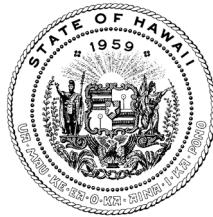


DAVID Y. IGE
GOVERNOR OF HAWAII



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

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
WATER & LAND

Tuesday, February 8, 2022
9:00 A.M.

State Capitol, Via Videoconference, Conference Room 430

In consideration of
HOUSE BILL 2163
RELATING TO A STATE BOATING FACILITY LEASE PROGRAM

House Bill 2163 proposes to (1) establish a state boating facility lease pilot program to allow the Board of Land and Natural Resources (Board) to lease one small boat harbor in the state for private development, management, and operation of one small boat harbor; and (2) specify that any private partners under lease or contract with the Department of Land and Natural Resources (Department) for the management and maintenance of small boat harbors shall not be subject to the civil service law. **The Department strongly supports this Administration measure and recommends an amendment.**

The COVID-19 pandemic has shed light onto the fact that the Department does not have the flexibility and capacity to adapt business operations in a timely manner based on changing market conditions. During the height of the COVID-19 pandemic, the Department was put on a hiring freeze, limitations were placed on spending, budget reductions were implemented, and as a result, services to the general public were greatly reduced. Having the option of working with the private sector would have eliminated these issues because a private partner would not have to operate under these restrictions that hindered the Department.

The Department currently has two harbor facilities on O‘ahu that are under a public/private partnership: La Mariana Sailing Club (LMSC) and Ke‘ehi Marine Center (KMC). The Department is requesting this measure so that it can pilot the same management model as LMSC and KMC in a state small boat harbor with the intent that the program be expanded statewide if it is successful.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

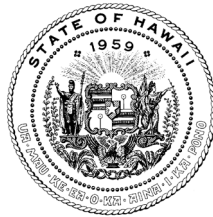
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

The Department notes two common misconceptions among critics to the proposed management model: (1) private management would lead to exorbitantly high mooring fee rates; and (2) private management would lead to the transfer of state lands under public trust to the private sector. The Department clarifies that: (1) the authority and method for determining fees remains unchanged: the Department will set fees pursuant to Section 200-10, Hawaii Revised Statutes, with the Board maintaining authority for approval of any proposed fee increases; and (2) this measure will not authorize any sale or transfer of state lands and only proposes to allow a lease of one small boat harbor and associated submerged lands in the state to attract private partners who plan to make improvements and improve the state small boat harbor facilities.

The Department notes that the Department of Budget and Finance (B&F) raised potential budgetary issues concerning tax exempt bonds that were used to construct the facility. B&F is willing to work with DLNR regarding the bond concerns and recommended entering into a qualified management agreement in lieu of a lease until the concerns can be addressed. The Department and B&F have been engaged in discussions on this issue, and the Department requests an amendment providing an additional option for the Board to enter into a qualified management agreement for the operation of the piloted state small boat harbor, based on discussions with B&F.

Thank you for the opportunity to testify on this measure.

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Thank you for the opportunity to testify on this measure.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
House of Representatives
Committee on Water and Land

Testimony by
Hawaii Government Employees Association

February 8, 2022

H.B. 2163 –RELATING TO A STATE BOATING
FACILITY LEASE PROGRAM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of H.B. 2163, which establishes a state boating facility lease pilot program. The proposed bill would allow the Board of Land and Natural Resources to lease one small boat harbor in its entirety and allow a private partner under lease or contract to assist the Department with development, management, and maintenance of a small boat harbor.

The proposed privatization language of H.B. 2163 is very broad and will likely displace career civil servants who currently operate these small boat harbors across the state. Additionally, the pilot project does not identify which small boat harbor will be impacted, rather it empowers the Board the exclusive authority to negotiate the private development, management, and operation. From a policy perspective, we respectfully argue that the Legislature should maintain sole responsibility in determining which public assets should be privatized and should allow the public an opportunity to weigh in.

If the justification of this measure is to preserve coastal resources and provide a method of timely maintenance, then it would behoove the Legislature to provide more support to our employees and departments – not allow the Board to contract out these functions.

Thank you for the opportunity to testify in opposition of H.B. 2163.

Respectfully submitted,

Randy Perreira
Executive Director

HB-2163

Submitted on: 2/5/2022 11:05:25 AM

Testimony for WAL on 2/8/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jeffry L. Hossellman	Individual	Support	No

Comments:

We love our harbor government workers. They do their very best. However a large organization has difficulty operating a small boat harbor. I doubt if any other State legislature spends valuable time reviewing and overseeing the day to day operation of a small boat harbor.