



OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
HOUSE COMMITTEE ON WATER AND LAND
Tuesday, February 9, 2021
9:15 A.M.
Videoconference

in consideration of
HB 588
RELATING TO ENVIRONMENTAL CONSERVATION.

Chair Tarnas, Vice Chair Branco, and Members of the House Committee on Water and Land.

The Office of Planning (OP) respectfully offers **comments** regarding the proposed measure, HB 588, which amends Chapter 171, Hawaii Revised Statutes (HRS) by adding two new sections allowing the imposition of a visitor fee for Lipoa point and establishing a special fund to deposit collected fees.

The OP's comments are related to the terminology in the proposed measure, and

1. The OP serves as the lead agency of the Hawaii Coastal Zone Management (CZM) Program, which was approved by the federal government in 1978. The OP notes that the term "**special management area**" (SMA) is statutorily defined in HRS § 205A-22 as "the land extending inland from the shoreline as delineated on the maps filed with the authority as of June 8, 1977, or as amended pursuant to section 205A-23".
2. While Lipoa Point is within the Maui County SMA, the OP recommends that the terminology for this proposal be amended. We respectfully request that the name for this proposed area and the associated proposed special fund be amended to ensure the term "special management area" is consistent with its original intent and application of State law.
3. The OP has no comments regarding the proposal to establish a visitor fee and special fund in HRS Chapter 171.

Thank you for the opportunity to testify on this measure.



HOUSE OF REPRESENTATIVES
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2021

COMMITTEE ON WATER & LAND

Rep. David A. Tarnas, Chair

Rep. Patrick Pihana Branco, Vice Chair

Rep. Sonny Ganaden	Rep. Dee Morikawa
Rep. Bertrand Kobayashi	Rep. Takashi Ohno
Rep. Sam Satoru Kong	Rep. Bob McDermott

NOTICE OF HEARING

DATE: Tuesday, February 9, 2021
TIME: 9:15 a.m.
PLACE: VIA VIDEO CONFERENCE
Conference Room 430
State Capitol
415 South Beretania Street

TESTIMONY OF THE OCEAN TOURISM COALITION IN OPPOSITION TO HB588.

Dear Chair Tarnas, Vice Chair Branco, and Members of the Committee on Water and Land:

The Ocean Tourism Coalition (“OTC”) wants Honolua Bay MLCD and the Lipoa Point Reserve to be properly maintained but disagree with HB588 and its method of accomplishing that goal.

The OTC represents over 300 small ocean tourism businesses statewide. Most of these are family businesses that are locally owned and operated. Many of them have been in business for several decades and are an important and valued part of their respective communities. Included in this group are the small subset of vessels which access Honolua Bay MLCD. (10 Catamarans and a couple of Dive Boats). All of these businesses have Commercial Use Permits to operate from State Boating Facilities mostly from Ka’anapali Beach Ocean Recreation Management Area (ORMA). The vessels that operate from Ka’anapali Beach have hardly any infrastructure provided by DOBOR.

OTC estimates that DOBOR collects over one half million dollars each year from these vessels (They all pay 3% of their gross revenue to DOBOR Special Fund) with very few services in return; and primarily administrative expenses on DOBOR's part. No infrastructure. No Berths, no harbor, nothing. They are anchored offshore on their own moorings. We argue that these vessels are paying their fair share already and should not have this additional financial and record keeping burden placed on them.

Finally, the vessels that take tourists to Honolua Bay MLCD, do so as stewards of the Bay. They anchor using day-use moorings. The guests are educated about Honolua's environmental and cultural significance. After a safety briefing, they take their guests on a guided snorkel tour. They have minimal impact on the ecosystem. On the other hand, hundreds of tourists access Honolua Bay by land each day that have no supervision. They often walk on the coral, litter, use the port-a-potties, and contribute most of the human impact and maintenance costs that are incurred at Honolua Bay. However, land-based activities are totally absent from this bill.

Instead, it seems like commercial boats are simply an easy target from which to collect money, yet they provide the very best way environmentally to access Honolua Bay. In fact, if the preservation of the Bay is the highest priority, then consider not allowing land-based tourist access and make it only vessel access with escorted snorkel/dive tours. That would drastically reduce or eliminate any degradation of the area and might actually be something worth charging tourists for. Please do not pass HB588. It is simply a fundraising bill that does not address the actual activities that have the greatest adverse impact on Honolua Bay.

Sincerely,

Denver S. Coon, Director, OTC

DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committees on
WATER & LAND
and
HOUSING**

**Tuesday, February 9, 2021
9:15 am**

State Capitol, Via Videoconference, Conference Room 430

**In consideration of
HOUSE BILL 588
RELATING TO ENVIRONMENTAL CONSERVATION**

House Bill 588 proposes to establish a Lipoa Point Special Management Area and a visitor fee to be used for the management and maintenance of the Lipoa Point special management area and to educate visitors of the stewardship activities being funded by the visitor fees. The measure also proposes to create the Lipoa Point special management area special fund. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers the following comments.**

The Department appreciates the effort to generate much needed revenues to support the management of the Lipoa Point property. However, the Department has concerns regarding the specific provisions of this measure. First, there does not appear to be a nexus between those entities required to pay the proposed fees (maritime commercial vessel operators conducting commercial activities in ocean waters) and the activities identified in the measure to be supported by the fees (providing visitor services and education for the abutting fast land parcel). Additionally, the proposed fee's narrow scope and minimal amount (\$1.00 per passenger per vessel) would likely not raise the amount of revenues sufficient to fund the activities contemplated by the bill. Furthermore, given that the fee amount is set by statute, any future adjustment would require legislative action rather than administrative approval or rulemaking. The Department also notes that implementing and collecting the fee pursuant to this bill (which also mandates rulemaking) requires additional resources, including staffing.

So long as the property remains unencumbered, it remains open and accessible for the public without user fees. In order to generate revenue to fund ongoing management activities for the property, the property would either need to be leased to a private entity or set aside to an

appropriate agency with the authority and experience to impose user fees. Such action would also require environmental review in compliance with Chapter 343, Hawaii Revised Statutes. As an alternative, the Department requests a general fund appropriation in the amount of \$150,000.00 annually over the biennium to fund minimal management activities that address public health and sanitation, such as trash receptacles and portable toilets. However, this would not be sufficient to fund higher cost services such as lifeguards or land maintenance such as trash and debris clean up or vegetation control.

The Department also recommends using a different designation for the Lipoa Point property other than “Special Management Area” in order to avoid confusion with the identical existing County regulatory term, also known as the “SMA”. Instead, the Department recommends designating the property as the “Honolua/Honokohau Management Area”. The proposed naming would also be consistent with the designation used in the Department’s forthcoming community-based management plan.

Finally, the Department strongly recommends that the bill’s proposals be coordinated with the findings and recommendations of the Department’s Honolua to Honokohau Management Plan currently in development. The bill’s intent of establishing a management area and creating a source of operational funding are recommendations and inclusive in the management plan. This plan is incorporating a variety of resources and efforts including the Department’s Honolua-Mokuleia Marine Life Conservation District Action Plan; as well as input and insights from community stakeholders. This plan is a Department wide effort comprised of staff, including Maui district managers, community members and other stakeholders.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON WATER & LAND AND HOUSING
ON
HOUSE BILL NO. 588

**February 9, 2021
9:15 a.m.
Via Videoconference**

RELATING TO ENVIRONMENTAL CONSERVATION

The Department of Budget and Finance offers comments on House Bill (H.B.) No. 588.

H.B. No. 588: establishes the Lipoa Point Special Management Area (LPSMA) and a visitor fee for passengers of maritime commercial vessels engaging in commercial activity crossing by Lipoa Point to support management of the area and to apprise visitors of the activities funded by the visitor fee; and establishes the LPSMA Special Fund for these efforts that would generate revenues through legislative appropriations, a \$1 fee for maritime commercial vessel passengers travelling near the LPSMA, grants, gifts, other income, federal funds, and interest earnings. H.B. No. 588 does not appropriate any funds.

As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the

general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining.

Regarding H.B. No. 588, it is difficult to determine whether the proposed special fund would be self-sustaining or demonstrates a clear nexus between the benefits sought and charges made upon users.

Thank you for your consideration of our comments.

LATE

HB-588

Submitted on: 2/8/2021 2:35:06 PM

Testimony for WAL on 2/9/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
James E. Coon	Ocean Tourism Coalition	Oppose	No

Comments:

The primary vessels that access Honolua Bay on a regular basis are the 10 Kaanapali Catamarans and a couple of small dive vessels that have ORMA permits. These vessels are only allowed to carry about half the number of passengers allowed by sisterships operating out of adjacent harbors. There are only 3 day use moorings in Honolua Bay and 1 at Mokuleia Bay the adjacent bay., These vessels conduct guided snorkel tours, They only take pictures and leave bubbles. However there is unlimmited land access to Honolua Bay with unescorted snorkelers that can cause damage by walking on the coral to access the snorkel areas. It is not reasonable to charge the handfull of charterboats that are operating sustainably even though they are an easy target, while ignoring the land access.

HB-588

Submitted on: 2/9/2021 8:19:42 AM

Testimony for WAL on 2/9/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ananda Stone	Individual	Support	No

Comments:

Currently the community members participate and pay for clean ups at Honolua Bay. Community organization Save Honolua Coalition collected donations for dumpsters and tire recycling to clean up the area where residents, landscapers and construction workers have been using the area to dump their waste, including truck loads of debris, cement, wood, old dryers, etc. Local business "Down the Hatch" and others help support and host the clean ups, but we need help, without these dedicated groups the area would become a growing dump site and cause harm to the natural environment. A "Willingness to Pay" survey was conducted in 2003 (attached) from visitors to Honolua Bay, that were asked whether visitors would be 'willing to contribute financially to the management of MMAs and whether better reefs also lead to higher satisfaction and therefore higher welfare levels.' The results of the survey indicated that 'the most agreeable group is the Mainland US citizen of which almost 80% is willing to pay extra for conservation.

To care for this historically significant marine land conservation district, management, public education and awareness, and funding is crucial. Please pass HB588 to allow for special funding allocation be used for Lipoa Point Special Management Area, and the funding be collected through the commercial vessels who use this area for their capitalization.

Mahalo!

Ananda Stone

Also attached is a sample of a clean up and the quantities of debris I am talking about.