

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 1566
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred H.B. No. 1566, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS,"

begs leave to report as follows:

The purpose and intent of this measure is to generate immediate and future revenues for needed repair and maintenance of public harbor facilities by:

- (1) Exempting the Ala Wai Boat Harbor from assessment and special improvement district requirements regarding redevelopment;
- (2) Clarifying the permissible uses of leased state boating facility properties to include ocean recreation activities;
- (3) Extending the maximum term for the disposition of public lands of state boating facilities to 65 years to facilitate redevelopment;
- (4) Requiring any fees collected within the small boat harbors to be expended only for costs relating to the operation, upkeep, maintenance, and improvement of small boat harbors;



- (5) Allowing the Department of Land and Natural Resources to issue commercial use permits for vessels with assigned moorings in Ala Wai and Keehi Boat Harbors;
- (6) Providing for future mooring fees to be established by appraisal by a state-licensed appraiser;
- (7) Authorizing the Department of Land and Natural Resources to assess and collect utility fees, including electrical and water charges, and common area maintenance fees, in small boat harbors; and
- (8) Directing the Department of Land and Natural Resources to use the request for proposals process for the public-private development, management, and operation of areas of the Ala Wai Boat Harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Chris McClurin, and Charles Bellman. Your Committee received testimony in opposition to this measure from Waikiki Neighborhood Board No. 9; Ocean Tourism Coalition; Maui Classic Charters, Inc.; Idlewild Charters Inc. DBA Frogman Charters; Ilikai Association of Apartment Owners; Reg White; Nancy Mueting; Robert Winter; Dave Cooper; Joseph Shacat; Susan Ray; and William Marshall.

Your Committee finds that public harbor facilities statewide are in need of repair and maintenance. Unique among state boat harbors, the Ala Wai and Keehi Boat Harbors currently prohibit commercial vessel activity. This measure would allow limited commercial activity at Ala Wai and Keehi Boat Harbors to increase revenues for the Department of Land and Natural Resources, which will in turn facilitate the upkeep of public harbor facilities.

Your Committee has heard the testimony of concerned parties who oppose imposing fees for common areas, water, and electricity. However, improving and maintaining public harbor facilities cannot proceed free of debt without user-generated revenues. This measure incorporates numerous revenue-generating methods to maximize the amount of revenues received by the Department of Land and Natural Resources.

Your Committee has also heard the testimony of concerned parties who oppose permitting hotel and timeshare uses at Ala Wai and Keehi Boat Harbors. Your Committee believes these concerns

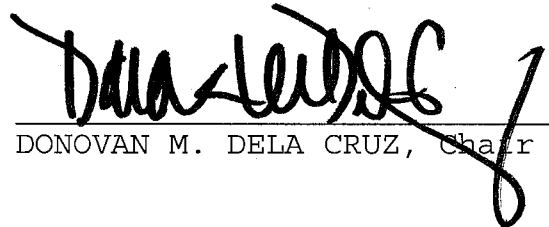


merit further discussion by the Committee on Ways and Means. Accordingly, your Committee has not amended the effective date of July 1, 2030, to ensure ongoing discussions on this issue.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1566, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1566, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,

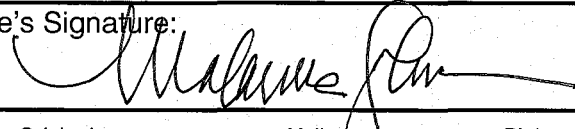


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Water, Land, and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1566 HDI	WLH, WAM	3/22/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	/			
SOLOMON, Malama (VC)	/			
FUKUNAGA, Carol	/			
RYAN, Pohai	/			
SHIMABUKURO, Maile	/			
TOKUDA, Jill N.	/			
SLOM, Sam				/
TOTAL	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes