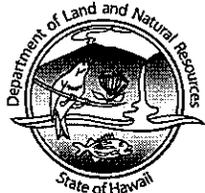


LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
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 THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

on House Bill 2323, House Draft 2 - RELATING TO BEACHES

**BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS**

March 14, 2008

House Bill 2323, House Draft 2 proposes to establish a sub-account within the Beach Restoration Special Fund to be known as the Resort Beach Restoration Fund to be administered by the Department of Land and Natural Resources (Department). From July 1, 2008 to June 30, 2010, a maximum of an unspecified amount of funds may be transferred into the Resort Beach Restoration sub-account from the Hawaii Tourism Authority (HTA). The bill appropriates an unspecified amount of funds from the State General Fund for Fiscal Year 2008-2009 to be deposited in the Resort Beach Restoration Fund. Furthermore, the bill requires any funds released from the Resort Beach Restoration Fund be matched by non-state funds on a one-to-one basis. Additionally, the bill requires the Department to use at least 50 percent of the HTA funds that have been transferred into the Resort Beach Restoration fund sub-account for beach restoration work within a "visitor area resort beach" which includes, but is not limited to Gray's Beach, located in Waikiki and Kaanapali Beach, located on Maui. While the Department appreciates the intent of this bill, the Department nonetheless cannot support the General Fund transfer due to the fiscal impact it will have on the Executive Supplement Budget request. The Department defers to the HTA on the issue of any future transfer of funds to the Department for beach restoration.

In the event this bill moves forward, the Department offers the following technical comments. It appears that it is the intent of this bill is to fund and promote the use of non-state funds to be used for beach restoration at important resort destinations in Hawaii. The Department commends the efforts put forth by the authors of this measure, but has three (3) major concerns about this bill in its current language:

- (1) The Department does not feel that it is necessary to create a new sub-account for beach restoration as the goals and objectives of this measure can be implemented using the existing beach restoration special fund. If it is the intent of the legislature to provide support for beach restoration work at Waikiki and/or Kaanapali, this can already be accomplished with the existing beach restoration special fund, provided that sufficient funds are transferred into the beach restoration special fund over the next few budget cycles.

- (2) Even though a sub-account would be created within the existing beach restoration special fund to provide for beach restoration at resort areas like Waikiki and Kaanapali, this sub-account would inadvertently direct all state funds for beach restoration into only “visitor area resort beaches”, since the existing beach restoration special fund would likely be the preferred source of funds for beach restoration, rather than general or HTA funds, and
- (3) The Department currently administers the beach restoration special fund under Section 171-156, Hawaii Revised Statutes (HRS), for the purposes of beach restoration and conservation throughout the State. The Department is currently focusing significant time and funds to provide for beach restoration in Waikiki and is working on a three-year plan for beach restoration studies & projects in the State and is actively pursuing this issue. This plan will help provide the Department with guidelines for determining where beach restoration is most practical, feasible, environmentally/culturally sensitive, and desirable.

With the understanding that the Department may seek future general fund appropriations for beach restoration at Waikiki, the Department respectfully asks for the cooperation of the Legislature to continue working within the existing framework under Section 171-156, HRS.



LINDA LINGLE
GOVERNOR
MARSHA WIENERT
TOURISM LIAISON

TOURISM LIAISON

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 586-2362
Fax: (808) 586-2370

Written statement of
MARSHA WIENERT
Tourism Liaison

Department of Business, Economic Development & Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Friday, March 14, 2008

10:00 a.m.

State Capitol, Conference Room 211

in consideration of
HB 2323 HD2
RELATING TO BEACHES.

Chair Baker and Members of the Senate Committee on Ways and Means.

The Department of Business, Economic Development and Tourism has concerns and cannot support HB 2323 HD2. This legislation establishes a Resort Beach Restoration fund as a sub-account of the Department of Land and Natural Resources' (DLNR) Beach Restoration Special Fund, dedicates money in the Tourism Special Fund to the new Resort Beach Restoration Fund, and appropriates money to restore visitor area resort beaches.

The intent of HB 2323 HD2 is laudable and we fully concur that beach restoration is an important asset to the visitor industry and our residents. However, we do not support the creation of a new special fund, nor do we support any provisos to the Tourism Special Fund administered by the Hawaii Tourism Authority (HTA).

The HTA budgets for natural resource projects on an annual basis and works closely with DLNR to implement many of these projects. The current HTA budget includes a \$5 million allocation for natural resources.

We believe that HTA, DLNR and private business can work together to satisfy the intent of the legislation. Rather than passing this bill, we suggest that the Legislature allow HTA and DLNR to work together to address funding for resort beach restoration without legislation.

Furthermore, we respectfully ask for the Legislature's cooperation in regards to future general fund appropriation requests from DLNR for visitor area resort beach restoration projects.

Thank you for allowing me to comment on HB 2323 HD2.



TO: Chair Rosalyn H. Baker
Vice Chair Shan S. Tsutsui
Members of the Committee on Ways and Means

FROM: Ernest K. Nishizaki
Executive Vice President and Chief Operating Officer
Kyo-ya Hotels & Resorts, LP

SUBJECT: SUPPORT FOR HB 2323, HD2 – RELATING TO BEACHES

Date: March 11, 2008

Kyo-ya has been part of the Hawai'i community for more than 40 years. Our four Waikīkī properties, the Royal Hawaiian; Moana Surfrider, A Westin Resort; Princess Ka'iulani; and Sheraton Waikīkī, have an aggregate inventory of 4,168 hotel rooms and suites. We are among Hawai'i's largest employers with 3,500 employees.

The preservation of our precious natural environment is a vital concern for the residents of Hawai'i. Sadly, many of our beaches have begun to disappear over the years. We see this in Waikīkī and in many other locations throughout the state. Our beaches are an integral part of the lives of Hawai'i residents, and they attract visitors from around the world who help fuel the economic engine of our state.

Kyo-ya supports the Legislature's intent to provide funding for public beach restoration projects across the state. HB 2323, HD2 would establish a mechanism for such efforts. We believe beach restoration projects will enhance the beauty of our shores, revitalize the natural habitat, and expand recreational opportunities for all. We are pleased that the state is considering solutions to the problem and thank you for your consideration of this important legislation.

Mahalo for the opportunity to provide you with Kyo-ya's perspective. If you have any questions or comments, please feel free to contact me.

CLASSIC RESORTS

Date: March 12, 2008

Committee on Ways and Means
Date of Hearing: Friday, March 14, 2008
Time: 10:00am

Testimony of Jeff Halpin
Chairman
Kaanapali Operators Association

On HB2323, H.B. 1
Relating to Beaches

On behalf of the Kaanapali Operators Association (KOA), which includes all properties within Kaanapali resort, I am writing in support of HB2323, H.B. 1. KOA has begun the process of seeking offshore sand sites as a precursor to initiating a beach renovation program. We have had discussions with noted coastal experts, with Charles "Chip" Fletcher and Kevin Bodge, as well as the Department of Land and Natural Resources representatives. All have encouraged us to move forward. The KOA has spent over \$130,000.00 on this exploratory effort to date and has received approximately \$50,000.00 in assistance from the Hawaii Tourism Authority.

If the offshore sand sites are sufficient, KOA hopes to pump as many as 10,000 cubic yards onto Kaanapali Beach. The cost of this effort is estimated to be \$1.2 to \$1.7 million. Having matching funds from the state, regardless of the agency would be a huge benefit to the resort and would determine whether the project will move forward.

The beaches of Hawaii are one of the states prime assets. Kaanapali Beach was named America's best beach in 2003, yet Hawaii lags far behind other states in funding beach restoration (Florida funds its restoration program with \$50 million annually). Kaanapali Beach has experienced spot erosion events over the years and a beach renovation program would help mitigate the effects of the erosion.

I recognize there is testimony against this bill, however, much of it is based on the sources of funds, which seems to be a political argument. The most important element of this bill, or any such bill, is to increase the funding from state sources to protect, preserve, and enhance one of our states most important assets.

Respectfully submitted,

Jeff Halpin
Chairman
Kaanapali Operators Association



**HAWAI'I HOTEL & LODGING
ASSOCIATION**

2270 Kalakaua Ave., Suite 1506
Honolulu, HI 96815
Phone: (808) 923-0407
Fax: (808) 924-3843
E-Mail: hhla@hawaiihotels.org
Website: www.hawaiihotels.org



30th Anniversary
Are You Walking???
May 17, 2008
(Always the 3rd Saturday in May)
www.charitywalkhawaii.org

**TESTIMONY OF MURRAY TOWILL
PRESIDENT
HAWAI'I HOTEL & LODGING ASSOCIATION**

March 14, 2008

RE: HB 2323 HD 2 Relating to Beaches

Good morning Chairperson Baker and members of the Senate Committee on Ways & Means. I am Murray Towill, President of the Hawai'i Hotel & Lodging Association.

The Hawai'i Hotel & Lodging Association ("HHLA") is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 170 hotels representing over 47,300 rooms. Our hotel members range from the 2,523 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawai'i Hotel & Lodging Association supports HB 2323 HD 2 Relating to Beaches. We recognize the importance of restoring and improving Hawaii's beaches. We also believe, that beach restoration can most effectively be done by using a combination of public and private funds.

We believe the bill is an imaginative vehicle to bring General Funds, Private Funds and Hawaii Tourism Authority ("HTA") Funds to bear on an important issue. The HHLA also supports this concept because the HTA is not legislatively required to fund this initiative. We believe in beach restoration and believe that the HTA Board was created to make these funding decisions and not to be directed by legislative proviso. We therefore believe the decision to provide funds to the Resort Beach Restoration Fund, is a decision to be made by the HTA. This bill seems to recognize that authority.

Again, mahalo for this opportunity to testify.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Disposition for resort beach restoration fund

BILL NUMBER: HB 2323, HD-2

INTRODUCED BY: House Committee on Finance

BRIEF SUMMARY: Amends HRS section 237D-6.5 to provide that of the 34.2% of the transient accommodations tax (TAT) revenues deposited into the tourism special fund, the Hawaii Tourism Authority is authorized to transfer up to \$_____ million to the resort beach restoration fund between July 1, 2008 and June 30, 2010.

Amends HRS section 171-56 to establish a sub-account within the beach restoration special fund to be known as the resort beach restoration fund, into which shall be deposited revenues from the proposed transfer of TAT revenues and any legislative appropriation. Specifies that no funds from this fund shall be released unless: (1) matched by non-state funds on at least a one-to-one basis; or (2) at least 50% of the funds released are funds transferred from the tourism special fund from the proposed transfer. Stipulates that funds transferred from the tourism special fund from the proposed transfer shall not be considered as non-state matching funds. Moneys in the resort beach restoration fund shall be used for the development and restoration of visitor area resort beaches, including maintenance of any improvements, debt service on any capital expenditure projects and contracting for these services.

Defines "visitor area resort beaches" as sandy resort beaches that provide public access, including but not limited to: (1) Gray's Beach located in Waikiki; and (2) Kaanapali Beach on Maui.

Appropriates \$_____ in general funds for fiscal 2009 to be deposited into the beach restoration fund.

Permits the Hawaii Tourism Authority to transfer \$_____ from the tourism special fund for fiscal 2009 to the resort beach restoration fund.

Appropriates \$_____ from the resort beach restoration fund for fiscal 2009 for the costs of visitor area beach restoration projects including but not limited to: (1) Gray's Beach located in Waikiki; and (2) Kaanapali Beach on Maui.

EFFECTIVE DATE: July 1, 2025

STAFF COMMENTS: Unlike the original draft of this measure which earmarked 5% of the tourism special fund to be transferred to the beach restoration fund created by this measure, this draft merely authorizes the Hawaii Tourism to transfer up to \$_____ to the beach restoration fund over the next two fiscal years. Since the Tourism Authority will be able to judge whether or not there are other pressing needs for the funds in the tourism special fund, it will be the Authority that will be held accountable as to whether or not the resort beach restoration fund receives any TAT resources. It should be remembered

that one of the priorities for the Tourism Authority and the tourism special fund is the promotion of Hawaii as a destination. With the slowing of the national economy, the Tourism Authority may need to make extraordinary efforts to market Hawaii to audiences other than the U.S. market.

It should be remembered that the whole point of setting a lump sum of money aside from the TAT in 1998 was that the promotion of the visitor industry should be left to professionals in the field. Consideration should be given to repealing the current earmarking of the first \$1 million for state parks and the trails and access program as it ignores the responsibility the Tourism Authority has to marketing Hawaii first with what funds it receives from the TAT.

More importantly, it should be remembered that by earmarking an amount in statute for this particular area reduces flexibility, curtailing the ability to respond appropriately to needs and market changes

More importantly, what should be noted here is exactly what was predicted when the legislature began setting up special funds with carve-outs from existing revenue streams. Because these funds are earmarked for specific purposes, they become targets to tack on seemingly related program expenditures either because they are of lesser priority and therefore could not garner support for funding out of the general fund or would meet with lesser resistance as the funds are already earmarked and out of the reach of lawmakers to be utilized for other unrelated activities.

As a result, funding programs that were never intended to be funded with the earmarked taxes provides a convenient way for lawmakers to hide the money from public scrutiny as no one other than the originally intended beneficiaries will pay attention to this misappropriation of funds. If resort beach restoration is truly of high priority for the use of public dollars, then it is like many other programs and projects which now are beneficiaries of earmarked special funds and should stand the test by being funded out of the state general fund. The likelihood would be almost nil when measured against the pressing needs of the health and education and welfare of the community. Many of these essential programs go only partially funded because resources are being siphoned off for lesser priority items.

While it may be argued that TAT dollars are being paid by visitors to Hawaii, it should be remembered that for every dollar that is spent to pay the TAT obligation, it is one less dollar that is spent in the state's economy. It is one less slipper purchased or one less restaurant meal, or one less catamaran ride taken by the visitors. So in the larger sense these are not "free" dollars, but dollars that could be flowing back into the economy to generate additional income for Hawaii's people and creating additional jobs for the community.

Digested 3/12/08

testimony

From: *Scott Werny* [clearwater@hawaii.rr.com]
Sent: Wednesday, March 12, 2008 7:32 AM
To: testimony
Subject: Testimony in strong opposition to HB2323, HD2 Relating to Beaches

COMMITTEE ON WAYS AND MEANS

Senator Rosalyn H. Baker, Chair
 Senator Shan S. Tsutsui, Vice Chair

HB 2323, HD2 RELATING TO BEACHES , meeting Friday, March 14, 2008, 10 am in Conference Room 211

Aloha Ways and Means Chair Baker, Vice Chair Tsutsui and Honorable Committee Members,

I **strongly oppose** HB2323 HD2 which establishes a Resort Beach Restoration Fund as a sub-account of the Beach Restoration Special Fund; allows a capped amount of funds from the Tourism Special Fund to be transferred to the Resort Beach Restoration Fund; appropriates moneys from the Resort Beach Restoration Fund to pay for visitor area resort beach restoration projects in the state, including Gray's Beach and Kā'anapali beach.

Although binding land use agreements* assure the right to public beach access 75 feet inward from the high water line, Waikiki hotels such as the Sheraton, have been allowed to build into this 75 foot setback onto public beaches. Part of this development has included sea walls that have actually created an accelerated erosion of our beaches in the area. It is common knowledge that sea walls destroy beaches. What was Gray's Beach in the 1940s is now a just sea wall.

Now, after destroying our beaches, the hotels are looking to use state money to restore the beach by setting up a "Special Fund". This is not right.

Regarding beach restoration, the Surfrider Foundation does not support construction of hardened shoreline structures, since they typically harm adjacent beaches. Recognizing that Waikiki beaches are mostly man-made and have been constructed and maintained over many years in a piece meal fashion that has failed, we encourage the development of a comprehensive master plan to cover all of Waikiki's beaches, created with adequate input from the entire community. A master plan should enhance beach access and ocean water quality, should not affect surfing waves, should consider safety issues, should not threaten existing aquatic wildlife, and with rising sea level now a reality, should also include planned shoreline setback retreat.

Please do not forward this unfair special interest bill.

Mahalo,
 Scott Werny
 Honolulu, Hawai'i
 Co-chair Surfrider Foundation O'ahu Chapter

3/12/2008

The Surfrider Foundation O'ahu Chapter is a non-profit grassroots organization run solely by volunteers with more than 500 members on O'ahu. In its 12th year of activism, the O'ahu Chapter works to improve ocean water and beach quality, to keep and open access to the ocean for all to enjoy, and to assure that development on our island is responsible by having minimal impact on our coastal environment. The chapter is one of 80 Surfrider Foundation chapters worldwide with over 50,000 members. For more information go to: www.surfrider.org/oahu or www.myspace.com/oahusurfriderchapter or call 531-SURF.

* Waikīkī Beach Reclamation Agreement dated October 19, 1928, between the Territory of Hawai'i and beachfront property owners in Waikīkī . See Quitclaim Deed for Kyo-Ya Hotels & Resorts, LP, filed December 23, 2004 as Document No. 3210315 in the Land Court of the State of Hawai'i and filed in the Regular System of the Bureau of Conveyances as Doc. No. 2004-259944.

The Committee on Ways & Means
Senator Rosalyn H. Baker, Chair
Senator Shan S. Tsutsui, Vice Chair

Regarding:

HB2323, HB2 relating to beaches

Hearing: Friday March 14, 2008, 10 a.m. Room 211

Aloha Chair Baker, Vice Chair Tsutsui, and Honorable Committee Members:

Because this bill serves a private corporation that owns the beach fronting their property, we, the State of Hawaii, should not use State funds for this purpose.

Beach changes submitted to date, by Kyo-ya Hotels & Resorts, will not stop sand from eroding from this area. Therefore, any money invested for this purpose will end up "sand dollars", draining out to sea, further covering our coral reefs and further damaging our surfing sites.

To restore this area you would have to remove the seaward groin of the Royal Hawaiian Hotel, which would allow for natural sand distribution along this shoreline.


G. Downing
Save Our Surf

Fax: 732-4563
3017 Waialae Avenue
Honolulu HI 96816

testimony

From: Jeannine Johnson [jeannine@hawaii.rr.com]
Sent: Monday, March 10, 2008 8:10 PM
To: testimony
Subject: Testimony in strong opposition to HB2323, HD2 (beaches)

COMMITTEE ON WAYS AND MEANS

Senator Rosalyn H. Baker, Chair
 Senator Shan S. Tsutsui, Vice Chair

HB 2323, HD2
Hearing

RELATING TO BEACHES
 Friday, March 14, 2008, @ 10 am in Conference Room 211

Aloha Chair Baker, Vice Chair Tsutsui and Honorable Committee Members,

I **strongly oppose** HB2323 HD2 which establishes a Resort Beach Restoration Fund as a sub-account of the Beach Restoration Special Fund; allows a capped amount of funds from the Tourism Special Fund to be transferred to the Resort Beach Restoration Fund; appropriates moneys from the Resort Beach Restoration Fund to pay for visitor area resort beach restoration projects in the state, including Gray's Beach and Kā'anapali beach.



"BEACH EROSION IS EVERYBODY'S CONCERN..."
 just sea wall.

In the Waikīkī Beach Reclamation Agreement dated October 19, 1928, between the Territory of Hawai'i and beachfront property owners in Waikīkī, the general public was assured the right to use such portion of any beach built within the 75 feet shoreward of the highwater mark. This Agreement is still binding and appears in the Quitclaim Deed for Kyo-Ya Hotels & Resorts, LP, filed December 23, 2004 as Document No. 3210315 in the Land Court of the State of Hawai'i and filed in the Regular System of the Bureau of Conveyances as Doc. No. 2004-259944.

However, the City has allowed hotels to build within this 75 foot setback, and continued development so close to the shoreline by hotels like the Sheraton have caused the erosion of our beach. What was Gray's Beach in the 1940s is now a

The Sheraton's owners had earlier proposed a plan to restore Gray's Beach by constructing three T-shaped rock groins spanning 500 feet of shoreline and widening the beach fronting the Sheraton Waikiki. In his comments to the Department of Planning and Permitting dated

January 25, 2008, Office of Hawaiian Affairs' Administrator, Clyde Nāmu'o maintained that the beach restoration and earlier plan were the same owner, the same project area, and overlapped each other. Mr. Nāmu'o further stated "OHA is bothered by this tender irony in that this Sheraton has eradicated our beneficiaries (and our state's) public trust beach, proposes to not only continue to do more projects in protected areas, but then contemplates to 'restore' the beach, thereby potentially changing the shoreline boundary and creates an exclusive use of this area. This is absurd."

At the Honolulu City Council's Zoning Committee hearing on February 5, 2008, to consider the owners of the Sheraton's proposed project to expand and construct pools (the beachside pool and the resort pool), water slides, bars, decks, and lawn areas within the shoreline setback, the owner claimed that the beach restoration project wasn't even being considered. How then does special legislation like HB2323 HD2 get drafted, if not to favor multi-millionaire owners of hotels and resorts like the Sheraton? Although the owners of the Sheraton receive \$375 a night for its 1,695 rooms in the Sheraton Waikīkī and \$515 a night for its 528 rooms in its Royal Hawaiian Hotel, they now want the public to pay to restore the beach fronting the Sheraton as a result of its building in the mandated 75 foot setback. (See Corky's cartoon.)

You must do what's pono and kill this special interest bill which only supports multi-millionaire hotel and resort owners.

Mahalo.

Jeannine

Jeannine Johnson
5648 Pia Street
Honolulu, Hawai'i 96821
Ph: 373-2874 / 523-5030 (w)
Email: jeannine@hawaii.rr.com
"PUPUKAHI I HOLOMUA"
(Unite in Order to Progress)



To: Chair Rosalyn H. Baker
Vice Chair Shan S. Tsutsui

From: Gerald "Chip" Bahouth
President Ka'anapali Beach Resort Association

SUBJECT: SUPPORT FOR HB 2323, HD2 – RELATING TO BEACHES

Date: MARCH 13, 2008

Ka'anapali Beach Resort has been part of the Hawai'i community for thirty plus years. We are the first master planned resort in the state of Hawaii, with eighteen member properties consisting of hotels, condominiums, time-shares and shopping centers.

The preservation of our precious natural environment is a vital concern for the residents of our island as well as the entire state of Hawai'i. Sadly, many of our beaches have begun to disappear over the years. We see this on Ka'anapali Beach as well as many other locations throughout the state. Our beaches are an integral part of the lives of Hawai'i residents, and they attract visitors from around the world who help fuel the economic engine of our state.

The Ka'anapali Beach Resort Association supports the Legislature's intent to provide funding for public beach restoration projects across the state. HB 2323, HD2 would establish a mechanism for such efforts. We believe beach restoration projects will enhance the beauty of our shores, revitalize the natural habitat, and expand recreational opportunities for all. We are please that the state is considering solutions to the problem and thank you for your consideration of this important legislation.

Mahalo, for the opportunity to provide you with Ka'anapali Beach Resort Association's perspective. If you have any questions or comments, please feel free to contact me.



Legislative Testimony
HB 2323, HD 2, RELATING TO BEACHES
Senate Committee on Ways and Means

March 14, 2008

10:00 a.m.

Room: 211

The Office of Hawaiian Affairs **OPPOSES** H.B. 2323, H.D. 2, which seeks to establish a Resort Beach Restoration Fund from monies taken out of the existing Beach Restoration Special Fund that will be seeded by a capped amount from the Tourism Special Fund. The monies in this specialized fund would be used to develop, restore, and maintain permanent improvements placed on beaches or in nearshore waters for visitor area beaches near resort destinations only. This bill would then further earmark funds from this sub-account to be channeled specifically for the restoration of Gray's Beach, for example. This particular beach was destroyed by the very resort that this bill now proposes to benefit.

Our beaches are being assaulted. O'ahu alone has lost nearly 25 percent of its beaches due to shoreline hardening. Recent international modeling is predicting sea level rise at accelerated rates, and we in Hawai'i are already seeing some of these effects, while some of our Pacific Island neighbors have lost their entire countries to the rising sea.

To take money out of a badly needed statewide general beach restoration fund and specialize it for resort beaches, and specific resort properties at that, is poor policy. To further create a 'sub-account' dedicated towards the restoration of specific beaches that have been lost due to shoreline hardening is a breach of reason, law and duty.

Gray's beach was doomed in 1970 when the Sheraton Waikiki developers built the hotel so close to the ocean that they needed a seawall to protect it. Now the ocean tops this seawall at times, and recently the Honolulu City Council granted a variance which allows this land owner to expand uses and further develop within the shoreline setback. To focus so narrowly on these types of resort areas when the

entire state is under attack is a breach of federal, state and county laws, policies and guidelines. Some of the very laws that this legislature, in their forward-looking wisdom, created would be violated by this short-sighted and narrow bill.

OHA urges the legislature to look not only at what our state is facing right now and how best to prepare for its future, but also at who is supporting and opposing this bill. Of course the landowners in the specialized areas that this bill insulates are in support. However, OHA notes that the very agencies that are entrusted to care for these areas, and that have the training, knowledge and skills to do so, stand in opposition to it, as do a number of your constituents.

To remove the responsibility to care for our precious, public trust beaches from the experienced hands of the Department of Land and Natural Resources' Office of Coastal and Conservation Lands, and place it in hands that are not only not mandated to unselfishly care for shoreline areas, but that also have destroyed them in the past, is absurd.

To take funds earmarked for the protection and improvement of Hawai'i's natural environment from the Hawai'i Tourism Authority and direct it into specific resort properties gives too much priority to a special interest group. This tax, paid for by a broad cross-section of visitors and locals alike, cannot and should not be earmarked for the benefit of a single, private company. Per Kyoya's Feb. 9, 2008, testimony, they are vitally concerned with the "preservation of our precious natural environment." If this were true, they would not be seeking a legislative earmark solely to bolster their own marketing and enhance their own property's value. This kind of focused use of taxpayer funds creates an improper appearance of particularized beneficiaries from public funds.

This special fund is also short-term and short sighted. Shoreline erosion is not a tourist, resort destination problem. All of our beaches are public trust, ceded lands, and their continued loss is a very Hawaiian problem that requires more forward-looking and unbiased thoughts than this bill even contemplates.

Therefore, OHA urges the Committee to HOLD H.B. 2323, H.D. 2. Thank you for the opportunity to testify.