



# WAIKĪKĪ IMPROVEMENT ASSOCIATION

Statement of  
**Rick Egged, President, Waikiki Improvement Association**  
Before the  
**HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES**  
Friday, February 4, 2011, 9:00 AM  
State Capitol, Conference Room 325  
in consideration of

## **HB 1566 RELATING TO SMALL BOAT HARBORS**

Good afternoon Chair Chang and members of the Committee:

I am Rick Egged testifying on behalf of the Waikīkī Improvement Association. WIA is a nonprofit organization representing 150 leading businesses and stakeholders in Waikiki.

The Waikīkī Improvement Association supports HB1566 in concept. The bill allows the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai boat harbors; provides for future mooring fees to be established by appraisal by a state-licensed appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class that shall equal schedule B rates over a five-year period; and directs the department of land and natural resources to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai boat harbor facilities that are presently under-used to maximize the revenue potential from its facilities.

At a time when the state must reexamine all of its priorities it can no longer allow such a valuable public facility as the Ala Wai Boat Harbor to be so grossly underutilized. HB 1566 creates the opportunity for the long overdue redevelopment of the Harbor through a public private partnership.

The revitalization of Waikīkī is a huge success story. From 2001 to 2009 over three billion dollars in private funds have redeveloped large portions of Waikīkī. Although the construction of major projects in Waikīkī continues there are still areas of Waikiki that remain in need of redevelopment. For over a decade WIA has supported a makeover for the Ala Boat harbor area. The possibilities are dramatic as the area can become part of a pedestrian route that could link this beautiful area to the rest of Waikīkī. The investment that could be attract would allow for major improvements to the Ala Wai Boat Harbor and generate dollars for the boating special funds to improve facilities around the state.

Thank you for this opportunity to provide these comments on this important issue.

### har3 - Megan

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, February 03, 2011 10:39 PM  
**To:** WLOtestimony  
**Cc:** RawcoHI@cs.com  
**Subject:** Testimony for HB1566 on 2/4/2011 9:00:00 AM  
**Attachments:** Ala Wai MT Slip Inventory.doc; Regarding HB1566 Ala Wai n Keehi.doc

Testimony for WLO 2/4/2011 9:00:00 AM HB1566

Conference room: 325  
Testifier position: oppose  
Testifier will be present: Yes  
Submitted by: Reg White  
Organization: Individual  
Address: 1540 S. King St. Honolulu, Hi 96826-1919  
Phone: 808-222-9794  
E-mail: RawcoHI@cs.com  
Submitted on: 2/3/2011

**Comments:**

Regarding HB1566

In room 325 at 0900 on Friday, 4 February 2011 House Committee on Water, Land and Ocean Resources

Chair Chang and Respected Members of the Committee;

My name is Reg White. I have been a tenant and resident of Ala Wai Small Boat Harbor for the past thirteen years. This bill seems to have been crafted by someone who is out of touch with recent history concerning DOBOR's management of the Harbor.

Frankly, I personally have never been against the present practice of using the overflow from one harbor to help to defray the deficit in some of the less able harbors. I have always, and still do now, object strenuously to the fact that the tenants of those losing harbors pay a lower fee towards their cost deficit than the fee I am charged at Ala Wai to create the surplus that bails them out each year. If they pay the same fee as I do then we're just brothers working towards the care and maintenance of all the harbors in Hawaii so that we achieve the original goal of having the state own and operate our harbors in the first place, namely to keep recreational boating affordable and available to all of Hawaii's residents.

There are also some 50 boat ramps in Hawaii. Only a few of these are located within the boundaries of a small boat harbor yet the boaters of the harbors are required to pay for most of the operation and maintenance costs for these ramps. This is a classic case of a misfit, and proposed SECTION 4, 200-8 (1) says that fees collected must be used only within the small boat harbors so there will be no future funds from the BSF to support these ramps that are not within a marina. These ramps, the ones that are not within the boundaries of a small boat harbor, should be under the parks division. Their share of federal gas tax money should be moved along with them into parks.

Under proposed SECTION 1 "The purpose of this act", was obviously written by someone who is very out of touch with the present operations of the department. They are well into negotiations to lease out for development both the boat repair facility and the fuel dock, presently waiting for the developers to get their permits approved by the City and County of Honolulu. This contract will put around \$2 Million into the boating special fund each year, adjusted for inflation going forward.

Leasing out part of the harbor to a private operator will not markedly reduce the department's costs while it will reduce their income potential. The department has already contracted out the parking franchise and it is putting as much as \$90,000.00 into the boating special fund each month!

Under proposed SECTION 5, 200-9 (c) If we are going to allow commercial vessels into Ala Wai and Keehi small boat harbors then we must in trade add: (5) In any small boat harbor that allows the operation and berthing of commercial vessels, recreational vessels moored in that same harbor shall have the rights of renewal and transferability of their permits in the event of change of ownership of the vessel the same as the commercial vessel permits using that same harbor, namely the seller may elect to keep the berthing permit and put a new vessel into the slip or they may choose to pay a transfer fee of \$2,600.00 to the department and allow the berthing permit to go with the boat to the new owner. This is only fair to the recreational boaters in the harbor who will have to endure the additional traffic that this move will require them to deal with, both on the water and on the roadways and at the trash collection points. This will also create a new industry for boat sales in Hawaii. Where at present the only person who can buy a boat put up for sale is the first person on the waiting list, the above suggestion will allow sales to become a tax and fee generating real and true business venture.

Under proposed SECTION 6 section 200-10 (c) (1) The proposed new text misses the entire point of MTSA 2000 (Maritime Transportation Security Act) and as amended in MTSA 2010 which states that with regard to vessels, a "fee" is limited to the recovery of the cost to provide a facility or a service to the vessel. The real estate appraiser setting fees has no relevance to the costs involved to supply the facility or any of its services and is therefor patently illegal under federal law. This also completely misses the point of why we had the state own and administer our harbors in the first place, namely to keep boating affordable and available for all the people of Hawaii. We also already passed this new set of similar fees two years ago approximately doubling the previous fees in hearings held by the department around the state and enacted into service about 18 months ago under the HAR's of DOBOR. We are soon to have the second of the five automatic rate increases as we move the existing tenants towards the top level fees of list B where all of the new tenants and the visitors are found. Once again, this list fails to make the fees collected the same statewide and so the use of the overflow income from the three successful harbors goes to bail out those harbors that pay far less in their fees towards their operating deficit than those who bail them out each year pay to create that surplus that bails them out. This is not proper! Either the money generated in one harbor stays in that harbor and the losers get their harbors closed due to lack of funds or we all work together and we all pay the same fee, statewide!! Fix this here and now please! Level the field by charging all tenants, statewide, the same fee as that used in Lahaina small boat harbor under the present A and B lists. If you will look at recent harbor history, about three years ago at hearings, we the harbor tenants of Hawaii, also approved a two step fee increase of 10% each time, dependent on the state authorizing \$25 million in reimbursable bonds to effect pier and marina repairs at our state harbors. The first of these bonds was issued, the fees increased by 10% and the money has been pretty well spent in repairing docks around the state. The second 10% and it's accompanying bond were never issued due to the department's management becoming distracted by trying to get the legislature to give her \$240 million without directions or restrictions as to how and where it would be spent.

While considering the actual need for fee increases, please do look at the real need for the additional income. The department management has not seemed to be very driven to make ends meet with the available opportunities at hand. Consider the attached list of inventory over the past several years of the empty and unassigned slips at Ala Wai Harbor and the resulting loss of revenue of as high as \$600,000.00 per year, all in the face of hundreds of people who must wait 3 to 6 years on the waiting lists to get a slip, depending on the slip size applied for. There are also many live aboard permits that have not been issued to the waiting list

there as well, each one bringing in almost a doubling of the A list fee for a given vessel. This is due only to poor management practices. Now, what you must ask yourselves is: Which comes first, responsible fiscal management or fee increases?? The new management of DLNR may well fix this problem without your intervention to raise the fees again. Let's give them some time to come to grips with what they have inherited and fix it. I am quite sure they can and will.

When we come to proposed Section 6 (c) (6) Once again we return to MTSA for reference. The fee collected pays for all costs to provide the service or the facility so there is no need nor justification for a "common area maintenance fee" as proposed at (2). There is no required responsibility nor accounting under this proposal from which to establish or set this fee. Under our present rules, in order to set new fees the department must show justification and cause and go to public hearings that ensure responsible use of our funds by the department. Please do always remember that Boating in Hawaii receives no taxpayer support but is entirely self supporting, paid for entirely by the users. It is not a profit center for the state nor the department but is made to operate on a recovery of costs basis with the ultimate goal of keeping boating available and affordable for the people of Hawaii.

With regard to the request to allow commercial vessels into Ala Wai and Keehi harbors, why not instead correct another grievous oversight and fix this problem at the same time. Move Kewalo Basin from HCDA where it is a complete and unwelcome misfit, and place it under DOBR along with the immediate surrounding real estate out to the first street ewa and mauka, to the ocean on the makai side and to the wall of Ala Moana Park on the diamond head side. Use the rates and rules from Lahaina Small Boat Harbor. This will give DOBOR the income from commercial passenger and fishing boats without changing the character of Ala Wai or Keehi harbors. This is an operating harbor that has a healthy positive cash flow at the present time and this will reduce the number of permitting organizations with which our boating operations must contend back to two as it had been for the thirty years preceding 2009 when HCDA was forced into the picture with it's own set of fees, rules and permits - none of them compatible with service in either of the other agencies' harbors or facilities.

Please amend this bill to consider these few oversights and then you just might have a bill that is ready for publication, but frankly, I think my suggestion to just wait and see a bit for the new administration to get their feet on the ground is the very best course of action here at the present time.

Respectfully,

Reg White  
1540 S. King St.  
Honolulu, HI 96826-1919  
808-222-9794  
RawcoHI@cs.com  
AUADACIOUS II, berth 648 Ala Wai Small Boat Harbor

**Ala Wai Small Boat Harbor**  
**A review of the vacant slips that are not being filled**

Feb 1, 2011 110 vacant @ \$250 = \$27,500 / month and \$330,000 / year.

June 2, 2010 161 vacant @ \$250 = \$40,250 / month and \$483,000 / year.

April 2010 139 vacant @ \$250 = \$34,750 / month and \$417,000 / year.

January 2010 155 vacant @ \$250 = \$38,750 / month and \$465,000 / year.

October 2009 211 vacant @ \$250 = \$52,750 / month and \$633,000 / year.

June 2009 218 vacant @\$250 = \$54,500 / month and \$654,000 / year.

**110 Vacant slips in the Ala Wai Harbor on February 1, 2011:**

Front Row: 29, 30, 35, 36, 48, 49, 50, 51, 53, 56, 58, 67, 70, 71, 73, 77, 79, 96,  
402, 413, 443, 498, 494, 493, 501, 526, 533, 534, 542, 600, 601, 602, 609, 629, 633, 655, 715, 719, 751,  
764, 781, 783, 785, 801, 806, 810, 814, 820, 827, 831, 833, 834, 835, 840, 846, 849, 850, 851, 859, 861,  
863, 864, 865,

X dock (cross dock). Slips not numbered but cleats, water, and electrical for 9 boats. All vacant.

B Dock: 28, 32, 34, 36, 40, 42,

C Dock: 5, 17, 23, 26, 32, 33, 38, 39,

D Dock: 25, 30, 31, 35, 37, 39, 51,

G Dock: 7, 28, 59, 61, 62, 73, End Tie (1)

F Dock: 5, 8, 23, 34, 39, 47, 60, End Ties (2)

**Vacant slips in the Ala Wai Harbor. June 2, 2010: 161 Vacant**

Front Row: 25, 27, 35, 51, 52, 53, 55, 57, 60, 61, 67, 70, 71, 76, 94, 96,  
402, 403, 409, 413, 418, 428, 432, 440, 492, 494, 497, 501, 510, 513, 527, 529, 531, 532, 533, 534, 542,  
600, 621, 631, 655, 731, 748, 749, 759, 762, 763, 770, 771, 772, 774, 775, 776, 780, 782, 784, 802, 806,  
820, 827, 833, 835, 836, 837, 838, 840, 842, 849, 850, 863,

B Dock: 8, 16, 19, 22, 28, 35, 37, 42, end,

C Dock: 3, 7, 10, 15, 16, 17, 20, 23, 31, 32, 34, 36, 38, 43, 44, 45, 47, 49, 51, 52, end, end,

D Dock: 3, 9, 15, 16, 21, 31, 33, 34, 37, 39, 40, 41, 43, 45, 47,

G Dock: 7, 11, 12, 13, 14, 24, 46, 52, 57, 61, 62, 63, 69, 73, 79, 81,  
F Dock: 5, 8, 13, 21, 27, 28, 31, 32, 33, 36, 39, 40, 44, 46, 53, 54, 60, 66, 80, end,

X Dock: Slips not numbered. 9 slips available. 1 filled, 8 vacant

**Vacant slips in the Ala Wai Harbor April 5, 2010: 139 vacant.**

Front Row: 25, 28, 35, 71,  
402, 409, 415, 418, 428, 432, 448, 492 500, 501, 507, 530, 533, 534, 542 600, 602, 624, 655, 662, 731,  
746, 748, 749, 750, 781, 786, 802, 814, 820, 823, 826, 827, 828, 833, 855, 862

B Dock: 4, 8, 16, 19, 22, 28, 33, 35, 37, 52, 45,

C Dock: 3, 7, 10, 12, 16, 20, 22, 23, 26, 31, 32, 34, 38, 39, 43, 44, 45, 48, 49, 51, 54,

D Dock: 3, 8, 9, 12, 15, 16, 21, 31, 33, 37, 39, 40, 41, 42, 45, 47, 53

G Dock: 1, 6, 7, 11, 12, 13, 37, 39, 52, 57, 59, 61, 63, 69, 75, 79, 81

F Dock: 5, 7, 8, 10, 12, 11, 13, 24, 26, 27, 28, 29, 31, 33, 34, 36, 39, 40, 42, 44, 47, 49, 53, 54, 60, 53, 1  
end

X Dock: Slips not numbered. 9 slips available, 2 filled and 7 vacant.

**Vacant slips in the Ala Wai Harbor January 20, 2010: 155 vacant.**

Front Row: 35, 43.

409, 415, 418, 427, 432, 439, 448, 496, 501, 527, 530, 533, 534, 542.  
600, 602, 621, 624, 655. 715, 746, 748, 749, 785, 802, 811, 814, 820, 823, 826, 827, 828, 833, 844, 847,  
855, 857, 859, 864.

Cross dock. No numbers. 11 vacant.

B dock: 8, 10, 13, 16, 22, 28, 33, 35, 37, 45, 46, 54, 1 end tie.

C dock: 5, 6, 12, 15, 16, 24, 26, 31, 32, 33, 34, 36, 38, 39, 44, 45, 48, 51.

D dock: 3, 5, 6, 8, 9, 15, 20, 21, 25, 31, 37, 38, 39, 40, 42, 43, 45, 46, 47, 49.

G dock: 1, 6, 7, 11, 12, 30, 37, 39, 52, 57, 59, 61, 63, 69, 79.

F dock: 4, 8, 10, 11, 12, 13, 19, 24, 26, 27, 29, 30, 31, 33, 34, 36, 39, 42, 43, 44, 46, 47, 49, 53, 54, 60, 78.

**Vacant slips in the Ala Wai Harbor. Mid October, Midday. 211 vacant.**

Front Row: 31, 32, 33, 41, 46, 47, 49, 50, 51, 52, 53, 54, 55, 57, 58, 60, 62, 76, 78, 96.

409, 415, 427, 432, 438, 439, 447, 451, 497, 496, 501, 506, 509, 524, 526, 527, 530, 532, 534, 533, 542, 602, 608, 615, 622, 627, 645, 665.

730, 731, 739, 746, 781, 783, 786, 788, 802, 809, 814, 816, 820, 823, 833, 835, 839, 849, 856, 859, 861, 862, 864.

Cross dock. No numbers. 11 vacant.

B dock: 5, 7, 10, 13, 16, 21, 23, 24, 28, 29, 32, 33, 34, 35, 37, 38, 40, 43, 45, 46, 48, 54, 1 end tie.

C dock: 2, 3, 4, 5, 6, 7, 10, 12, 15, 16, 18, 19, 20, 22, 25, 26, 29, 32, 33, 34, 36, 38, 39, 41, 43, 44, 45, 48, 51, 2 end ties.

D dock: 3, 5, 6, 8, 9, 12, 15, 16, 20, 21, 28, 32, 34, 36, 37, 39, 42, 43, 45, 47, 49, 46, 48, 52.

G dock: 7, 9, 13, 30, 37, 52, 56, 59, 61, 69, 81, 1 end tie.

F dock: 5, 8, 9, 10, 11, 12, 13, 18, 19, 24, 26, 28, 29, 30, 33, 34, 36, 39, 42, 43, 44, 46, 47, 49, 52, 54, 56, 58, 60, 66, 70, 72, 76, 78, 80, 82, 2 end ties.

**Vacant slips in the Ala Wai Harbor. June 18, 2009 Midday. 218 vacant.**

Front Row: 27, 31, 32, 33, 41, 47, 51, 52, 53, 54, 55, 57, 58, 76.

409, 415, 438, 439, 447, 493, 494, 496, 497, 506, 517, 518, 523, 524, 525, 526, 527, 531, 533, 534, 537, 542, 602, 608, 622, 645, 650, 652.

711, 715, 730, 731, 746, 760, 774, 776, 781, 782, 784, 786, 787, 801, 809, 814, 816, 820, 823, 826, 835, 837, 842, 843, 844, 850, 857, 859, 861.

Cross dock: No numbers. 11 vacant.

B dock: 2, 3, 5, 7, 10, 11, 13, 14, 16, 18, 20, 21, 23, 25, 26, 29, 30, 32, 34, 29, 31, 38, 40, 33, 35, 44, 48, 50, 52, 54, 43, 45, 1 end tie.

C dock: 2, 3, 4, 6, 7, 10, 12, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34, 36, 38, 39, 43, 44, 46, 48, 2 end ties.

D dock: 3, 4, 5, 6, 9, 10, 12, 15, 16, 18, 19, 20, 21, 22, 26, 27, 28, 30, 32, 34, 36, 37, 38, 39, 42, 43, 45, 46, 48, 49, 50, 52, 54, 2 end ties.

F dock: 10, 12, 7, 15, 18, 19, 29, 31, 33, 34, 36, 42, 43, 44, 47, 54, 56, 58, 60, 66, 70, 72, 76, 78, 80, 82, 2 end ties.

G dock: 9, 33, 37, 69, 81, one end tie

TO: Committee on Water, Land and Ocean resources  
Chairs: Jerry Chang  
Sharon Har

Feb 4<sup>th</sup> 2011

From: Dave Cooper                      Testimony against HB1566

The management of our boating and ocean recreation facilities has, by and large, been beset by a dereliction of duties of the past administrations. They have not been good keepers of the peoples' land and resources. Our harbors have been placed under various departments; DOT, DNLR and others, and all have lacked the vision, insight and operational knowledge to envision and execute a plan to make recreational boating and ocean recreation, along with our harbors, a greater attraction for the State of Hawaii.

Instead of being the jewel of the Pacific for both Hawaiian's and visiting boaters to Hawaii, it is considered the "PIT" of the Pacific. A place you go to only if you have to or to brag that you have made the longest passage in the world. The regulations here are so "boater unfriendly" that boaters seldom stay longer than conditions merit so Hawaii doesn't see the money that other boating destinations receive.

Boating in Hawaii should be a multi-million dollar revenue producer to the state - both directly thru its marinas and indirectly thru the taxes paid by people who enjoy water sports and the employment that it can provide for the boating support industries.

We now have a New Day before us I'm told. We need to change the flawed thinking and execution of the past. Our new Governor and head of the DNLR can and should be given the time to bring a new vision to recreational boating and ocean recreation without the disabling legislation of SB 681

I believe that the changes asked for in this bill change the very fabric of what the people of Hawaii expect of their government, as it pertains to the use and management of their lands, by the State.

Granted Hawaii has an extreme short fall of funds in the near term and everyone is looking for ways to make this up. However the sale (what else would you call a multi-generational term lease?) of our lands, to private entities and management leaseback contracts for them to profit from, isn't a solution to bridge this short term gap.

I strongly suggest that you consider this bill in the light of what your children's grandchildren will think when they have few or no affordable facilities to use for boating and ocean recreation as they are all under private ownership or management that are too expensive for them.

Our Parks, green spaces, facilities and ocean access belong to all of us. The trend in the past few years has been to restrict that access and this bill would accelerate that trend by an order of magnitude.

I ask that you consider my testimony and reflect on what this bill would do for the future. Selling OUR land is never a good solution.

Thank You

Dave Cooper 864-8995