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SUZANNE D. CASE
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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 House Committee on
FINANCE

Friday, February 23, 2018
12:00 PM
State Capitol, Conference Room 308

In consideration of
HOUSE BILL 2380, HOUSE DRAFT 1
RELATING TO DISPOSITION WITHIN STATE BOATING FACILITIES

House Bill 2380, House Draft 1 proposes to clarify that the Board of Land and Natural Resources (Board) may lease all fast lands and submerged lands within any existing state boating facility pursuant to a request for proposals without regard to Section 200-2.6, Hawaii Revised Statutes (HRS), with the prior authorization of the Legislature by concurrent resolution. **The Department of Land and Natural Resources (Department) supports this Administration measure with the following recommended amendments.**

Currently, Section 200-2.5(a), HRS, authorizes the Board to lease "fast lands and submerged lands within an existing state boating facility" by public auction, a request for proposals, or by direct negotiation pursuant to Section 171-59, HRS, and Chapter 190D, HRS, for private development, management, and operation, provided that any lease of fast lands or submerged lands pursuant to a request for proposals shall be subject to Section 200-2.6, HRS, regardless of which state boating facility the fast or submerged lands are attached to. However, Section 200-2.6, HRS, only addresses leases of the Ala Wai Boat Harbor. Thus, the reference to Section 200-2.6, HRS, within Section 200-2.5(a), HRS, is ambiguous and confusing. This measure proposes to remove the ambiguity and clarify the Department's ability to lease fast lands and submerged lands in any state boating facilities.

The Department operates and manages twenty-one harbors, which includes certain areas that are underused and if properly developed could potentially generate revenues that would enable not only their own continued improvement and maintenance but the improvement and maintenance of other state small boating facilities. Many of these facilities are in dire need of long overdue repair and maintenance.

For safety reasons, it is essential that the Department have the ability to address state small boat harbor facility deficiencies in a timely fashion, and House Bill 2380, House Draft 1 would provide the Department with the necessary flexibility and options to perform upgrades and improvements to state boating facilities, to the benefit of boaters.

The language of House Bill 2380, House Draft 1 would require the Department to obtain authorization from the Legislature by concurrent resolution for the leasing of both fast lands and submerged lands. The Department already has the authority to lease fast lands at all small boat harbors pursuant to the current language of Section 200-2.5(a), HRS, and believes that only leasing of submerged lands should be subject to authorization from the Legislature by concurrent resolution. The Department therefore recommends House Bill 2380, House Draft 1 be amended to clarify this intent. Placing a restriction on the Department's ability to lease fast lands at small boat harbors would severely hinder efforts that are an integral part of revenue generation for the boating special fund. The Department's recommended amendments (highlighted in grey) to SECTION 1 of House Bill 2380, House Draft 1 is as follows:

SECTION 1. Section 200-2.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Notwithstanding any law to the contrary, the board ~~with the prior authorization of the legislature by concurrent resolution,~~ may lease fast lands and submerged lands within an existing state boating facility by public auction, a request for proposals, or by direct negotiation pursuant to section 171-59 and chapter 190D, for private development, management, and operation; ~~provided that any lease of [fast lands or] submerged lands [pursuant to a request for proposals shall be subject to section 200-2.6, regardless to which state boating facility the fast or submerged lands are attached.]~~ shall require prior authorization from the legislature by concurrent resolution.

As used in this section, the term "state boating facility" means a state small boat harbor, launching ramp, offshore mooring, pier, wharf, landing, or any other area under the jurisdiction of the department pursuant to this chapter."

Thank you for the opportunity to testify on this measure.



Testimony for
House Committee on Finance
Friday, February 23, 2018, 12:00 p.m. Room 308

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

HB 2380 HD1 Relating to Disposition within State Boating Facilities

Dear Chair Yamane and Members of the Committee:

This testimony is in **STRONG SUPPORT** of HB 2380 HD1 to clarify that the Board of Land & Natural Resources may lease all fast lands and submerged lands within any existing state boating facility pursuant to a request for proposals without regard to Section 200-2.6 HRS and prior Legislative Resolution approval.

I am Lynn McCrory, Senior Vice President of Government Affairs for Pulama Lanai. Pulama Lanai is the entity that was set up by Larry Ellison to work with the community and government as we move the island of Lanai toward sustainability.

Section 200-2.6 HRS is only relevant to the Ala Wai boat harbor, and only confuses the issue of going forward with leasing fast or submerged lands within an existing state boating facility. Pulama Lānaʻi is in the process of finalizing a submerged land lease at the Manele Small Boat Harbor. The process is lengthy and complicated. Having to address one non-relevant issue in a lease for a totally different harbor only adds to the process. Obtaining Legislative prior approval is what is currently being done.

We all want our small boat harbors to be a shining example of our State. Reducing the complexity which isn't relevant allows DOBOR's funding to be used for the harbors.

We humbly ask that you SUPPORT HB 2380 HD1. Mahalo!

Me ke aloha pumehana
With warm aloha,

Lynn P. McCrory
Senior Vice President of Government Affairs

HB-2380-HD-1

Submitted on: 2/22/2018 9:42:58 AM

Testimony for FIN on 2/23/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy	Individual	Oppose	No

Comments:

Leasing does not guarantee the leasor will do a better job managing harbors than the state. It only guarantees that a middleman gets paid increasing boat permit costs. Everyone in Hawaii has problems with procurement.

Thank you for the opportunity to testify.

Nancy, Ala Wai Harbor landside property resident

HB-2380-HD-1

Submitted on: 2/22/2018 11:44:06 AM

Testimony for FIN on 2/23/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
kathryn fitzsimmons	Individual	Oppose	No

Comments:

I AM STRONGLY OPPOSED TO THE STATE LEASING ALA WAI SMALL BOAT HARBOR.

I AM A LONG TIME OWNER AND FULL TIME RESIDENT OF THE ILIKAI. THERE'S A POTENTIAL THAT THE LEASEE AND THE STATE COULD USE THEIR JOINT FORCE TO MAKE UNFAVORABLE COMMERCIAL USE OF THE HARBOR. THANK YOU FOR THE OPPORTUNITY TO TESTIFY.