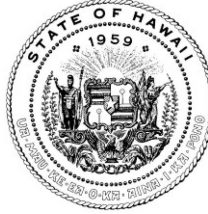


DAVID Y. IGE
GOVERNOR OF HAWAII



DEPT. COMM. NO. 48

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

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

November 2, 2022

The Honorable Ronald D. Kouchi, President
and Members of the Senate
Thirty-Second Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of Representatives
Thirty-Second Legislature
State Capitol, Room 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the report relating to outlining recommendations regarding steps necessary to execute the Division of Boating and Ocean Recreation's improvement masterplan for Honokōhau Small Boat Harbor, as requested by Senate Concurrent Resolution 176, 2022 Legislative Session. In accordance with Section 93-16, Hawaii Revised Statutes, a copy of this report has been transmitted to the Legislative Reference Bureau and may be viewed electronically at: <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2023/BD23-HHK-Master-Plan-Report-FY22.pdf>.

Sincerely,

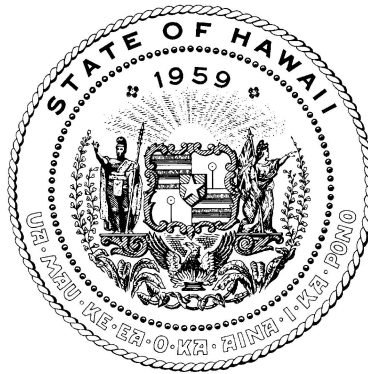
A handwritten signature in cursive script that reads "Suzanne D. Case".

Suzanne D. Case
Chairperson

Enc.

**REPORT TO THE THIRTY-SECOND LEGISLATURE
STATE OF HAWAI'I
REGULAR SESSION OF 2023**

**SUPPORTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES'
DIVISION OF BOATING AND OCEAN RECREATION'S EFFORTS TO EXECUTE ITS
IMPROVEMENT MASTERPLAN FOR THE HONOKOHAU SMALL BOAT HARBOR.**



Prepared by
STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION

In response to
Senate Concurrent Resolution 176
Regular Session of 2022

October 2022

**SUPPORTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES'
DIVISION OF BOATING AND OCEAN RECREATION'S EFFORTS TO EXECUTE ITS
IMPROVEMENT MASTERPLAN FOR THE HONOKOHAU SMALL BOAT HARBOR.**

Senate Concurrent Resolution (SCR) 176, adopted during the Regular Session of 2022, supports the ongoing efforts by the Department of Land and Natural Resources (Department), Division of Boating and Ocean Recreation (DOBOR) to execute its priorities for Honokōhau Small Boat Harbor as outlined in its improvement masterplan. SCR176 requests that DOBOR submit a report outlining recommendations regarding steps necessary to execute its improvement masterplan, including any proposed legislation.

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

DOBOR therefore recommends a pilot public-private partnership for Honokōhau Small Boat Harbor to best implement the master plan. Administration measures that proposed to enact a state boating facility lease pilot program were introduced in the 2022 Legislative Session as Senate Bill 3131 and House Bill 2163. DOBOR currently manages two facilities on O'ahu that are under a public-private partnership: La Mariana Sailing Club and Ke'ehi Marine Center. Furthermore, Kewalo Harbor, under Hawaii Community Development Authority jurisdiction, is under a public-private partnership model with The Howard Hughes Corporation. These facilities are thriving under the public-private partnership model, and DOBOR believes the best path forward is to enter into public-private partnerships at all state small boat harbors. In order to demonstrate a proof-of-concept, DOBOR recommends implementing a pilot public-private partnership, with Ala Wai, Ke'ehi, and Honokōhau small boat harbors as primary candidates.

The Department notes two common misconceptions among some stakeholders: (1) partnering with the private sector would lead to exorbitantly high mooring fee rates; and (2) state lands under public trust would be transferred 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 of Land and Natural Resources maintaining authority for approval of any proposed fee increases; and (2) there are no plans to sell or transfer state lands. DOBOR's plan for public-private partnerships only proposes to clarify the Department's authority to lease small boat harbors and submerged lands under its jurisdiction as well as lease facilities in their entirety to attract private partners who plan to make improvements and improve small boat harbor facilities.