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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of
SUZANNE D. CASE
Chairperson

Before the Committee on
WATER & LAND

Friday, February 5, 2016
8:30 am
State Capitol, Conference Room 325

In consideration of
HOUSE BILL 1839
RELATING TO DIAMOND HEAD STATE MONUMENT

House Bill 1839 proposes to expand the sources of funds for the Diamond Head State Monument sub-account of the Division of State Parks Special Fund. Further, it authorizes additional uses of moneys from the subaccount and authorizes the issuances of general obligation bonds for the planning, design, and construction of a visitor and interpretive center. **The Department of Land and Natural Resources (Department) supports the intent and offers the following comments and recommendations.**

The Department needs to clarify SECTION 1 of the bill:

Page 1, line 10: The Diamond Head Citizens' Advisory Committee was organized by the Department of Land and Natural Resources in October 1977 to assist the Department in the development of a plan for Diamond Head State Monument (ref: DHSM Master Plan Update, page 1) -- The Diamond Head State Monument Plan, 1979, and the Committee, having completed its duties, was disbanded. The Committee was reactivated in 1993 to again assist the Department with updating the Master Plan. The DHSM Master Plan update was completed in 2003.

Page 1, line 13: The purpose of Act 313, Session Laws of Hawaii 1992, was to authorize funds to update the DHSM master plan, to add additional adjacent lands to the Monument (through a series of Executive Orders), require conformance to the plan and fund improvements to the Diamond Head trail system.

Overview

The Department's Division of State Parks (DSP) manages 10 classes of State Park features across Hawaii that range from: heavily used Recreation Areas to immeasurably sensitive Historical Sites – to remote Wilderness Parks to urbanized and highly accessible State Waysides. All together there are 70 public natural and cultural resource features that require varying degrees of staffing and maintenance, oversight or partnership management.

In 1998 the DSP General Fund appropriation was 8 million for a smaller and a less attended statewide park system. In 2010 General fund appropriations were reduced to 3.9 million. Additional staff reductions occurred and parks were targeted for closure. Concurrently over the ensuing 22 years, and in an accelerated manner since 2010, DSP's reliance on Special Fund income has become increasingly significant to offset the years of systematic decreases in General Funds. In response to this, DSP has creatively increased operational income using a variety of fees, concessions, leases and public-private partnerships to manage Hawaii's statewide park system.

In FY15, DSP General Fund Allotment was \$4,465,707 (\$3,534,293 less than in 1998) and Special Fund revenue was \$4,155, 579 - a total of \$8,621,286.

In 22 years, DSP operational funding has increased by only \$621,286, at the same time DSP has added more park features to the system and visitor patronage is at record levels. Simply factoring for inflation, the DSP budget should be at \$13 million for fiscal parity with the 1998 operating budget.

Diamond Head State Monument (DHSM)

In FY15 DHSM generated \$1.2 million in entrance fee revenue of which 20% (\$241,235) was allocated to OHA as ceded land revenue. The DHSM sub-account received the 55% (\$530,718) with the balance (\$434,224) going to the DSP Special Fund. The operational costs include maintenance and interpretive staff, utilities, and a variety of park maintenance costs. The balance of the entry fee revenue is used to offset the operational costs throughout the Hawaii State Park System. The 3 other concessions (vending machines, lunch wagon and the Interpretive Kiosk) provide a modest additional sum (a total \$113,359) that also contribute to the overall DSP Special Fund revenue.

DSP is in a 3 year partnership with Pacific Historic Parks (PHP), a non-profit organization that is also a cooperating association with the National Park Service at Valor in the Pacific National Monument (including the USS Arizona Memorial).

PHP has a concession lease with DSP to run the small Interpretive Kiosk in the DHSM crater that sell's DHSM merchandise and provides visitor information. There is also a memorandum of agreement between DSP and PHP to collaborate on a variety of other interpretive and fund raising opportunities. DSP just had conversations with PHP to develop partnerships and fundraising to partially fund both the planning and design of a new interpretive visitor center in DHSM crater on lands that are being returned to the Department for park use from the State Department of Defense, as set forth in Section 6E-32, HRS. The Diamond Head State Monument Master Plan Update (2003) has a visitor interpretive center conceptual plan, which

the Department would use as a framework to move forward on planning and design. Changes in the location of the visitor center from the location in the current master plan may require Chapter 343 HRS and DSP needs to consult with the Diamond Head Citizens' Advisory Committee.

Position:

The Department is opposed to the statutory changes to Section 184-3.4, Hawaii Revised Statutes (HRS), and diverting any DHSM revenue currently used as operating funds for a CIP related project, based on the fiscal explanations above.

However, the Department is in very strong support of the intent of Sections 3 and 5 of this measure, but is uncertain if GO bonds can be deposited into the DHSM sub-account as currently written in Section 3.

The Department recommends and requests that CIP funds be allocated for the Planning, Design and Construction of a Diamond Head State Monument Visitor Center with an appropriation to be determined prior to the end of this legislative Session.

HISTORIC HAWAII FOUNDATION

TO: Rep. Ryan I. Yamane, Chair
Rep. Ty J.K. Cullen, Vice Chair
Committee on Water & Land

FROM: Kiersten Faulkner, Executive Director
Historic Hawaii Foundation

Committee: Friday, February 5, 2016
8:30 a.m.
Conference Room 325

RE: **HB 1839, Relating to the Diamond Head State Monument**

On behalf of Historic Hawaii Foundation, I am writing **in support for the intent of HB 1839**. The bill would expand the sources of funds and authorize the issuance of general obligation bonds for the planning, design and construction of a visitor and interpretive center at Diamond Head State Monument.

Diamond Head crater is an international icon symbolizing Hawai'i and O'ahu. Its intrinsic natural, scenic, cultural and historic values were recognized with the designation of the Diamond Head State Monument, and the importance of preservation those characteristics is institutionalized in special protections that are established in state law and county regulations. The park is a favorite for both visitors and kama'āina who find educational, recreational and inspirational value at the crater.

The concept of a Visitor and Interpretive Center to help educate and manage visitors has been promoted in the Diamond Head State Monument Master Plan Update (2003) and is supported by the Diamond Head Citizen's Advisory Committee. Historic Hawai'i Foundation has representatives on the advisory committee and participated in the development of the master plan.

Historic Hawai'i Foundation supports the intent of providing a location to provide visitor interpretation for historic, cultural and natural resources and to promote greater protection and sensitivity for those resources. The Master Plan states that the goal for Diamond Head is the "preservation of historical values, maintenance of the open view corridors to the crater from the exterior, and opportunities for recreational activities. Consequently, the development of interpretive facilities and programs at Diamond Head should be sensitive to the scenic values, the natural landscape, and the historic character of the crater" (pages 99-100).

With the understanding that the planning, design and construction of the interpretive center will need to follow historic preservation standards and guidelines, Historic Hawai'i Foundation supports providing additional opportunities for visitor education and support facilities at Diamond Head. Funding resources are a necessary first step to make the center a reality, and we look forward to working with the other stakeholders to ensure its sensitive placement and design.

Thank you for the opportunity to comment.