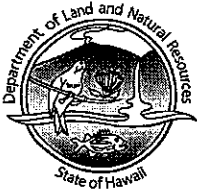


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
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
WILLIAM J. AILA, JR.
Chairperson

Before the House Committee on
FINANCE

Tuesday, March 01, 2011
2:00 P.M.

State Capitol, Conference Room 308

In consideration of
HOUSE BILL 1312, HOUSE DRAFT 1
RELATING TO SMALL BOAT HARBORS

House Bill 1312, House Draft 1 authorizes the Department of Land and Natural Resources (Department) to use the Request for Proposal process to enter into a public-private partnership to develop portions of the Ala Wai boat harbor that are currently underutilized to maximize revenue generating potential. The Department supports this measure.

The Department notes that it already 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 RFP basis. The Department also supports the leasing of submerged lands similar to the Hawaii and Waikiki yacht clubs.

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.

Keith M. Kiuchi, A Law Corporation

1001 Bishop Street, ASB Tower, Suite 985 | Honolulu, HI 96813 | Tel.: (808) 533-2230 |
FAX: (808) 533-4391

**TESTIMONY OF KEITH M. KIUCHI
IN SUPPORT OF H.B. NO. 1312
House Finance Committee
Hearing Date: 3/1/2011 – 2:00 p.m.**

My name is Keith Kiuchi and I am the attorney for Honey Bee USA, Inc. (“Honey Bee”). Honey Bee was selected as the developer for certain fast lands and submerged lands in the Ala Wai Small Boat Harbor pursuant to a Request for Qualifications/Request for Proposal for the Ala Wai Boat Harbor Fuel Dock and Haul-Out/Repair Sites (the “RFP”) issued by the Dept. of Boating and Ocean Recreation of the Dept. of Land and Natural Resources, State of Hawaii (“DOBOR”) on November 25, 2008. Honey Bee supports H.B. 1312 because it promotes and encourages the type of public-private partnership needed to both develop these fast lands and make improvements to the harbor in a time when the state does not have the money to develop these properties.

At present the state receives only \$36,000 a year in rent from both of these properties, including the submerged lands adjacent to both the Fuel Dock and the Haul-Out/Repair Site. Under Honey Bee’s proposal the state will receive \$564,000 a year for the fast lands and over \$84,000 a year for the submerged lands. A total of over \$648,000 a year will go into the DOBOR fund, which is 18 times the present amount that DOBOR receives for these properties. Even when Ala Wai Marine, Ltd. was open the state was receiving only \$147,000 a year for these properties. The proposed bill authorizes DOBOR to lease submerged lands and fast lands in the Ala Wai Boat Harbor. In addition to the Fuel Dock and Haul-Out/Repair Sites, it encourages DOBOR to enter into public-private partnerships for two other sites in the harbor. In a time when the state is looking for additional sources of revenue it makes sense to look to a private developer that would pay the state a fair rent for these fast lands. Honey Bee has already paid the State of Hawaii a development fee of \$150,000. Honey Bee continues to pay the state \$15,000 a month while it completes the process to obtain all of the necessary permits. In short the state is receiving significant revenue from this property.

But the development of these fast lands provides much more than just revenue for the state. While the revenue is an important factor, the area is deteriorating and is in bad need of repair. The former Ala Wai Marine building is falling apart and the dock area near the Ala Wai Channel has become a hazard. The concrete apron surrounding the Fuel Dock has been in need of major repairs for several years. All of these areas will be repaired through a private developer and the former site of the haul-out repair facility, which is now an eyesore, will become the home of an attractive development at the entrance to Waikiki.

The state can truly benefit by more partnerships such as these that will provide both needed revenue and a way to refurbish areas that need to be refreshed. We support H.B. 1312.

**TESTIMONY OF CHRIS McCLURIN
IN SUPPORT OF H.B. NO. 1312
House Finance Committee
Hearing Date: 3/1/2011 – 2:00 p.m.**

Chris McClurin
57 Arizona Memorial Drive, #105
Aiea, HI 96701

My name is Chris McClurin and I am a concerned boater. I formerly worked at Ala Wai Marine, Ltd., which operated the haul-out repair facility in the Ala Wai Boat Harbor until January, 2009. I am submitting this written testimony in support of House Bill 1312.

As a boater the state needs to improve the condition of all of its harbors, including both the Ala Wai and Keehi harbors. While recent efforts have been made to renovate slips at the Ala Wai Small Boat Harbor, conditions are still poor. What makes it difficult is in these economic times it is difficult to justify the state apportioning money to improve these harbors. That is why I support the intent of House Bill 1312, which would encourage the leasing of the fast lands in both Ala Wai and Keehi as a means for the state to obtain revenue necessary to repair and maintain these harbors. A private developer, such as the developer selected by the Division of Boating and Ocean Recreation in November of 2008, is better equipped to both improve the condition of the harbor and provide the state with needed revenue. The legislature should encourage such partnerships.

**TESTIMONY OF NOBUAKI YOSHINO
IN SUPPORT OF H.B. NO. 1312
House Finance Committee
Hearing Date: 3/1/2011 – 2:00 p.m.**

Nobuaki Yoshino
801 S. King Street, #2604
Honolulu, HI 96813

My name is Nobuaki Yoshino. I was the Vice-President of Ala Wai Marine, Ltd. when it operated the haul-out repair facility in the Ala Wai Boat Harbor. I am also the Vice-President of Honey Bee USA, Inc, which was selected as the developer of lands in the Ala Wai Boat Harbor. Before serving as Vice-President of Ala Wai Marine I managed a marina in Marina Del Ray in California. I am submitting this written testimony in support of House Bill 1312.

I have been involved with Ala Wai Marine since 1996 and I have seen the condition of the Ala Wai Boat Harbor get worse over time. There is no question that repairs are needed throughout the harbor, especially at the former site of Ala Wai Marine. That site is in bad need of repairs, especially the dock area along the Ala Wai Channel. It was difficult operating a boat repair yard when there were so many repairs that were needed. The best way to make those repairs is to have a private developer partner with the state in making the necessary improvements. I support House Bill 1312 because it promotes and encourages the type of public-private partnership needed to both develop the Ala Wai Harbor. The state does not have the money to develop the fast lands in this harbor and by using a private developer the state reaps the benefit of the increased rent. Ala Wai Marine was paying only \$9,250.00 a month to the state when it closed. The Fuel Dock pays about \$3,000.00 a month, a combined total of \$12,250.00 a month. Honey Bee will be paying \$47,000 a month for these same properties and an additional \$86,000 a year for the slips adjoining these properties. Honey Bee has already paid the State of Hawaii a development fee of \$150,000. Honey Bee continues to pay the state \$15,000 a month while it completes the process to obtain all of the necessary permits.

I would like the legislature to encourage this type of partnership. In these difficult economic times the state needs to change its way of thinking and embrace companies that are not only willing to make the necessary improvements, but are willing to pay the state fair rent for these properties.

**TESTIMONY OF CHARLES BELLMAN
IN SUPPORT OF H.B. NO. 1312
House Finance Committee
Hearing Date: 3/1/2011 – 2:00 p.m.**

Charles Bellman
57 Arizona Memorial Drive, #105
Aiea, HI 96701

My name is Charles Bellman and I am the former general manager of Ala Wai Marine, Ltd. Ala Wai Marine, Ltd. operated the haul-out repair facility in the Ala Wai Boat Harbor until January, 2009. I am submitting this written testimony in support of House Bill 1312.

As the former manager of Ala Wai Marine I can testify to the conditions of the improvements in the Ala Wai Boat Harbor. Despite the recent improvements put in by the state in recent years the condition of the harbor remains very poor. The harbor should be the “jewel of the Pacific”, a center for ocean recreation. Given the state’s present economic condition making improvements to the Ala Wai and other harbors around this state is not possible without the state being able to receive a fair rent for its fast lands. The RFP issued by the Division of Boating and Ocean Recreation in November of 2008 is an important first step towards the state receiving a fair return for its lands with those rent moneys being used to renovate and maintain our small boat harbors. It is for this reason that I support the intent of House Bill 1312, which encourages a public-private partnership to lease the fast lands to provide needed revenue. Before Ala Wai Marine, Ltd. closed the state was only receiving approximately \$147,000 a year for its fast lands. Under the development agreement that the state has pursuant to the November, 2008 RFP, this is now increased to over \$564,000 a year for the fast lands, with an additional \$84,000 a year for the submerged lands. The legislature should encourage such partnerships because it would also result in improved conditions in the harbor.

HB1312 HD1 - A Much Needed Small Amendment
In room 308 at 1400 on Tuesday, 1 March 2011
House Committee on Finance

Chair Oshiro and Respected Members of the Committee;

My name is Reg White. I have been a tenant and resident of Ala Wai Small Boat Harbor for the past thirteen years.

This bill, as presently worded in HD1 just needs to be amended to under (c) to add line (8) No lease or sale of submerged lands in a state marina shall result in a reduced number of slips nor less linear feet of slip available to the general public.

There are also some 50 boat ramps in Hawaii. Only a few of these are located within the boundaries of a small boat harbor yet the boaters of the harbors are required to pay for most of the operation and maintenance costs for these ramps. This is a classic case of a misfit. These ramps, the ones that are not within the boundaries of a small boat harbor, should be under the parks division. Their contribution of federal gas tax money should be moved along with them into parks. Take them out from DOBOR.

Respectfully,

Reg White
1540 S. King St.
Honolulu, HI 96826-1919
808-22-9794, RawcoHI@cs.com

Respectfully,

Reg White
1540 S. King St.
Honolulu, HI 96826-1919
808-222-9794
RawcoHI@cs.com
AUADACIOUS II, berth 648 Ala Wai Small Boat Harbor

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 9:53 AM
To: FINTestimony
Cc: crjohnson@hawaii.rr.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM
Attachments: Image006.jpg

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: crjohnson
Organization: greenvision
Address:
Phone:
E-mail: crjohnson@hawaii.rr.com
Submitted on: 2/28/2011

Comments:

As a boater, surfer, sailor and responsible citizen working for green global awareness, the commercialization of our small boat harbor is in blatant contradiction to exactly THAT- A SMALL BOAT HARBOR. The idea to promote growth in an area already over populated, designed for small boats sailors surfers and daily recreational users is totally unsustainable in its approach to 'cleaning' up and restructuring business in a recreational harbor. Any financial gains needed to address the solidity of state redistribution projects should parley its tasks to more well thought out ventures; (we are not looking for a mini 'Disney Land' here!) i.e. prisons, schools, highways, homeless, alternative energy measures. Do not play dumb. Be smart. Work FOR the people.



FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 10:20 AM
To: FINTestimony
Cc: HARRISMDW001@hawaii.rr.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: William Harris
Organization: Individual
Address:
Phone:
E-mail: HARRISMDW001@hawaii.rr.com
Submitted on: 2/28/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 10:35 AM
To: FINTestimony
Cc: mtchandl@hawaii.edu
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: Michael Chandler
Organization: Individual
Address:
Phone:
E-mail: mtchandl@hawaii.edu
Submitted on: 2/28/2011

Comments:

This plan should benefit boaters and the community if implemented carefully. I hope that the officials overseeing development will ensure that a boatyard and marine supply store are included in development plans.

We currently lack competition among marine supply stores resulting in over priced boating goods. I hope that competition is boosted by this plan and that West Marine will not be elected to run the future marine supply store.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 11:40 AM
To: FINTestimony
Cc: rromo@hawaii.rr.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Robert Romo
Organization: Individual
Address:
Phone:
E-mail: rromo@hawaii.rr.com
Submitted on: 2/28/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 12:03 PM
To: FINTestimony
Cc: cowgirlinhawaii@yahoo.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Beth Malvestiti
Organization: Individual
Address:
Phone:
E-mail: cowgirlinhawaii@yahoo.com
Submitted on: 2/28/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 1:49 PM
To: FINTestimony
Cc: nancymueting@hotmail.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Nancy Mueting
Organization: Individual
Address:
Phone:
E-mail: nancymueting@hotmail.com
Submitted on: 2/28/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 1:03 PM
To: FINTestimony
Cc: aloha@boxbe.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Robert Clarkin
Organization: Individual
Address:
Phone:
E-mail: aloha@boxbe.com
Submitted on: 2/28/2011

Comments:

Aloha, I have owned a boat in the Ala Wai Boat Harbor for over 50 years. The bills that have been put forth have been ill conceived by DOBOR. There has been no work done on the social and environmental effects this bill will create. I respectfully ask that this bill and others that relate to this concept be tabled for this session and allow the new head of DLNR to assess the totality of the erroneous ideas and plans that DOBOR has put forth on a very obvious agenda. A better bill would be to ask for an audit of DOBOR. With Aloha.

FINTestimony

n: mailinglist@capitol.hawaii.gov
ent: Monday, February 28, 2011 1:02 PM
To: FINTestimony
Cc: streamfellow@yahoo.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dwight Streamfellow
Organization: Individual
Address:
Phone:
E-mail: streamfellow@yahoo.com
Submitted on: 2/28/2011

Comments:

Oppose HB1312, further comercialization of the Ala Wai Harbor would create a safety hazard to the save use of the many recreation user's. Dwight Streamfellow

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 10:17 AM
To: FINTestimony
Cc: HARRISMDW001@hawaii.rr.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: William Harris
Organization: Individual
Address:
Phone:
E-mail: HARRISMDW001@hawaii.rr.com
Submitted on: 2/28/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Sunday, February 27, 2011 7:40 PM
To: FINTestimony
Cc: captdave@boats4u.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dave Cooper
Organization: Individual
Address:
Phone:
E-mail: captdave@boats4u.com
Submitted on: 2/27/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 7:00 AM
To: FINTestimony
Cc: drgeorgepc@yahoo.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dr. George Carayannis
Organization: Individual
Address:
Phone:
E-mail: drgeorgepc@yahoo.com
Submitted on: 2/28/2011

Comments:

I am a resident of Ala Wai boat harbor since 1963 (48 years). I oppose HB1312 for the same well documented reasons stated by Mr. Reg White (a 13 year resident of Ala Wai) in his testimony of 4 February 2011 to the House Committee on Water, Land and Ocean Resources. Before proceeding with legislation such as HB1312, efforts should be made to address the poor DOBOR management practices that have been wasteful or have prevented increases in revenue - without raising the slip fees beyond the already programmed increases.

Additional revenue could be obtained - not by moving commercial vessels into the Ala Wai or Keehi harbors - by moving the Kewalo Basin facility from HCDA where it is a complete and unwelcome misfit, and place it under DOBOR along with the immediate surrounding real estate out to the first street ewa and mauka, to the ocean on the makai side and to the wall of Ala Moana Park on the diamond head side. This will give DOBOR the income from commercial passenger and fishing boats without changing the character of Ala Wai or Keehi harbors, or creating problems of traffic, pollution and safety.

This bill contains many oversights and needs to be amended and restructured.

Sincerely,

Dr. George Carayannis
(Ala Wai boater since 1963)

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 7:24 AM
To: FINTestimony
Cc: patwoodauthor@gmail.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Patricia Kesling-Wood
Organization: Individual
Address:
Phone:
E-mail: patwoodauthor@gmail.com
Submitted on: 2/28/2011

Comments:

Ala Wai small boat harbor should remain non-commercial. It is difficult enough as a resident of Hawaii to get a slip and there are not enough reasonably priced slips for local residents as it is. The traffic and impact on parking is a consideration that no one addresses. There is NOT enough parking for the permittees and surfers and beach users as it is. The additional impact of tourist cars and buses would be horrible.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 7:36 AM
To: FINTestimony
Cc: drcarolyn.forbes@hawaiiantel.net
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Carolyn Forbes
Organization: Individual
Address:
Phone:
E-mail: drkarolyn.forbes@hawaiiantel.net Submitted on: 2/28/2011

Comments:

Please see comprehensive testimony submitted by Reg White for WLO Friday 04February2011

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 28, 2011 7:36 AM
To: FINTestimony
Cc: gwood.inja@gmail.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Gordon Wood
Organization: Individual
Address:
Phone:
E-mail: gwood.inja@gmail.com
Submitted on: 2/28/2011

Comments:

I oppose this bill because commercialization of Ala Wai Small Boat Harbor (1) is unnecessary, as any putative un-met demand for commercial slips can be satisfied at the existing Kewalo Basin harbor; (2) such commercialization would reduce the State's supply of recreational boating slips at a time when there is critical un-met demand for those slips; and (3) the potential negative impact of such commercialization on Hawaii's recreational boating industry has not been examined or considered. I urge you to reject this ill-conceived bill.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 27, 2011 10:51 AM
To: FINTestimony
Cc: captdave@boats4u.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dave Cooper
Organization: Individual
Address:
Phone:
E-mail: captdave@boats4u.com
Submitted on: 2/27/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 01, 2011 8:32 AM
To: FINTestimony
Cc: robertcsinclair@yahoo.com
Subject: Testimony for HB1312 on 3/1/2011 2:00:00 PM

Testimony for FIN 3/1/2011 2:00:00 PM HB1312

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Robert Sinclair
Organization: Individual
Address:
Phone:
E-mail: robertcsinclair@yahoo.com
Submitted on: 3/1/2011

Comments: