage the facility. Should an area become unusable for any reason, the Department needs the ability to relocate vessels whether they are commercial or not.
- Commercial catamarans are currently paying \$8.50 per year for the exclusive privilege of operating from Waikiki beach. The recommendation from the Department is to amend the language to clarify that commercial catamaran operations are required to be issued a commercial use permit from the Department and pay the same commercial use fees as all other commercial vessel operators.
- Because of the current fiscal condition of the State and the fact that capital improvement money is limited, the Department supports establishing use fees by appraised value. This way, the Department can be assured that it is receiving fair market return on the exclusive

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AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
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CONSERVATION AND COASTAL LANDS  
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KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

use of the public facilities. Revenues exceeding the actual operating cost of the facility can be used for repairs, maintenance, and replacement of facilities that have exceeded their useful life.

- The Department notes that it currently has the statutory authority to lease fast lands and has recently entered into a Development Agreement for the development of the haul-out and fuel dock areas within the Ala Wai Small Boat Harbor. The Developer paid an initial development fee of \$150,000 and is currently paying \$15,000 per month while working to obtain the necessary permits. The Department supports offering the remaining site located at the harbor office on a Request for Proposals (RFP) basis.
- The Department also supports the leasing of submerged lands similar to the Hawaii and Waikiki yacht clubs. We note that the submerged lands surrounding the haul-out site need authorization to be leased. During the preparation of the RFP for this site, the Department found that no authority had been granted to lease the submerged lands located at the haul-out area. At a minimum, this area of submerged land needs to be authorized for lease to support the haul-out operation. By extending the leasable areas of the harbor to the submerged lands, a new funding stream will be opened to the department to support its long-range repair and maintenance goals for public harbor facilities. The department has been in favor of such an initiative for many years and sees this as a stepping-stone to self-sufficiency.
- The Department is in favor of including office space and vehicle parking as a condition of the RFP to be used by the Division of Boating and Ocean Recreation but feels it may be more prudent to not set the square footage and number of parking stalls in statute in the event this needs to be modified during the RFP process.