

AMENDED

**MINUTES FOR THE
MEETING OF THE
BOARD OF LAND AND NATURAL RESOURCES**

DATE: FRIDAY, AUGUST 14, 2009
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HI 96813

Chairperson Laura Thielen called the meeting of the Board of Land and Natural Resources to order at 9:05 a.m. The following were in attendance:

MEMBERS

Laura Thielen
David Goode
Ron Agor

Robert Pacheco
Jerry Edlao
John Morgan

STAFF

Russell Tsuji/LAND DEPUTY
Curt Cottrell/SP
Eric Hirano/ENG
Paul Conry/DOFAW

Morris Atta/LAND
Ed Underwood/DOBOR
Dan Quinn/SP

OTHERS

Pam Matsukawa, Deputy AG
Jim Coon
Toni Marie Davis
Bob Masuda
Captain Bill Littell
Bill Mossman
Elizabeth Riley
Noa Napoleon
Robert Harris
Tom Bashaw

Senator Gary Hooser
Greg Howeth
Phil Kasper
Harvey Ozer
Doug Armfield
Ray Gruntz
Janet Mandrell
Donnie Dawson
Blake McElheny

{Note: language for deletion is [bracketed], new/added is underlined}

Chair Thielen explained that the reason the Land Board is dedicating this meeting to the Recreational Renaissance Plan B is because there is a significant number of submittals and recommendations to the Land Board, a significant public interest and to allow enough time for people to testify. There will be a staff presentation which provides a recommendation to the Land Board giving background for the basis of the recommendation and briefly summarize 23 actions that the Department is recommending that the Land Board approve. The Land Board will ask questions of staff and will go through the list of people who wish to testify. And, the Land Board will continue with discussions and then take action.

Item A-1 July 22, 2009 Minutes

Not available at the time.

Item H-1 STAFF PRESENTATION AND BOARD APPROVAL OF RECREATIONAL RENAISSANCE "PLAN B" AS FOLLOWS:

1. STATE PARKS

- a. **Appoint Staff to be Hearing Officers for purposes of Conducting Public Hearings related to Proposed Amendments to Certain Sections of Chapter 13-146, HAR for the State Parks System to allow for Overnight Accommodations to be reserved via the Internet, Payment by Credit Card and to Charge a Service Fee, and make other substantive and technical amendments relating to clarifying management action and regulatory powers;**
- b. **Establish parking fees at certain State Parks, Monuments, Recreation Areas, and Waysides and Authorize the Chairperson to issue and Invitation for Bids, Concession, Agreement or Other Public Process as Allowed by Law, such as a Request for Proposals, and to Award a Contract Related to Parking;**
- c. **Increase Fees for Overnight Accommodations at State Parks;**
- d. **Establish Commercial Filming Fees for State Parks;**

2. DOBOR

- e. **Preliminary Approval to Amend Portions of DOBOR's Hawaii Administrative Rules, Title 13, sub-title 11, Chapters 230 et. seq., Parts I, II, and III, and Conduct Public Hearings related to the Proposed Amendments to the Administrative Rules;**
- f. **Authorize the issuance of Contracts, Concessions, Leases and Other Agreements as Allowed by Law on Lands, Including Submerged Lands Under DOBOR's Management Jurisdiction for Income Production;**
- g. **Delegation of Authority to the Chairperson to Select the Appropriate Processes for Offering and Disposing of Long-term Parking Agreements as allowed by law for the Generation of Parking Revenues at the Ala Wai Small Boat Harbor and the Kailua-Kona Pier;**

- h. **Delegation of Authority to the Chairperson to Select the Appropriate Processes to Offering and Disposing of a Long-term Agreement for the Operation of the Heeia Kea Small Boat Harbor Fuel Dock, Convenience Store, and Snack Shop for DOBOR's Income Production, whether by Lease, Concession or other agreement as allowed by law;**

3. DOFAW

- i. **Approve Updated fees for camping, and other recreational uses in forest reserves;**
- j. **Approval to Conduct Public Hearings to Repeal Hawaii Administrative Rules (HAR) Chapter 13, §13-125, "RULES REGULATING WILDLIFE SANCTUARIES," and Adopt Chapter 13, §13-126, "RULES REGULATING WILDLIFE SANCTUARIES";**
- k. **Set aside to DLNR, Division of Forestry and Wildlife for Wildlife Sanctuary Purposes and Issuance of a Management Right-of-Entry, Eighteen (18) Wildlife Sanctuaries Previously Designated by the Board and Identified in Chapter 13-125, HAR;**
- l. **Set aside to DLNR, Division of Forestry and Wildlife for Wildlife Sanctuary Purposes and Issuance of a Management Right-of-Entry, Pālā'au, Moloka'i, Tax Map Keys: (2)5-1-1:2, 4, 5, and the Unencumbered Lands Seaward of (2)5-1-1:2, 4 AND (2) 5-2-11:4;**
- m. **Authorize the Chairperson of DLNR to Develop and Operate Public Shooting Ranges Via Cooperative Agreement, Concession, or Lease;**
- n. **To Conduct Public Hearings to Amend Chapter 13, §13-121, "RULES REGULATING THE HUNTING OF WILDLIFE ON PUBLIC LANDS AND OTHER LANDS" to Establish Rules Regulating the Use of Public Shooting Ranges;**
- o. **Set Aside to DLNR, DOFAW for Na Ala Hele Trail and Off Highway Vehicle Park Purposes and Issuance of a Management Right-of-Entry, Wahikuli, Maui, Tax Map Key: (2)4-5-21:4;**

4. ENGINEERING (Asset Management)

- p. **Permission to Hire a Consultant to Develop Pilot Asset Management System for Selected DLNR Facilities.**

5. LAND (Revenue Enhancement)

- q. **Designation of certain Revenue Generating Properties as income-producing assets and reserve these properties to DLNR for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also repay bonds issued for DLNR's original or any approved Recreational Renaissance plan.**
- r. **Subject to Federal Aviation Administration prior approval, approve of and recommend to the Governor the issuance of executive orders: (1) withdrawing lands currently set aside to Department of Transportation for airport purposes, identified above as Ualena Street Industrial**

Properties and Kona Airport Industrial Lands, and resetting aside those lands to DLNR Land Division for income production purposes; and (2) setting aside lands identified above as Kanoelehua Industrial-Commercial Lot to Department of Transportation for airport purposes.

- s. Authorization to issue long-term leases for the Revenue Generating Properties via public auction, requests for proposals, or any other process authorized under Chapter 171, Hawaii Revised Statutes, as amended (“HRS”).
- t. Delegation of authority to the Chairperson of the Board of Land and Natural Resources (the “Chairperson”) to: (a) determine the appropriate process for offering and disposing of leases for each of the Revenue Generating Properties; and (b) determine the terms and conditions of each lease, provided, however, that all process, terms and conditions determined by the Chairperson shall comply with the provisions of HRS Chapter 171.
- u. Delegation of authority to the Chairperson to amend the terms and conditions of any lease, sale of a lease, public auction, request for proposal, or any other disposition previously approved/authorized by the Board, including, but not be limited to, amending the method of disposition, amending the terms and conditions of a lease to be offered for sale, adjusting the upset lease rent for leases to be sold at public auction, and amending the procedures of a request for proposal to authorize the Chairperson to select the successful applicant, negotiate the terms of any development agreement or lease, and execute any documents that are necessary or appropriate to effectuate the intent of the disposition; provided, however, that any amended terms and conditions shall comply with the provisions of HRS Chapter 171 and be subject to review and approval by the Department of the Attorney General.
- v. Authorize the revenues generated from leases of the Revenue Generating Properties to be held separately in a special fund or account to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also repay bonds issued for DLNR’s original or any approved Recreational Renaissance plan.
- w. Authorize the hiring of an independent real estate consultant to review DLNR’s land inventory, identify properties with development and revenue-generating potential, and provide recommendations on the disposition of leases for those properties; and delegate to the Chairperson the authority to determine the scope of work of the consultant’s contract, select the parcels to be reviewed under the contract, enter into supplemental contracts to address unforeseen conditions, and sign the necessary documents pertaining to the project.

Numerous written testimonies were submitted and distributed to the Board members by the Board Secretary.

Deputy Russell Tsuji greeted the Chair and Board members and introduced himself with the rest of the Recreational Renaissance Team Leaders; he proceeded to thank the Board members for hearing staff's presentation of the Recreational Renaissance (Rec Ren) Plan B—a departmental priority seeking various types of Board actions to implement Plan B.

Deputy Tsuji provided some background, on the Department's legislative package last year that included the *original* Recreational Renaissance Plan which generally provided for:

\$240 million in Land and Ocean Based Capital Improvement Projects for State Parks, Small Boat Harbors, Hiking Trails, Boat Ramps and Piers, Public Shooting Ranges, and Environmental Mitigation/Resource protection projects.

The plan requested funding in the form of \$40 million in GO Bonds, and \$200 million in GO Reimbursable Bonds to be paid back by the Department with increased fees, leased revenues, etc.

Although the original Recreational Renaissance Plan received the Governor's support (Executive/Administrative/Legislative Package) and support from the House Majority, ultimately and unfortunately, the *original* Rec Ren Plan was not passed.

Deputy Tsuji moved "fast forward" to today—explaining that unfortunately DLNR's recreational facilities continue to fall deeper and deeper into disrepair and quite frankly, is an embarrassment. [Director]Deputy Tsuji urged the Board to take action now in order to help save, and avoid closing down our small boat harbors, State Parks and other land based recreational facilities.

Deputy Tsuji then moved on to summarize the Introductory Section of Staff's Submittal...Section I. Rec Ren Plan B—Back to Basics.

GOALS

1. Generating \$8.0 million in revenues (No tax dollars—No General Funds) to support repair, maintenance and operations for Land and Ocean Based Recreational Facilities

Out of that \$8 million staff is targeting, \$4.0 million would be used for State Parks (to support funding for repair, maintenance, and operations at the State Parks)

Additional \$4.0 mil Revenues generally from:

- New Parking Fees for nonresidents at 8 High Destination Parks
- Modest increases in Camping and Cabin Fees
- New and or renewed Concessions, Leases and other types of revenue generating Agreements at State Parks
- And Land Division contributing new and existing land lease revenues from mainly commercial/industrial/resort type leases.

Member Agor asked whether the \$4 million for State Parks is from parking fees or entry fees. Deputy Tsuji said from parking fees. Deputy Tsuji explained that the original Recreational Renaissance plan had called for Park entry fees; however, the Legislature didn't approve the requested CIP to build the necessary entry booths in order to implement entry fees. In lieu of entry fees, the department is asking to implement parking fees; the vendor that staff has spoken with indicated that parking fees could be implemented with a kiosk that people could swipe their credit cards and driver's license that would distinguish between residents and non-residents.

\$4.0 million for the Ocean Recreation and Boating facilities (to support funding for Repair, Maintenance and Operations for Boating and Ocean Recreation facilities)

Additional \$4.0 mil Revenues generally from:

- Increased Mooring Fees to cover current Harbor expenditures.
- Fast land lease/concession revenues
- And Land Division will contribute new and existing land lease revenues from mainly commercial/industrial/resort type leases.

Plan B Objectives:

1. Avoid having to close our Land and Ocean-based Recreational Facilities due to health and safety concerns
2. Implement an Asset Management Program to assist with improving Repair and Maintenance of Land and Ocean-based Recreational sites with a set schedule and with higher standards)
3. "Pushing the Envelope on Repairs" – due to the lack of CIP funds, in lieu of longer term capital improvement projects, the Department intends to focus on:
 - Temporary replacement of condemned facilities—although may have a life span of only a few years, it will allow the Department to keep facilities open while the Department continues to work on obtaining legislative approval for funds that would allow more permanent type of capital improvements.
 - Improving our Volunteer Program (e.g., Polihale, where Board member Agor and the community were instrumental in repairing the Polihale Bridge with no expenditure of State funds. Manpower, equipment, material and supplies were donated by the community.)
 - Establish Short and Longer term Volunteer Opportunities
 - 3 different skill sets: (low, med. and high—example of low is going out and clearing some brush or cutting grass; an example of a project requiring a higher level of skill sets is the Polihale Bridge where architects/engineers and construction workers rebuilt the Polihale Bridge to County standards.
4. User-Friendly Customer Service

- New On-line Boater Registration—recently having gone live.
 - (working on) On-line Camping and Cabin rental, and pay on-line
 - (working on) One-stop webpage for all recreational facilities and permits rather than 11 different sites.
2. Start the longer term process of soliciting and issuing long term leases on vacant (or soon to become vacant) lands with the goal of generating an additional \$12.0 mil in revenues mainly from commercial and industrial-type leases. These lands tend to need some form of entitlements or infrastructure prior to seeing any real revenues—thus a longer term process.

Our goal and idea is to keep our dream of the *original* recreational renaissance plan alive:

- if DLNR can show substantial increase in revenue generation potential in the near to mid term, perhaps we'll have better luck in obtaining the legislation necessary to implement the *original* recreational renaissance plan (issuance of bonds to fund \$240 mil in much needed capital improvement projects for our recreational facilities)

...Deputy Tsuji called upon Curt Cottrell of State Parks to explain Sections II and III of the Introduction Section of Staffs' Submittal.

STATE PARKS

Curt Cottrell of State Parks greeted the Board, Senator Hooser and the public and presented his section.

Plan "B" focuses on two goals:

1. Increase our capacity for repair and maintenance, and to improve our overall operations this year - and,
2. Start the process of raising new revenues now so we can fund these critically needed repairs - and then keep the facilities and areas better maintained

Hopefully – we can expect future funding support of capital improvements when the Legislature approves the CIP and Special Fund initiatives of the original Rec Ren.

What we are presenting today is the “back office” policy and regulatory changes that were necessary in the original Rec Ren – and are now plainly crucial for a “Back to Basics’ approach of Plan B

For years, State Parks has taken consistent reductions in general funds – losing positions and operational funds. Over the past several years, the State Parks general fund allocation has been cut by just around 3 million dollars. As the limited general fund pie shrank - recreation is always the first to go.

While this is reasonable compared to health, human services and public safety – **there are natural and cultural resources at risk here – not just recreational spaces.** The drastic and unprecedented reduction in our general fund revenues mean that creating and applying new revenue sources is now essential.

As shown here, well over half of Parks operating budget is taken up with four lifeguard contracts and simply paying for utilities. **This 10% is a very small fraction to cover the basic operating costs, which include the repair and maintenance (R&M) which is critical infrastructure that the public requires.**

R &M consists of such activities as:

- replacing broken toilets and plumbing,
- Repainting comfort stations that have graffiti,
- Replacing vandalized signs and bashed in gates,
- Trimming hazardous trees or cutting overgrowth of vegetation in the common park areas,
- Fixing potholes or repaving parking areas,
- Repaving decaying irrigation features,
- Replacing aging cabin roofs or sagging and broken doors, etc...
- Rebuilding washouts on trails

This also includes servicing the vehicles and equipment that is necessary to transport staff and tool them up for these activities. These lists of features that are innocuous individually - but as they add up - contribute to the overall poor park experience and in some cases – jeopardize public safety.

We are reaching the point where closure becomes a tenable and necessary option. California is like the “canary in the coal mine” they have initiated closure of over 200 parks – we do not want to reach that level of decay.

The 09 parks budget had less than \$9 million total to manage 69 parks and park reserves. Subtract the four lifeguard contracts and utilities and that leaves \$93,000 per park per year for all operational costs in fiscal year 2009.

Now - with current restrictions, reduced approximately 29% since last year. We’re down to about \$70,000 per park per year for operations

Let’s compare us with the National Park System in Hawaii. Hawai’i residents and State Park staff would love to see our State Parks run as efficiently and at the same qualitative standard as that of the National Parks System (NPS) where things are well maintained and everything works.

Their budget, which does includes revenue from entry fees – is over 35 times our funding to support repair, maintenance, interpretive programs and general operations - for only 5 parks – as compared to Hawaii’s 69 parks and park reserves which is about \$5 million per park. I want to point out a few very troubling aspect of this graph - beside the obvious disproportionate distribution in funding. This is 2008 data – our little slice on the right is

now less than what you see here based on current expenditures. The NPS slice on the left was the recipient of federal stimulus dollars – so their column is off the chart.

The continued decline of general funds for the Department mandates that we now populate the special fund with new revenue.

Two of the funding initiatives I want to discuss are increased camping/lodging fees and new parking fees:

Camping fees for Hawaii State Parks have not increased in over a decade and our lodging fees have remained static in over 14 years. Camping within a State Park is a short-term exclusive use of public resources, but the Department's current fees do not cover the Administrative costs involved in processing of reservations and permits, or the operations and staff costs for campsite/cabin maintenance and clean-up, composting toilet maintenance and other related infrastructure repairs.

Staff recently stopped the laundry service at Wainapanapa State Park because they can't afford it. This proposed increase includes a two-tiered fee schedule,

- One for non-residents
- And a lower cost for Kama'aina.

This allows us to keep costs down for local families while passing on a slightly higher cost to out-of-state visitors, who are typically more accustomed to paying greater fees for similar services across the United States. We are proposing a modest rental fee increase for cabin/lodging opportunities while simplifying the rate schedule.

A larger increase is not warranted at this time given the age and the poor condition of the State Park cabin inventory. The increase will be phased in with the new online services – which I will cover shortly.

Studies funded by the Hawaii Tourism Authority identify parks across the state that have both the patronage and parking infrastructure that could make charging for parking both physically and financially feasible.

The Admin Rules allow for the Division to charge a fee for parking, as set by the Board – but up until now we have not applied this option. As Russell said the Department is looking to spread this cost over eight signature parks, for now, to deal with an influx of cash through a parking permit process.

Currently, the only State Park in the entire system with the only comparable fee (in this case for entry for both locals and visitors) is Diamond Head State Monument – at \$5 dollars per vehicle, \$1 dollar for pedestrians.

As was put forth in the Rec Ren, the intent is still to charge only visitors and commercial vehicles a fee; **resident parking will remain free of charge.**

Initial consultation with parking experts has confirmed that there is technology that will allow us to differentiate between locals and tourist using unmanned stations.

Member Edlao asked how staff plans to pay for this. Mr. Cottrell said that staff is asking the Board to give the Chairperson the authority to go out for bid because staff knows the private sector market has the expertise and equipment. Going by the initial consultation with the parking vendor the vendor will provide the infrastructure at their own cost, collect 10% to 20% of the revenue and then service the infrastructure for the Department. Unlike the entry fee scenario, where staff would come in with a capital cost asking for the loan on the bonds, build the feature like the one at Diamond Head, maintain it and repair it - with a parking little kiosk the vendor would do all that and this is where staff wants to see what the market will provide through an invitation to bid. The parking kiosk would be unmanned - staff projects a 10% non-compliance, but under the scenario under the RFP -- this would include periodic inspections to make sure there is compliance.

Member Agor asked giving Koke'e State Park as an example whether people would pay three times at three parking lots - where Mr. Cottrell said it would be a one time parking fee because visitors move around at that park. At Nu'uaniu Pali the cost will be \$3.00 because studies show that the hang time for visitors is much less and the turn around is high.

So, in summary -

The projected fees may approximately be over 3 million of increased funding from these revised camping, lodging and parking fees.

The proposed Admin Rule changes that are part of this submittal are needed to allow for

- Internet permitting and credit card payment,
- Collecting entry fees in the future (and still subject to further analysis)
In cases where an entry fee is levied the parking fee will be removed.
For now we need the parking fees because staff can do it by Board approval and get that process going to populate the Special Fund.
- And also other regulatory improvements.

Immediate Goals of the Back to Basics of Plan "B"

- Keep the inventory of State Parks open and safe
- Improve the management at a specific level of quality
- Reduce the impact to accessible natural and cultural resources
- Start the asset management process to stay ahead of continued decay.

Keeping parks open at a quality standard during tough economic times is critical for everyone.... Park use across the State remains steady. Going holoholo is less of an option for locals – our own backyards are less expensive and provide the recreational spaces that we all need. Diamond Head in March of this year had record attendance. Even at 5 bucks per vehicle – this park is an inexpensive family and visitor experience.

Back to Basics includes collaboration with community volunteers

We are targeting types of activities that are volunteer friendly for folks who want to step up and help be stewards of parks and reduce decay by engaging in repairs - and in some rare cases, even provide new facilities. This can range from painting benches and bathrooms, clearing vegetation, installing new signs - or of the magnitude of the West Kauai community folks who rebuilt the Polihale State Park Bridge and repaired the access road that Russell talked about.

Sand Island Off Highway Vehicle (OHV) Riding Area is currently being created completely by volunteers, on State Park land, with some funding support from the Na Ala Hele program federal grant and those are the kinds of opportunities staff could be more creative with to the supply of new recreational uses.

This includes better customer services as well - we can improve "basic" communication with our public

At present, global and local customers must obtain permits by mail, telephone or walk-in, which adds to the administrative cost of permit issuance. This is a very cumbersome process that results in unnecessary delays and conflicts in the permitting process and disappointment from members of the public. Through a contract with the Hawaii Information Consortium - like Na Ala Hele's website for commercial use, staff is projecting to go online in January 2010 with the new camping and lodging internet reservation system. The fees staff is asking for today will not be implemented until the site goes live on-line - and in addition to the increased fees staff is offering much greater convenience like credit card payments and the ability to get permits without having to come in or fax stuff in.

Due to the high volume of public inquiries on parks and permits, we are also modernizing the phone service to provide an automated voice message system to sort calls and provide information - before the public reaches our limited staff or the voice mail. An example is to answer calls on how to get to Diamond Head, what are the fees, how do I get a permit for Kalalau, etc. The funding for this is in place via the TAT funds from Hawaii Tourism Authority.

If successful in raising the \$3 million in revenue through these various fees and support from the Land Division, Parks will have approximately \$127,000 per park per year - with the entire sum of the increase funding going to essential repair and maintenance and improved operations at parks statewide.

While still far shy of the luxurious NPS funding model but - critically better from where we are now and offering us the potential to implement better quality management because the public - and our public trust resources - deserve it.

Member Edlao asked whether Mr. Cottrell had a timetable in meeting these goals. Mr. Cottrell said that staff wants to go out to a public hearing on the rules within the next couple months. In January, staff wants the camping fees in place, which is the only hard

deadline. Staff has yet to go out for the RFP/IFP on the parking which staff will learn as they go and was not certain for how long it would take - which Mr. Cottrell thought maybe within a year because this is new.

Dan Quinn from State Parks said that the goal is to have it in place within three years, but some of it has to be in place this fiscal year because the Division is seriously in the red.

DIVISION OF BOATING & OCEAN RECREATION

Ed Underwood from Division of Boating and Ocean Recreation (DOBOR) reported Recreational Plan B Back to Basics for DOBOR basically entails increase maintenance and repair activities, adopting user friendly services and implementing an asset management program so that the Division can ensure their facilities are well maintained. DLNR has been successful in recent years in securing CIP funding that was used to make much needed improvements at the small boat harbors. As you may know, staff has completed all the floating docks at the Ala Wai Small Boat Harbor – F, B, C and D docks. Staff awarded the contract for the build-out of the new Kawaihae South Harbor, Big Island. Currently undergoing Phase I and II construction of the Kahului launch ramp replacement with the loading docks as well as a new concrete launch ramp. Also, the 100 and 200 rows of Ke’ehi Small Boat Harbor which has been a long time coming is under construction now. However, staff has maximized the available CIP funding they are now able to concentrate on the repair and maintenance projects. These projects include repairing electrical and plumbing services; repairing existing tethering and piers; servicing off shore moorings; building maintenance which includes roofing, painting, replacing fixtures; also parking and roadway maintenance including pothole repair and re-stripping; power washing launch ramps; providing janitorial and rubbish services; replacing damaged and missing navigational aids and removal of grounded vessels and other marine hazards. Staff is working to implement user friendly services. Currently, the vessel registration is on-line and staff is working to put the mooring program on-line as well and is updating the DOBOR website so the Ocean Recreation community is better informed in a more timely matter.

Slide 1 – Submittal, Page 5 pie charts.

Mr. Underwood noted that 8% of DOBOR’s operating budget goes to Repair and Maintenance and the remaining portion is for Utilities, Other related services and Lease rents.

Slide 2 – Submittal, Page 6 pie charts.

DOBOR’s primary programs operate small boat harbors and manage the ocean recreation management areas. The small boat harbor revenues as shown on the graph account for approximately 45% of DOBOR’s total income, but also account for 81% of total expenses. The other revenue sources that include the lease rents on private property, fuel tax revenue, launch ramps, etc. generates approximately 55% of total revenue, but account for 19% of DOBOR’s expenses. In order to account for the disparity between

the two programs staff is proposing to amend their existing mooring fees according to the Hawaii Revised Statutes which states that mooring fees are to be based on, but not limited to the use of the vessel, its affect on the harbor, use of facilities and the cost of the administering this mooring program.

Staff put together a detailed revenue and expense report relating to harbors operations which can be found in Exhibit B of the submittal. In order to break even on current expenses mooring fees would need to be increased by \$3.47 per foot at each facility statewide. Staff applied the fee equally statewide because during public informational meetings held earlier this year staff received a lot of comments where some harbors felt they were subsidizing others and it was felt that everyone pays their fair share. Staff proposes implementing this new fee schedule according to two categories: Schedule A will be all the existing mooring tenants in place at the time the rule takes affect and will include that particular mooring fee at that time within an equal increase over a five year period to Schedule B which is the new fee and will apply to anybody new coming in when these rules take affect.

One thing different, the Recreational Renaissance Plan that was originally proposed in this scheme staff will not charging the cab fee. Everything is all inclusive with the increase of the mooring fee.

Slide 3 – Submittal, Page 7

The goal of the Recreational Renaissance Plan B is to generate revenue that can be used to fund additional repair and maintenance projects. Once this mooring fee is fully established staff expects to generate an additional \$3.6 million in revenue that can used for additional harbor improvements that would include, in addition to what staff is already doing, replacing piers in-house citing the two new piers that they will replace at the Ala Wai small boat harbor using their own maintenance staff as well as the new loading dock pier that staff put in at the Kaunakakai small boat harbor on Molokai that collapsed recently. In addition to that, staff would like to increase and establish a well equipped maintenance section within DLNR. Right now DOBOR's maintenance has screws and hammers where staff needs to get the equipment for maintenance to do the work. Staff is looking to establish service contracts for plumbing and electrical repairs. When DOBOR was transferred out of DOT to DLNR, DOT – Harbors assisted DOBOR with the electrical and plumbing repairs, but now that DOT-Harbors are streamlining their operations they turned the repairs over to DLNR and this is the reason to establish these contracts to keep up with all the repair and maintenance needs with all the small boat harbors and launch areas.

Also, the revenues generated from the fast land development – the fuel tax, the non-mooring related fees including revenues from industrial lands will be used to support the stand alone launch ramps, the piers, as well as the ocean recreation management areas. The fees staff generates in these small boat harbors staff would like to keep within those small boat harbors and spread it equally between the two areas.

In order to ensure staff is able to maintain their newly renovated facilities and operate them according to industry standards staff is adopting a massive management program which is being spear headed by DLNR's Engineering Department where Mr. Underwood turned over the presentation to Eric Hirano.

ENGINEERING DIVISION

Eric Hirano from Engineering Division presented the

Proposed DLNR Asset Management System

I'm here to talk about a very important aspect of our Plan B, Back to Basics, and this is to Adopt and Phase In Model Repair and Maintenance Standards for our DLNR facilities.

The Department is moving forward with adopting and phasing in model repair and maintenance standards as we develop an increase in our revenues.

Your Engineering Division will take the lead in assisting all of our divisions in developing and operating the DLNR Recreational Facilities Asset Management System.

I would like to turn your attention to Attachment A which I believe is the first item in your folder. This refers to maintenance standards for our land based recreation and ocean based recreation. These standards are general standards, which are necessary to keep a facility or area in safe and proper working condition over its design life.

As you can see and what my poor fellow Administrators are faced with due to our current funding situation, is that "immediate" upkeep of our assets has been reduced to a "bare" minimum. Many of these, referring to Attachment A, are doing basic things like stocking supplies – toilet paper in comfort station, emptying rubbish containers, cleaning drainage swales, but if staff is able to generate additional revenue for operation and maintenance there is a whole bunch of things they would love to be doing - power washing, scrubbing interior and exterior areas, repairing roofs, painting interior and exterior areas. In our submittal today, hopefully in helping my fellow Administrators to improve on the repair and maintenance of our facilities and to help protect our valuable assets, our environment, our natural and cultural resources, and enhance our recreational experience for both our residents and visitors.

Slide of Submittal, Page 8:

Why develop an asset management system?

Because, here we are now, and by following this Na Ala Hele Trail here, this is where we would like to be, having all DLNR facilities on a model standard schedule for repair and maintenance.

An asset management system will help us achieve this goal.

Basically it's a software program that various DLNR divisions would populate with information about their facilities and operations known as an asset management program.

This will be a tool that provides information that allows for the identification of resources, facilities and assets, and condition assessments which in turn informs management about time, money, people to manage the resources, and assets in their facilities.

Assets are "everything" that are managed in our facilities and includes structures, resources, and people. It can be buildings, trails, comfort stations, signage (interpretive or traffic/safety), archeological/cultural sites, endangered species habitat, infrastructure, landscaping, etc.

Data placed into an asset management program would include items such as:

An inventory of facilities (what, how many, where)

Current replacement values

Facility Condition

Asset Priorities

This data can be used to drive asset management decisions and day to day management such as scheduling and executing maintenance and management of work orders.

It will help staff manage the gap between what is budgeted for facilities and what is actually being spent.

Work orders and/or supplies can be "bundled" to increase efficiency or purchasing by scales of economy.

Establish performance maintenance measures.

Gather data for preparation of our project funding requests or operational budgeting. This data will give us the backup justifications for our requests.

These are just a few examples of what asset management can accomplish.

Why is Engineering Division taking the lead on all this?

We already work closely with all our divisions in moving their capital improvement projects forward but we need a coordinated engineering and "maintenance" approach, applied throughout the entire life-cycle of our assets to maximize our assets level of service.

We're hoping to gain significant "SAVINGS" in the life-cycle costs of our assets, increased reliability, and enhance customer satisfaction.

WE CAN'T KEEP DOING BUSINESS AS USUAL.

AN ASSET MANGEMENT SYSTEM JUST MAKES GOOD BUSINESS SENSE.

Staff had briefings with the National Park Service and the City's Department of Environmental Services who report on their own Asset Management Programs which was invaluable hearing their trials and tribulations, what they are doing and how it's helping their organizations.

PLEASE SUPPORT ALL OF OUR PROPOSALS BEFORE YOU. THANK YOU.

Member Pacheco asked whether the original Recreational Renaissance maintenance standards were built off of the NPS model is that still the case. Mr. Hirano said it was his understanding on the parks side that they are looking to utilize the National Park Service model standards and on the Boating side they were using the California boating standards.

Member Goode asked that staff if going out to consultants to help with the program then after that the intent is to manage it in-house where Mr. Hirano replied in the affirmative. Member Goode asked whether Mr. Hirano will reassign staff within his division to specifically manage this and coordinate with the division which Mr. Hirano confirmed saying that talking with the City & County people it's going to require a lot of IT (Information and Technology) support as well as when staff moves forward and start to includes all facilities in DLNR they will need to look at dedicating a full time person to implement the plan.

Chief Engineer then turned the presentation back to Deputy Tsuji.

[Director]Deputy Tsuji then directed the Board's attention to the slides in Section V of the Introduction Section of the Board submittal, page 9, about what the public can expect to see with the successful implementation and execution of Plan B of DLNR's Recreational Renaissance.

[Director]Deputy Tsuji explained:

State Parks Operating Budget

- Currently—10% of the Operating Budget goes to Repair and Maintenance --\$923K for 69 State Park and Park Reserves—with today's budget and restrictions¹, this amounts to only \$70K per State Park and Park Reserve—this is minuscule compared to the Funding for the Federal National Parks in Hawaii
- The Goal—increase R&M statewide up to 38% (or an additional \$4.0 million increase).

¹ FY 2010 is negative 1.75 mil. in GFunds less than FY 2009.

Member Morgan asked how many of those expenses [Mr.]Deputy Tsuji expects to be increased payroll versus contracting services for plumbing and electrical. [Mr.]Deputy Tsuji said that this is not payroll and that it is solely repair and maintenance. Mr. Quinn explained that the repair and maintenance budget will be used for acquiring the equipment and materials where much of the work will be done in-house by staff (and the cost of payroll and fringes is not included in the amounts shown for repair and maintenance). [Mr.]Deputy Tsuji said that payroll is a separate item from the repair and maintenance portion within the total operating budget illustrated on page 3 of the Introduction Section.

Boating and Ocean Recreation Operating Budget

- Currently—8% of operating budget to Repair and Maintenance
- The Goal—increase R&M to 32% of operating budget (or an additional 4.0 mil increase)

[Director]Deputy Tsuji advised the Board that they will also be hearing later in the presentation from the Forestry and Land Divisions---during the substantive portion of Staffs' Presentation.

...[Director]Deputy Tsuji explained that in addition to the Recommended Board Actions for Parks, DOBOR and Engineering, they also will be asked:

DOFAW

- will be seeking approval to increase fees for camping and other recreational activities in Forest Reserves
- to Fund Repairs, Maintenance and Operations in Forest Reserves, our Na Ala Hele Trail System, Wildlife Sanctuaries, and other natural resource protection programs

Land Div.

- will be seeking various types of approvals to assist in generating revenues mainly from vacant (or soon to be vacant) lands for commercial, industrial and resort type leases.
- to assist with funding the R&M and ultimately CIP (debt service) for our State Parks, Boating and Ocean Recreation and our Forestry and Wildlife Divisions.

[Director]Deputy Tsuji explained that at the conclusion of the Presentation, staff will be asking the Board to approve all Board Actions as recommended by Staff in the Submittals, or as recommended by Staff to be Amended herein today.

...Moving on to the Substantive portions of the various Divisions' Submittals, first up was State Parks and [Director]Deputy Tsuji called upon Administrator Dan Quinn.

Chairperson Thielen said at this point the Board members may want to refer to the tabs in the Board submittal with specific actions the Divisions are asking that would support the Recreational Renaissance Plan B; and she asked whether the Board members had any

questions at this time about the introductory material and the broader concepts of Plan B. Staff did a presentation on the Recreational Renaissance itself but Plan B is different because it doesn't focus on capital improvements, but more on the repair and maintenance and back office operations. The Chair also noted that we also have two new Board members who weren't present during the prior staff presentation on the *original* plan, and she wanted to give them an opportunity, and the rest of the Board to raise any questions at this time.

Member Edlao asked where is all the monies generated going to go and how is it going to be distributed. [Mr.] Deputy Tsuji responded saying that staff will use existing special funds. The legislation staff sought last year was for a new special fund to deposit and expend from, however, because that bill never passed, we will be using the various divisions' special funds. For example, we will be using the State Parks' special fund, the Boating Division's special fund, and the Land Division's special fund. To make accounting for deposits and expenditures easier, we are looking at setting up sub-accounts within each special fund for solely recreational renaissance deposits and expenditures.

Member Edlao asked when the parking fees are collected by State Parks and goes into the State Parks special fund, how are they ultimately going to be distributed to the various parks. Giving Makena as an example, will all monies collected at Makena stay there or will it go to a general fund, or would it disappear to other places? How will the repair and maintenance projects be prioritized because if people are paying for something they may want to see something happening in that particular area? [Mr.] Deputy Tsuji said he envisions the three different special funds having sub-accounts within each special fund to allow for easier tracking of the revenues and expenditure for Rec Ren Plan B. Bottom line is that you'll be able to see how much revenues Parks is generating for Plan B and how much money Boating is generating; and also track the use of those monies for implementation of Plan B. Administrator Dan Quinn said monies generated at a particular Park will not necessarily stay at that Park. There are a number of parks that will never generate anything and there is a shortage of funds system wide. The system as a whole is in the red and staff has identified a number of parks that have the potential to generate some revenue. Some will not generate any revenue at all. Monies will be used within the State Parks system, and certainly some in the parks where the revenue is generated, but not necessarily all of it. Member Pacheco said that he'd still go with what the National Park does with their user fees where the park keeps 80% and 20% goes into a pool to be distributed out. Mr. Quinn disagreed noting that the numbers that was on the slide earlier for the National Park System represented 5 of their parks and believes there are only 3 that actually collect any revenue, and those 3 share that with parks that do not collect an entry fee.

Member Goode asked, being a new member and having not been here for Plan A, the \$240 million identified for capital improvement projects will be spent over five years and what was the debt service required to handle just that portion. Deputy Tsuji said of the \$240 million, staff was asking \$40 million in GEO bonds and \$200 million in reimbursable bonds where the debt service would be roughly \$20 million for a 20-year

period. It typically works where the first four years are interest only, then principle and interest subsequently after the fourth year, and staff had a schedule when they laid out the plan where you start paying when you draw down the funds. The ultimate goal with the financial plan he estimated by 2015 or 2016 they will have to pay on the full \$20 million in debt. Member Goode inquired about whether that the roughly \$8 million we are talking about today is because of the shortfall that all statewide agencies are facing. We won't even begin to tackle the anticipated debt service if we are able to get to \$200 million capital improvement project. [Mr.]Deputy Tsuji acknowledged that.

The Chair referred to page 2 of that outline, it talks about that addition to the \$8 million goal for the Parks and Boating Divisions for improved repair and maintenance the goal is also is to begin generating up to another \$12 million annually in the new non-tax payer revenue that is the long term development of the vacant lands (or soon to be vacant) to demonstrate the Department has the capacity and ability to repay the debt service which is the second part of the plan. That additional \$12 million and the Division Administrator for Land Division will talk about that. That \$12 million will be coming from the urban and industrial land use rents and **not** from any fees either in the harbors or in the parks. For the first time the parks, ocean recreation and the trails would directly benefit from an influx of non-tax payer revenue coming from urban and industrial land leases managed by the Department.

Member Morgan asked looking at DLNR's overall budget, what percentage comes from general funds and what percentage comes from fees or leases. Bottom line how far are you from becoming self-funded for the entire Department. [Mr.]Deputy Tsuji said every division is different. State Parks is a combination of general and special funds. Land Division itself is 100% special funded and in addition, previously has been asked to support other offices and divisions within the Department such as the Office of Conservation and Coastal Lands, the Commission on Water Resource Management, State Parks (annually to the tune of \$700,000), the Forestry Division (Invasive Species and Threatened and Endangered Species, and other offices.² This fiscal year is going to be very challenging because of the budget situation with Land Division's special fund. In addition with funding their own division, the State Budget Bill last session tacked on an additional \$500,000 for a State Parks' life guard contract that had historically been funded by the general fund but instead, changed it so it will be taken from the Land Division's special fund. Additionally, approximately \$800-900K for the Flood and Dam Safety Program under the Engineering Division that was previously general funded, now under the Budget Bill will be coming out of Land Division's special fund. So getting back to Board member Morgan's question about what percentage of the Department's overall budget is general versus special funded, it is different for each division i.e., the Engineering is funded by both special funds and through capital improvement projects and the Boating Division is 100% special funded.

Chair Thielen reported Department wide our budget is about a total of a \$100 million for everything in the Department of Land and Natural Resources and somewhere around \$23 million are general funds. The rest are special funds or Federal grants and programs.

² It's probably easier to list those offices or divisions who don't receive any funding support from the Land Division compared to trying to list all that do receive funding support.

Member Morgan asked whether it was the goal of the Department to be self-funded. Staff indicated that it seems to be going that way, but out of necessity and the need to survive, rather having a choice and making a conscious choice. Member Morgan asked, just for general background, whether it is by legislation that allows the divisions to establish rules to set fees. In other words, is it the rule making process that sets or changes the fees from time to time? [Mr.]Deputy Tsuji said that is true for some divisions, but not for all. For some divisions it would simply require a Board action, instead of a change in a statute or rule. Mr. Quinn confirmed that the Board sets the fees for State Parks. Park's staff often will prepare a justification and recommendation, but the Board ultimately establishes the fees for State Parks. [Mr.]Deputy Tsuji reiterated for some divisions, it may require a rule change, and some will only need Board action. Member Morgan asked during the rule making process under Chapter 91, whether the rules actually come back to the Board for the final call; [Mr.]Deputy Tsuji confirmed affirmatively.

Member Pacheco noted that if he understands correctly then, if the Board approves this today, they are not necessarily approving any final numbers or anything like that, but will be allowing this process to go out or forward, and that the Rules for fees will ultimately come back to the Board for review and approval? There were a replies saying it will be for State Parks.

[Mr.]Deputy Tsuji noted that going back to the question posed earlier about whether the goal of the Department was to be totally special funded or self sufficient. Deputy Tsuji noted that for some divisions, it would be very difficult to immediately rely 100% on special funds; as background, State Parks at one time was totally general funded, however because of budgetary shortfalls, the legislature decided to give Parks the ability to try and collect some fees at the parks and gave Parks a special fund, but then took away general fund appropriations. Unfortunately, Parks hasn't been able to generate the revenue needed for it positions and services that are designated to be funded out of the special funds. The difference with this recreational renaissance plan concept that staff started working on last year is that previously all the divisions were in silos and it's hard...we have a really big Department with divisions with very diverse missions and functions, and it took a lot of work to pool everyone together to get the various divisions and skill sets to move toward a common goal to benefit the Department as a whole. For example, the Land Division has a lot of experience in performing auctions and managing leases, and even doing the more cumbersome and sometimes complex RFP, meanwhile State Parks might have a single property manager position that supports the entire division. Sometimes if you're not experienced you'll get lost. For issuing RFPs or land leases or going through an auction, there is a process that has to be followed and there are statutory requirements to be followed – experience and being able to draw upon the knowledge of more than one person in a division is necessary to see timely results. Unless you have experience in the process in issuing these RFPs, concessions or leases, it is not going to move forward, which is what happened at State Parks. Land Division has started assisting the various divisions in moving projects out, and will continue to do so under the original and Plan B of the recreational renaissance.

Member Edlao noted working with the community is important citing Mr. Cottrell's suggestion to involve the community and asked how the department intends to communicate possible help from the community – town meetings on different islands to seek interest in maintenance or did staff think about that? Mr. Cottrell said that there is a variety of approaches giving the example of Na Ala Hele program where folks came to staff; State Parks has a series of curatorship agreements in place with new ones coming on line where certain groups help to be stewards of certain parks. In this Plan B, staff is going back to how the Department was a decade ago where staff will do more outreach, but now outreach via the website, PR is an issue that needs to be ironed out because one of the problems in working with volunteers is you just cannot put out the message “come help us” until staff is in place with funding to tool them up. Volunteers are inexpensive, but they are not free. They do require tools and materials, and for staff to be organized prepared to work with the volunteers. Can't get everyone excited and say we have nothing to help you with. Sand Island is the exception because it is a resourceful group of volunteers as was the Polihale gang. Generally, it will be a variety of approaches of outreach that staff intends with Plan B. Mr. Cottrell plans to go out to the Makiki/Tanatalus Neighborhood Board next Thursday to start talking on the various opportunities, but we'll have to be careful until we get supplies in place. Once people get sweat equity into a resource that they use they will tend to take better care of it and there is a community education advantage with working with volunteers beyond the “indentured servitude” aspect of free people for six hours. People learn when working with staff, but it's hard because staff would be expected to work weekends and even with the government situation and uncertainty staff still have the option to go out and get community support. Its new funding and community support combined that is needed.

Chair Thielen said that we'll move forward to the detailed submittals. Each of the divisions will go over the specific recommended actions that they have to support the Plan B.

STATE PARKS sub-items a-d:

- a. Approve the Chairperson to appoint staff to be hearing officers for purposes of conducting public hearings related to proposed amendments to certain sections of Chapter 13-146 as proposed in the attached draft of amendments to Chapter 13-146 HAR, pending review and approval by the Office of the Attorney General.
- b. Approve the amount of the proposed parking fees and to charge such fees as described above at the identified State Park areas and to authorize the Chairperson to conduct an Invitation for Bids, Concession Agreement or other public process as allowed by law, such as a Request for Proposals, and to award and enter an appropriate Agreement for parking fees collection and remittance to the Department for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also assist with repaying bonds

issued for DLNR's *original or any approved* Recreational Renaissance plan.

- c. Approve the increase in lodging and camping fees at State Parks as described above for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also repay bonds issued for DLNR's *original or any approved Recreational Renaissance* plan.
- d. Approve the filming fee of \$100.00 per day and delegate to the Chairperson the authority to renegotiate the MOA with the Hawaii Film Office of DBEDT.

Dan Quinn with the Division of State Parks presented the four recommendations under the State Parks heading.

a. Requests for permission to conduct public hearings to certain sections of Chapter 13-146 which is the State Parks Administrative Rules.

Within our rules staff doesn't have the ability to issue electronic permits or permits over the internet that is one of the main components with the changes to the rules. Right now those rules don't allow staff to charge entry fees except for Diamond Head State Monument. Staff is requesting to drop that specific reference and allow them to charge entry fees at all parks - which remain staff's preference - to charge entry fees rather than parking fees.

There are a number of other changes to the rules which are attached. Mr. Quinn will not go into detail the attachments to the submittal because many of them are housekeeping type amendments which staff has to do from time to time.

b. Request to establish parking fees at certain State Parks.

Through State Parks rules they are currently authorized to do that at a fee set by the Board. This request asks for authorization to do that. The list of parks is attached in the submittal which are consistent with the parks staff discussed for entry fees in the initial effort with the Recreational Renaissance Plan with the exception of Island of Hawaii - parking at Hapuna Beach as opposed to Ke Kahakai because there is much greater volume at Hapuna Beach and better ability to manage what is going on. The fee would be \$5.00 per vehicle with the exception for Nu'uaniu Pali which would be \$3.00 per vehicle with a graduated schedule. This schedule is consistent with what is in place with the entry fee at Diamond Head State Monument with the exception staff is asking that the fee be paid by visitors. Diamond Head will remain the same as it is. Mr. Quinn suggested an amendment to this to clarify and that there is camping in a couple of these locations. 1. Parking passes will be incorporated in camping or lodging permits issued. (So that staff is not double charging.) 2. For any entry fee

established in the future, the parking fee at that park will be dropped. (Staff will not charge both fees.) Where Member Pacheco asked to add these as amendments to "B" and Mr. Quinn acknowledged that saying he'll go over with the Board Secretary to make sure they have the correct language.

c. Increase fees for overnight accommodations at State Parks

This includes camping and cabins which Mr. Cottrell reviewed earlier. Mr. Quinn went over State Park's Current and Proposed Fee Comparison on page 5 of the State Parks section.

Member Morgan asked what the split was for resident and non-resident now. Mr. Quinn said for the current level of use it varies for instance on Oahu many of the campers are residents, but on the neighbor islands some areas are heavily used by non-residents where staff could get the specific numbers on that. Mr. Morgan asked whether the non-resident fees are comparable with the mainland fees where Mr. Quinn said that we are lower and we are the lowest in the country compared to other states. Mr. Cottrell confirmed that when staff did a review of all the states Hawaii was at the bottom of the pile – Iowa charges more for camping than Hawaii parks. It appears to be a big increase, but with these new rates Hawaii is below the national average. Member Morgan said the reason for his question is if there is room to move in the market it won't matter and the market won't stop coming. Mr. Quinn said these are set by the Board and if the Board chooses to set it higher than the recommendation it's up to them.

Member Edlao asked about Makena whether staff is charging an entry fee or a parking fee. Mr. Quinn said staff's desire is to ultimately charge entry fees because it gives a level of security when there is a manned station there. It is likely that the parking fee will not have a staffed situation reiterating Mr. Cottrell indicated that it may be an automated parking device.

Member Edlao referred to the Maui News that there is a problem with parking there and that DOCARE is having a field day with citations. And asked if you charge someone and there is no parking do you turn around and go someplace else? Mr. Quinn confirmed that some people were ticketed outside of the marked stalls which staff will have to address. Staff will not charge people to park and then ticket them if they are not in the right space which is a management issue that they will need to deal with before putting this in place. Not to say staff doesn't have a few management issues to resolve on several of these sites. Some are doable and will get them resolved.

Member Edlao said he was concerned with security and cases of people breaking into cars, usually local people who are not charged a fee. Maybe there needs to be a fee for locals to discourage these guys. I got go pay \$5.00 to rip off somebody and they will think twice about doing that. It's a suggestion and Member Edlao doesn't think the local resident's would mind paying to go there, at least most of

them who frequent the area. Mr. Cottrell said staff didn't think it was fair to charge locals at this point in time, and that visitors are accustomed to paying fees at municipal and federal parks on the Mainland, and not to say that this could be a future option based on funding declining, they weren't thinking about the future – its just that staff doesn't have the managed infrastructure for entry fees without funding to set them up the way they would like to. At some point if staff would get the revenue and make these places nicer and there is a value added reason to levy those additional fees. Member Edlao asked whether we are looking at a constitutional affect to selecting out certain people from fees which Mr. Cottrell replied we are not.

Chair Thielen noted that for State Parks system there is a base amount of general fund revenue that does support the State Parks system. If for some unforeseen reason, we hope that base revenue of general funds will continue, but if the legislature were to determine that State Parks should be fully special funded then at that time staff would have to look at residents. In 1995, during that economic downturn a lot of the parks were shifted to special funds as opposed to general funds, but because of the base general fund revenue more tax payer monies are going into that from local residents. Member Agor said Kauai strongly supports staff's recommendation to not charge local residents. Chair Thielen said that there is a concern from low income residents because these are public places that should be available to all residents in Hawaii.

d. Request to establish commercial filming fees for State Parks.

Currently, the Department has a Memorandum of Agreement with the Hawaii Film Office of DBEDT and under that staff is not charging fees with the exception of the Division of Boating and Ocean Recreation which charges a \$100 a day for the commercial type shoots. This is a request for staff to go in and negotiate that Memorandum of Agreement to establish a similar \$100 a day fee for the Division of State Parks.

Member Pacheco asked whether the Film Office still exists and someone said no. Member Pacheco said for Hawaii Island looking at the fee structure with the pedestrian park parking fees and looking at Hapuna and Akaka Falls has very few pedestrians thinking that everyone drives there. He asked if someone is walking in and not parking why have pedestrian fees in there. Mr. Quinn said it might be confusing in the submittal. Currently at Diamond Head there is a \$5 per vehicle entry fee or a \$1 per pedestrian situation. Staff's proposal is not to do that same thing for these other parks. It's only a parking fee, no pedestrian fee.

Member Pacheco said looking at the numbers possibly generated increased from the parks and looking at the maintenance schedule that Mr. Hirano put forward and the basic amendments will be covered first off. Looking at State Parks like Hapuna or Mauna Kea State Park a lot of these fees will be generating into positions. The personnel in place are the personnel who will be doing this which Mr. Quinn confirmed. Member Pacheco said

looking at Mauna Kea State Park that the restrooms are never stocked and are often trashed. Hapuna is usually good in the morning, but later in the day the toilets are usually overflowing with serious problems there and wondered how this money coming in would change staff quality of keeping the place up because we aren't increasing labor. Member Pacheco asked how the change to staff on the ground will take place. Mr. Quinn said that it won't take place immediately. With the current situation that Mr. Cottrell mentioned staffing is going the other direction. Member Pacheco clarified staff behavior. Mr. Quinn reported that there is a new superintendent on the Big Island hoping that staff behavior will change tremendously with his efforts out there. They are short staffed on the Kona Coast to the point where they are having a difficult time closing the gates at night. It is a challenge. Staff brought someone further north to help at Hapuna and if Member Pacheco ever finds the toilets overflowing give Mr. Quinn a call. Staff, ultimately, through the original Recreational Renaissance looking at the broader revenue picture to help increase the level of staff which has shrunk over the years. At one point they had 171 people on the ground. Now it's less than a 100. So it's difficult for that number of staff to do what they used to do. Mr. Quinn said he will talk to staff about the problems at Hapuna.

Member Pacheco asked what these monies will do for Mr. Quinn to make the change on the ground there. How is it going to work? Mr. Quinn said the general fund barely covers the personnel facilities; State Parks R&M budget is coming exclusively out of the special fund and this is just to keep things operational. He'd hate to tell people to bring their own toilet paper when coming to a State Park, but we maybe getting there. They don't want to do that and this is to recharge that type of expense. State Parks special fund generates a little over \$2 million and this will recharge that. In round numbers staff used to have excess of \$9 million in the general fund. That has shrunk to \$4.2 million, but the special fund has not grown at the same level to be able maintain the parks as it did a decade ago. Its simple things like repairing the toilets, replacing lighting fixtures, the kind of things that makes the place look run down which are the kind of things staff will be attacking with these funds. Mr. Cottrell said in the R&M it was not just the purchase of supplies. Moral is really low in staff right now and part of that is because, for example, our fleet of vehicles is decrepit. Paying for fuel and fixing trucks which our limited staff that need to get out to Hapuna to respond is already marginalized. With an influx of cash - there could be an adrenaline charge for our overburdened staff to ideally fix the vehicles and get more tools, fuel up and get out more frequently to places like Hapuna to respond to these issues - which is part of the problem. Staff is having difficulty getting what limited funds there are to keep fuel in the trucks let alone keeping them moving with needed repairs.

Member Edlao asked assuming if this all goes through and is successful will you extend this to the other parks. Lets say down the line the economy is better, the legislature is friendly to the Department does everything go back to how we were with no charge or is this a permanent thing. Mr. Quinn said he doesn't see staff doing away with it and wouldn't put it in place in any more locations before bringing it before the committee and the Board.

Chair Thielen said that the Renaissance proposal came out in taking a look at the long term trends about the financial support for recreational places such as Parks. Harbors has been on its own special funded since its inception, but the long term trends for Parks and Trails is showing that it cannot compete against Education, Health and Human Services. Staff has not seen the increase in growth in the general fund. It's acknowledging that the legislature has shifted more of these positions over to special funds or to federal funds or to grants rather than shutting them down. Responding to the legislative directive to be able to populate the special fund is what's needed.

Member Agor asked that he realized that the approval today would approve the Parks system in its entirety including Haena and Koke'e. Should this get approved could he get assurances prior to the implementation of what they are approving for staff, he would like to accompany them, to prove the public as to exactly what is going to happen. Mr. Quinn agreed. Chair Thielen mentioned that staff asked the Koke'e Advisory Counsel Committee to set up a working group to meet with the Rec Ren Committee to further set up the Koke'e Master Plan because those are the ideas that staff wants to come to agreement with the Advisory Counsel so that the revenues will have support the improved maintenance and operations in that area. In Haena, there is a stewardship group who has been working with the community and will continue to do so.

Member Morgan said he thought it was a good idea to charge a film fee for use of State Parks because on the private side commercial films will pay five to 20 times more to private landowners asking what is the volume of film requests, it seems like an administrative fee to cover costs. Is there a big volume of requests to film in state parks? Mr. Quinn says it varies. There are a whole lot of smaller type permits that are issued by the Film Office. Larger production type permits takes a fair amount of administrative time to deal with them. Fortunately, the Film Office irons out most of them before they reach State Parks which is about several inches of pre-approved permits a year and about half of that staff takes action on. For bigger shoots, staff requests that the film company hire DOCARE to make sure the permits are complied with and that the resources are protected. If staff charged a greater fee it would be potential for greater revenue. There was discussion of patterning fee schedules after some of the mainland agencies, but it was decided to go with what was already established with State Parks. [Mr.] Deputy Tsuji noted that the Film Office permits [and] also has an agreement with Land Division. The Film Office doesn't pay a fee to Land Division currently.

Member Agor asked what ever happened to the concept like at Polihale they had a concessionaire that agreed to maintain the bathrooms there. Mr. Quinn said that fell by the wayside and couldn't say what happened with that. One of the ways to move forward is through concession agreements. Polihale is unique because its way out there with its own private water system and has no power and at this time the road is virtually impassable. But, the concession agreements statewide are a way staff can provide the service without public dollars going into it. Once State Parks has funding to refill their property manager positions they will be more self-sufficient and Mr. Quinn will look into that.

Chair Thielen said that there are a number of technical recommendations from DOBOR next. Normally, they would take public testimony, but thought it best to go through all of this because members of the public may want to testify on more than one division. After Boating's presentation and question and answer they may take a five minute break and then come back for the other divisions.

DOBOR sub-items e-h:

Mr. Underwood discussed and summarized DOBOR's agenda items starting with sub-item e. It was noted that Exhibit A is a very extensive rule amendment package encompassing a wide variety of rules linked to moorings, recreational management areas, harbor management, etc. and would like to go out to public informational meetings on these particular rules to gather community input and amend it if necessary to make sure it will work. Once we make revisions, if necessary, and receive AG approval, we will proceed to public hearing. One of the big items in exhibit A is dealing with the various commercial activities that take place in the ocean recreational management areas – mainly surf schools, kayak operations as such. Exhibit B deals with a post Rec Ren Plan B and that rule shows the proposed mooring fee increases, amendment to the vessel registration fees, as well as the temporary mooring fees. At this time Mr. Underwood would like to add, when staff put the package together they inadvertently omitted one rule, HAR §13-234-3 which would reflect what the mooring fee increase would be if staff was to increase it to \$3.47. After speaking to the Attorney General's Office, staff is providing copies of the rule which Mr. Underwood distributed. Chair Thielen asked whether the actual amount of the increase is in the initial submittal and the table in exhibit B. Just the rule change itself was missing. Mr. Underwood acknowledged that.

Agenda item f. – staff asked to amend this request because it was very board and staff wanted to explain what facilities and what submerged lands staff were talking about. The submerged lands deal with the fast land properties that butt up the submerged land giving the example of the Ala Wai small boat harbor where the haul out and fuel dock have moorings that go along with those leases and needs to be approved. Also, staff identified a few other areas – Ke'ehi small boat harbor which may need temporary mooring while they are hauling boats. As well as, Ma'alaea small boat harbor for a haul out and Kahului launch ramp area for another dry dock.

Agenda item g. – (a) Which Mr. Underwood read reminding the Board that back in August 8, 2008 the Board authorized staff to enter into a revocable permit for the parking concession at the Ala Wai small boat harbor which staff initiated because of the complaints from the harbor residents and recreational users that parking areas were being taken up by contractors and by people working in the general area. By entering into a revocable permit it gave staff time to gather input and to put together a long term parking concession which is where we are today. The input staff gathered from the community identified three main issues. 1. We need to increase presence at the harbor with a parking vendor to keep an eye on parking. There is a free parking area and there is a paid parking area which is closed at night. Staff went there at 5:00 am to watch people driving in to see what direction they were heading and nicely informed people that it was for

recreational harbor use, but DOBOR is not staffed to do that on a full time basis. Staff needs a parking vendor to step up and ask them to provide more of a presence. Also, it was identified within the free parking area there is no time limit so when people come down to go to the beach, but are actually going to work they can be parked there as long as they want, its unlimited parking. Staff wants to limit it to six hours which gives the recreational surfer plenty of time to surf. If you have to go to work it makes it difficult to come back to move your car. Mr. Cottrell mentioned pay stations which are very nice, state of the art pay stations that you could put throughout the harbor. You don't have to go back to your car. Diamond Parking, LLC who is managing the parking is operating at a break even level at what they are offering now. Diamond Parking is helping staff to issue the parking permits for their designated permit parking and they are collecting the monies from the pay stations. In order to require or ask the parking vendor to provide the additional services in the harbor and to install the state of the art pay stations. Then require the parking vendor to manage DOBOR's overall parking management scheme at the Ala Wai small boat harbor because Boating needs to increase revenue. When staff came before the Board previously the Board directed staff to charge 25 cents per hour for the paid parking area which was similar to the Honolulu Zoo parking fee. Subsequent to that Boating did charge it and is at a break even which is about the same when they had the metered collections in the harbor. Mr. Underwood summarized and reiterated to increase presence, put in pay stations, to manage the whole program staff is asking to set the parking fee at a \$1.00 an hour which is similar to what the County is charging at Honolulu Zoo now. Staff will still offer 300 free stalls for the general public and still offering the permit parking areas for the boaters and staff has the process in place if the boater goes on an extended sail and needs to park the car for a longer period they can come in and get a parking pass for their vehicle.

Staff plans to do this similarly to the Kailua – Kona pier which is extremely active where there is recreational use, commercial use, launch ramp and cruise ship tendering as well. DOBOR does not have staff to man that on a daily basis like it should be and would like to ask to hire on a parking vendor to manage that area, be responsible for opening and closing the gates, would provide the presence, to manage the public and permitted areas and staff would work with the local community having met with the local businesses who would like to see that area opened up too because right now the gate is closed and locked during the day.

Agenda item h. – that Mr. Underwood read noting that this is under an RP to the Deli Corporation. Staff would like to offer that same type of operation out for a long term lease and there are people who are interested in doing this. The Deli Corporation has informed staff that they would like to stop operations because they want to retire and this would be a good time to put this out for a long term lease. And, staff would like to ask the Board's favorable consideration.

Member Pacheco asked how many stalls does staff plans to get at the Kailua-Kona pier. Mr. Underwood said it's unknown right now because the cruise ship facilities are currently in place. Right now staff wants to push everything to that facility security plan and then open up the rest and then re-stripe to get as much parking as they can. Also,

staff would like to provide pick-up and drop-off areas because when those cruise ships are there all the buses and vans are coming to pick-up staff wants to get this going to free up some space.

Member Pacheco asked whether the lands around Honokohau are not DOBOR lands, but are under Land Division. [Mr.]Deputy Tsuji said that DOBOR has a certain amount of lands where Member Pacheco understood adjacent up to the harbor, but outside of that. [Mr.]Deputy Tsuji said the 300 acres that Land Division had previously issued is still under Land.

Member Agor commented when the Board approved the 25 cent parking fee he anticipated that the Department would come in and ask for an increase and fully supports them.

Member Morgan said and asked he realized all the rules need to go for a public hearing, but he noticed on transfer of a use permit, it now includes a corporation. Does that mean when somebody sells their company they don't get the permit or the permit doesn't get transferred with it? Mr. Underwood said all commercial use permits sold are able to transfer. The particular permit that staff is looking at is the commercial fishing corporation permits that is being transferred. According to the statute we do have an opinion. The permits are not transferable unless staff has the statute amended.

Member Pacheco asked the limits of the commercial permits at the various harbors and launch ramps where did those numbers come out of. Those have changed correct? Mr. Underwood said those are still in place. Staff is asking to change certain harbors for instance Haleiwa small boat harbor has built a who new pier and increased the moorings and staff would like to increase the number of commercial boats that they could have in that harbor. In the beginning, those numbers were predetermined and Mr. Underwood wasn't sure how they were which is one of the things that staff has to address with the ocean recreation management areas because how do you limit it. How many surf schools should be in an area? Staff is working to come up with that.

10:45 AM RECESS

11:02 AM RECONVENED

DIVISION OF FORESTRY & WILDLIFE:

Paul Conry, Administrator with the Division of Forestry and Wildlife (DOFAW), presented and said that DOFAW's package in the Recreational Renaissance Plan B is setting the foundation to help staff support the increased repair and maintenance and operation which is going into their systems. With DOFAW's Rec Ren Plan they want to be able to continue to adequately maintain existing facilities and expand recreational opportunities in the future for long term demand from the public for development of shooting ranges and off-highway vehicle use areas. Another major item in the DOFAW Package is rule amendments for Wildlife Sanctuaries to enable us to protect our

sanctuaries that often get heavy recreational use. The rules are setting a foundation for staff to adequately manage the recreational uses and protect those areas.

Mr. Conry read DOFAW's sub-item i. – noting that this follows the same fee schedule as State Parks bringing those fees up to date referring to Attachment C.1.1 and C.1.2 that list what those proposed fees will be. DOFAW also plans to join the Department web-based permit system and have those permits put on line to make it easier for the public to access. For C.1.2, staff is requesting approval to charge a comparable commercial permit fee for commercial activities in forest reserves. Those fees are based on what staff currently charges for commercial use of the Na Ala Hele Trail System. Staff does get occasional use of other areas of the forest reserve that are not covered by our Na Ala Hele Trail System. Implementing the fee structure for recreational uses in Forest Reserves will support DOFAW's existing operations and maintenance and help to take care of their expanding network of Forest Reserves.

Items j., k. and l. deals with the wildlife sanctuary and putting into place some protections for that system. Item j. is asking Board approval to go out to public hearing with administrative rules to update the wildlife sanctuary rules. There are measures in the update that deal with how we manage our public uses better. The rule also establishes commercial fees that could be charged for activities like wildlife viewing, commercial hiking tours that would occur at wildlife sanctuaries.

Item k. is a housekeeping item because the rules haven't been updated in years and staff wants to make sure they have executive orders in place for all the areas that are designated as wildlife sanctuary in the rule.

Item l. is a step forward in implementing the Rec Ren Plan where staff is adding a new wildlife sanctuary on the south shore of Molokai at Pala'au. Item l. would create a set-aside to DOFAW from unencumbered state lands from Land Division for DOFAW to develop as a new wildlife sanctuary. Staff met with the community and they've expressed an interest in also developing fishponds. That's compatible with plans of the Division. The request includes adequate lands to develop both wildlife habitat and restore fishponds. Staff will work with the community as they get organized.

Items m. and n. – Item m authorizes partnership agreements with our shooting communities to operate public shooting ranges. Shooting clubs have been working for years to get public shooting ranges developed and there are volunteer groups ready and eager to help in the development and operation similar to the volunteer efforts with the Sand Island OHV Park. Staff can work with these groups of volunteers who are willing to provide the day-to-day operations and provide trained shooters that can operate those facilities. Staff asks for approval to go forward with this initiative. Two areas have been identified for development of a shooting range – an area in the Pu'u Anahulu Game Management Area, Big Island which was previously approved by the Board and Lehua/Koloa Forest Reserve which is part of the Kalepa Area that staff has been working on. Item n. would be draft rules that would go out for public hearing to set up the rules to regulate and operate shooting ranges.

Item o. DOFAW has been working with the Maui Na Ala Hele Trails and Access Program. There is a chronic demand on Maui for an off-highway vehicle riding area and it was difficult just finding an appropriate place to allow off highway vehicle use. Na Ala Hele advisory council identified this unused-unencumbered land up at Wahikuli as a suitable site. An adjacent portion is being looked at by the Hawaii Housing, Finance and Development Corporation for housing development. But, the portion they don't plan to use will be set aside to DOFAW that they can look at developing an off highway vehicle park in that area.

Member Goode asked what are the current and proposed camping fees. Mr. Conry said that they currently don't charge for camping, but do issue camping permits. This submittal will establish a camping fee. There is a rental cabin fee that is in Attachment C.1.1 and that would increase to be comparable with State Parks. Member Goode asked when was the last time these fees were set. Mr. Conry said more than 20 years ago.

Member Pacheco asked whether DOFAW has statistics on the level of compliance as far as getting permits for camping. Mr. Conry said there are a couple established camp grounds like Peacock Flats and Waimanu Campsites where it is clear you have to get a permit. The rest are trail side camping with limited use – we get about 40-50 permits per year on Oahu. One of the issues is people have to come to the office to pick-up a permit. When the new system goes on-line, it would be easier for the public to find out requirements and respond to. Mr. Conry thinks we would get better compliance with a permit system on-line. As for enforcement - there is maintenance crew that goes out to Peacock Flats and there are crews that visit Waimanu that check on permits.

ENGINEERING:

Eric Hirano from Engineering read Item p. and had no changes to his recommendations.

Chair Thielen asked Mr. Hirano to touch on the pilot approach. Mr. Hirano explained that staff is looking at three facilities to take on the pilot system which are Lahaina small boat harbor on Maui, Diamond Head State Monument on Oahu and Alakai Boardwalk on Kauai. This is something staff is starting slow to work out all the kinks and staff has had excellent support from the National Park Service and the City and County and are still willing to guide staff along.

LAND DIVISION:

Morris Atta, Administrator for Land Division, reported as noted previously revenues generated from our commercial and industrial properties are crucial components to the successes of this plan. As such, Land Division devised a seven point strategy for streamlining and enhancing our revenue generating capabilities to support the plan. After identifying 14 of the most promising properties for generating revenues for near term as well as long term potential, which are more specifically described in the submittal, Land Division analyzed the changes needed to expedite the Departments' ability to generate

and maximize revenues from these assets. The results of that analysis are the recommendations that are before you.

Mr. Atta summarized Item q. which is to designate and reserve certain properties as revenue generating properties to be used to support the plan.

Item r. is a request to authorize and recommend the issuance of a Governor's Executive Order to facilitate certain land exchanges between the Department of Transportation (DOT) and DLNR, subject to FAA approval.

Item s. is a request to authorize the issuance of long term leases for those revenue generating properties.

Item t. is a request to delegate to the Chairperson the authority to determine the process for offering and disposing and modifying the terms and conditions of leases for the revenue generating properties.

Item u. is a similar request, to delegate to the Chairperson those similar authorities for properties previously disposed or approved by the Board.

There is an amendment 5. (which is the revised Item u.) hard copies of which were distributed to the Board. Mr. Atta said in essence what this amendment does is narrow the applicability of the delegation to the Chair only to those actions taken by the Board which are pertinent to the revenue generating properties identified in the list, to ensure that it is not interpreted as a blanket authorization for any state owned property.

Item v. is a request to earmark and segregate revenues derived from the revenue generating properties for Plan B, and for repaying any bonds that may be obtained with legislative approval.

Item w. is a request to authorize the hiring of a real estate consultant to evaluate DLNR's land inventory for development and revenue generating potential and to delegate to the Chairperson the authority to hire such a consultant and execute any documents necessary to implement that selection. This request is also recommended by the director of Budget and Finance.

Member Pacheco asked will there be an opportunity to add to this list of revenue generating properties, that is will the Board be able to add additional properties to the list later on. Mr. Atta answered in the affirmative. Originally, he considered including a provision that would expressly allow properties to be added by the Board. However, rather than leaving an open ended list, staff thought it would be easier and clearer for the public to have the properties clearly defined rather than creating an ambiguous universe of targeted properties. By leaving it silent, staff would have to come back to the Board and seek approval if we wanted to add to this list. At this point in time staff thought the 14 properties identified were the most suitable properties for this purpose.

[Mr.]Deputy Tsuji said that these properties were on our radar because a lot of them are currently entitled for development or commercial use and staff would not need to go through the zoning process and could expedite the revenue development process. Member Pacheco asked what timeframe are we talking about. Mr. Atta said six months to a year. [Mr.]Deputy Tsuji said staff will have to do the work and timing may be subject to whether they get furloughed. Mr. Atta said usually these properties have different degrees of entitlements and consequently will have different degrees of readiness for revenue development purposes. [Mr.]Deputy Tsuji said that what are not included are the properties that are longer term or may need some entitlements. Staff didn't include those properties in this list. Member Pacheco asked you have further properties in mind. [Mr.]Deputy Tsuji mentioned the 300 acres at Honokohau that was formerly subject to the Jacoby agreement.

Member Pacheco asked how these revenues can be used to fund the Plan and tracked if it only goes into the Special Land Development Fund. [Mr.]Deputy Tsuji said he tried to explain earlier that in the original legislation that staff had sought, a new special fund would be created so that all the revenues and expenditures for the Plan could be easily tracked. Land Division has its own special fund and for now it would be going into that fund. For accounting purposes you can create a sub-account within that big account and it'll actually show how much money was generated for Rec Ren Plan B. And the same could be done for State Parks and Boating Division because both each have their own special funds. They would just need to work with our fiscal officer and staff in setting up those sub-accounts within their respective existing special funds.

Chair Thielen said one draw back with working with the existing special funds is that you cannot coordinate regional contracts or purchases across divisions because the accounting has to come from two separate funds. The original Recreational Renaissance proposed to create a new special fund that would support the debt service for all the recreational places that had improvements for DLNR and allow staff to manage the repair and maintenance cost. We would also have a clear accounting and a safe account so that the legislators and the Governor could feel secure that staff had sufficient revenues to pay the debt service on the bonds. But, because there are existing special funds for each of these divisions now, we can keep separate accounting and purchases and people will have the comfort that the funds from Boating stays with Boating and Parks stays with Parks. Member Pacheco stated that we have no guarantee from the legislature that if we do this and now show all this extra money coming into our special land use fund, then the legislature may say that we need less general funds and then put us back in the same ballpark. The Chair said there is always that concern that if the Department raises special funds and revenues to support operations that they may lose general funds, but the trend has shown that the general funds for Parks has been declining year after year to the point where staff cannot sustain keeping these parks open. Boating and Ocean Recreation was always special funded. The Na Ala Hele Trail System relies heavily on Federal Grants. The options are to continue as businesses as usual and continue the downward trend or to try and do something different. This is an effort by multiple divisions in the Department to work together to present a different plan to have safe, secure and well maintained recreational facilities across the state. [Mr.]Deputy Tsuji noted that special funds are

always subject to a raid. Chair Thielen said but the best protection against a raid is to spend it on the improvements - keep the maintenance going and the facilities stocked, operated and cleaned then that is where the money should go. [Mr.]Deputy Tsuji said, in his personal view, that especially in this downward economy, B&F's projections keep getting lower and lower and therefore sometimes it's safer to be operating with a special fund (as compared to being general funded) in order to have the necessary revenue to continue operations. During great times when the economy is booming things will be different in that programs that are general funded tend to have a lot of money, but recently from what we are seeing in the severe economic crisis, we want to encourage the entrepreneurial spirit and encourage (rather than discourage) revenue generation to replenish our special fund balances. Parks is really difficult because historically they aren't used to charging fees and weren't able to get off the ground in increasing revenues for the special fund. As a result a lot of special funded positions were kept vacant because there was not enough money in the special fund to cover the payroll and due to the recent down turn in the economy and budget shortfalls, a lot of those vacant positions have since been eliminated.

Chair Thielen said that was the full presentation and the actual recommendations are in each of the Board members' summary. She intended to open up for public testimony and may go back to certain pieces then go one by one through each recommendation in the summary. [Mr.]Deputy Tsuji noted that some amendments were passed out to the Board.

Member Morgan asked where is DAR and DOCARE in this. Chair Thielen said on the DOCARE enforcement side one of their goals in their strategic plan which staff will bring before the Board for presentation in a future Board meeting is over the next five years period to transition in so their primary focus is on natural resource enforcement as opposed to routine police work in harbors and to a lesser extent parks because it is taking up a fair amount of their time. The parking contracts at Ala Wai and Kailua-Kona pier will deliberately include a security component in them which will give DOCARE officers more time to focus on ocean recreation enforcement and aquatics enforcement. DAR has been a working member of the stewardship groups in the four areas around the state and we have been developing that. DAR has been taking the lead at Kealakekua Bay and because of the heavy recreational and commercial use there are coming up with some recommendations in that area. As we move forward with the Renaissance we'll see more of a DAR component, but for now a lot of what DAR is doing is behind the scenes working with Boating which has the ocean permits to make sure there are conditions attached to those permits so that people are taking care of resources. As an example the Molokini permits now have new conditions that are being circulated to the 40 odd operators out there so that we don't have a repeat when that one operator tried to salvage their own vessel and created that extensive coral damage. DAR is in a more behind the scenes role, but we'll see more of them in the future.

PUBLIC TESTIMONY

Numerous written testimonies had been distributed to the Board.

Senator Gary Hooser (representing District 7, Kauai and Ni'ihau) thanked the staff and Land Board saying that he wants to do what he can as a senator to support the work we are doing because it is clear that our staff is dedicated to this. The first plan A did not succeed and the senate was responsible to a certain extent. Exploring why it didn't happen or why it didn't move forward, he would say as an individual, senator, the support to any plan is contingent to a large part to the support of his community. As you know District 7 has some key parks as part of this plan – Koke'e, Polihale, Na Pali Coast, Haena Beach Park. There are concerns in the community that need to be addressed in order to move forward. It's important to listen, respond and accommodate, knowing that it is a challenge. The overriding principle of user fees especially in these times is a good thing, but again not without reservations. Charging an entry fee commercializes the park where more people come, the more money is generated. Senator Hooser prefers a parking fee rather than an entry fee with gates. The people in his community don't want to develop parking lots and would rather keep it in gravel. The parks he knows are wild and when going down the path of generating more money, before you know it, we'll have a marketing budget to get more people to go and his community is concerned with that.

There is a Koke'e Citizen Advisory Council who advises the State on master planning issues on Koke'e and recently rejected the Master Plan. Senator Hooser recommends staff listen to this council because they are broad based and they have concerns with the Master Plan.

There is a concern of transferring special fund monies to the general fund which is a difficult thing to do and keep the lights on in the State. If the funds raised in Koke'e stays in Koke'e then it would be very difficult for anyone to raid those funds. Right now it's a big pot of money that is anonymous. If it was specified even an 80-20 type of thing it would be a good thing for the community to know that 80% will go into those parks and they can provide the level of development based on those funds. The concern on Kauai is that these high volume parks will be used as ATM machines to fund money to fund all these other parks and that the Kauai parks will not see the money or the improvements. It is all about the money. Earmarking those monies to the park will give less resistance and more support from the community. And legislators would have a more difficult time raiding those funds.

Senator Hooser cautioned the commercialization, but applauded the work the Department is doing which he supports. Also, consider treating with respect the Koke'e Advisory Council.

Chair Thielen noted in regards to the 80-20 ratio that came out in the Federal Park System, that under the National Park System, they start with a total budget of several million dollars in base funding per park plus the 80% entry fee. The Chair reminded Senator Hooser that without a statewide base support in addition to dedicating funds for entry fees to remain in the parks, continued park operations at places like Polihale would not be sustainable. The Federal ratio would not work under the State's current funding system, but staff would like to talk to him more in going forward and they will also be meeting with the Koke'e Advisory Group as well. Staff shares their concern that we

should not commercialize these areas. Most park operators especially on the Federal level are always concerned about containing the number of people who want to go there because they are such beautiful places and how do you manage that without impacting the resources and would like to find that common ground with that working group.

Jim Coon, President of Ocean Tourism Coalition (OTC) who represents about 300 businesses throughout the state primarily operating from DOBOR harbors, testified giving some history regarding DOBOR's rule package, the requirement to go before the public, and other problems. Mr. Coon applauded Mr. Underwood's willingness to sit down with them to address concerns and that OTC supports this plan. OTC understood the lack of finances for DOBOR to operate sufficiently and in turn made DOBOR understand that OTC needs a stable regulatory system in order to go to banks to get long term financing and to have a stable ocean tourism industry. OTC went to the Legislature to introduce and passed legislation to enable DOBOR to lease out their fast lands and create revenue. OTC had the commercial fees raised by 50% because DOBOR was not able to match 20 cents on the \$1 to get Federal monies to do this much needed work, but DOBOR was broke. Commercial boaters represent about 3% of boaters in Hawaii and provide about 50% of the revenue that you get from boats and they are paying their fair share and are committed to working with DOBOR. OTC asked the Board to create a timeline to move things forward. He had concerns with the Boating fund is paying for DOCARE and OHA and they shouldn't.

Chair Thielen said that the Board doesn't have the authority to deal with the OHA issue or the legislative issue on adding authorities or the funding for DOCARE. Suggested he speak to Senator Hooser.

Mr. Coon suggested as an administration to go to the Legislature to look into these issues. Chair Thielen said that some years ago the Department requested shifting some of the DOCARE funds to general funds or at least half of it and it was not supported.

The Chair noted the two rule changes proposed: 1. The fee changes to support the revenue generation. 2. The bigger change will require more conversation with people and we want to give some time and not short change it.

Greg Howeth - a member of OTC, Hawaiian Islands Scuba Association, Maalaea Boating and Fishing Club and a runs Lahaina Divers, Inc. on Maui. He commended the Department with all the divisions working together. Mr. Howeth asked the Board to ask DOBOR to work closely with commercial operators. Having the monies designated to the specific facility is a great step in getting things repaired. He was concerned with Section 13-231-3 regarding with commercial mooring permits with corporations. Section 13-231-13, is concerned how it impacts corporate law.

Chair Thielen said that this is a request to ask whether this should go out for public discussion and hearing that would be the time for him to raise those concerns, but the

Board hears what he is saying. Small groups will get together and go through public hearings it will come back to the Land Board for the revised rules for approval.

Mr. Howeth supports that, but not how the plan is presented today and would rather have informal public discussions. He asked the Board to direct the Engineering Division to consult the boat operators, especially with Lahaina Harbor and a lot of the commercial operators do the repair and maintenance and could work with Engineering. Under DOFAW, Mr. Howeth supports an off highway vehicle plan on Maui.

Toni Marie Davis, Executive Director of the Activities and Attractions Association of Hawaii said she had submitted written testimony, but her opinions have changed now. Also, she applauded bringing the divisions together and the technology. Ms. Davis supports home rule citing as an example situations in the next county park doesn't have the same rules with problems of enforcement and management. DOBOR has not done a good job in the past financially and asked with the changes whether this has gone before the small business regulatory review board.

Chair Thielen said for all the administrative rule proposals this is the first step where the Board will authorize staff to go out for public hearing, but then they would also need to go before the small business regulatory review board (required by the administrative rule making process) which will be another public hearing where those members will comment and all of those members represent small businesses which is a good vehicle for people who may be too busy to comment on rule changes. Staff will do their public hearings, come back to this Land Board, present any changes and if there are substantive changes this whole process starts over with public hearings which is why staff is starting with informational to make any substantive changes that was overlooked before going out to formal hearings.

Ms. Davis noted that the commercial operators are perceived to be a threat or detriment to the natural resources, but they also provide funds. Protect the natural resource first and then engage eco-tourism commercial activities with controlled impact educating the public while providing financial support in continuing repair and maintenance. Provide for resident recreational activities and allow commercial unsupervised activity only if it does not impact the resources like visitors who are thrown out there not knowing any better.

Philip Kasper is from a small snorkel cruise business out of Maalaea Harbor and is a member of OTC who supports those members' testimony reiterating staff achieving protecting the environment, maintaining facilities, having money for capital improvement, have a healthy boating industry because they generate revenue, educating the public, and the need for boating resources with long term planning. Mr. Kasper asked the Board to take a hard look at the penalties and rule ramifications that could have the potential to put a company out of business which causes insecurity in the industry by not able to secure financing for capital improvement.

Member Edlao clarified that these meaningful penalties are not to put people out of business it's more a deterrent for the future and for other people be aware that they cannot violate the rules or to damage the resources. Mr. Kasper supports that, but said that when you read the rules that may lead to the revocation of a permit and it could be a simple violation.

Bob Masuda who is a former Department Deputy and community volunteer presented his written testimony noting that the Big Island has a huge hunting community with no public shooting ranges even enforcement officers have to create makeshift shooting ranges to practice. Teaching people to do things safely is the best way. This world class shooting range would attract visitors. Mr. Masuda described his history involvement with Hanauma Bay and the reason it is so successful is it defines carrying capacity. The lack of defining carrying capacity is when you have people running amuck resulting in the destruction of natural resources and antagonizing our cultural values asking the Board to consider this. Mr. Masuda described when the Honolulu Zoo was free where 70% of the visitors were non-residents and the county charged property taxes to support it. The Zoo has become better with a user fee system allowing school children to have free admission and residents with kama'aina rates. He congratulated the Chair's leadership for this project.

Harvey Ozer, Asset Manager from the City & County - Environment Services, said he was here to support Engineering Division's provision in the Recreational Renaissance Plan B. The City has \$1.4 billion in assets – treatment plants, pipelines, pump stations throughout Oahu which comes under this asset management program. It's easy to not pay attention to this small provision of the plan because there are bigger issues. The asset management part of the plan is where how we utilize these funds that are coming in and how they convert that to constructive activity that effectively manages and improves the conditions of these facilities the public utilizes. There are two main concepts: 1. Is the acquisition of a computerized asset management system. The City & County has had one since 2001 and has proven to be useful to his staff which is a long term commitment to get one in place and get it working well where they are at the spot where his staff is getting meaningful data out of the system in terms of cost tracking, the service life of the assets, you can see the wear patterns of the assets, which maintenance procedures yield the best bang for the buck, and where you want to make replacement decisions which is fundamental to do any kind of resource management encouraging the Board to move this part forward as quickly as possible. 2. The asset management program involves how you do the work that you do in terms of maintaining these assets. Judging from the presentations, there were two reasons for great concern: 1. An on-going pattern of recurring maintenance because of cost constraints which pushes you into a repair situation becomes a replacement situation costing a lot more money. 2. These replacements have to be done on an expedited basis because when things stop working you have to do something right away. Industry statistics show that doing things in an expedited manner costs four times more rather than in a planned and orderly fashion. Inverse reasoning, the industry benchmarks is when you put a well managed, work

management and resource management program in place you expect to see in the area of 40% decrease in operating expenses related to maintenance and replacement. There is a return down the road in this investment.

Chair Thielen asked whether Mr. Ozer could come to the public hearings with staff. Mr. Ozer said it is his Department's position to help DLNR in anyway that they can. Personally, this has been his life's work of 40 years if there is anything he can do he's available and his division chief would make him available. The Chair said we greatly appreciate this with the City & County and the National Park Service, too. It's wonderful to have a close neighbor with a familiarity with this so staff could avoid a lot of mistakes up front.

Captain Bill Littell testified supporting DOBOR's actions with minor modifications saying it concerns him that they've invested heavily in the docks, but failed to recognize the seawalls or quays which or structures within the harbors are crumbling and the weight on top will collapse and those new docks will go out to sea. Part of that money that is coming needs to be accelerated because if an earthquake were to hit we would lose half the harbor. Mr. Littell suggested that an entity charges per square foot basis for the slip rather than the length because many people have a dinghy or float off the side which people aren't paying for. With the conversion to a new docking system which can be adjustable this is revenue that is being lost in Hawaii. Mainland harbors are implementing this where Mr. Littell recommended staff look at this.

Doug Armfield owns Start Me Up Sportfishing on Maui and in Kona supports the Board reiterating previous concerns about rules on corporations not applying to commercial interests and it is important that be clarified. Mr. Armfield suggested parking fees at other harbors like Honokohau Harbor similar to Lahaina Harbor's fees.

Bill Mossman from the Hawaii Boaters Political Action Association said he had sent written testimony asking and suggesting postponing this item to the next meeting to give the public time to read up on this so that the public can be better position to provide constructive comments to the process. He emphasized an outreach effort to the private boaters. Mr. Mossman was concerned that the Recreational Renaissance special fund was being abandoned.

Chair Thielen clarified saying that the Department is not authorized to set up funds themselves and the Legislature is the only body authorized to set up the special fund where staff has to go back to the Legislature next session to ask for a special fund. In the meantime, monies can go into existing special funds and used exclusively for the purposes in those areas. The special fund was not abandoned. Plan B means what the Department can move forward on now with the statutory authority the Department has while waiting to go back to the Legislature.

Mr. Mossman said we're back at square one to the way it was 10 years ago with the funds and managerial capacity within each division. There was no capability to do what the Renaissance Plan initially focused on which was having a group approach to buy equipment. If that's not going to be possible until we get a Renaissance special fund authorized then say it.

Chair Thielen reiterated it is possible. You build two funds instead of one and staff can move forward and buy equipment and that staff can do what we are talking about without another special fund. What you're seeing today is staff is talking about what they can do to cooperatively work together between divisions which don't require another special fund and is moving forward. The only thing staff is waiting for is the special fund and authorization on capital improvements, but the rest of the Renaissance plan can move forward without requiring any Legislative changes.

Mr. Mossman said that these separate special funds will compete with each other. He said 60% is paid by boaters which the Chair corrected saying in the submittal it is 45%. DOBOR has never had general funding and he is concerned that no one knows where that money goes to asking that the Department look at the funding sources closely and use a cost versus benefit analysis. Mr. Mossman reiterated including the private boaters because they always get left out.

Ray Gruntz introduced himself as a member of the Waikiki Neighborhood Board noting that their Board has voted against any commercialization of the Ala Wai Harbor. He related late night problems with neighboring bars concerned with commercial boats in the harbor.

Chair Thielen said that there is nothing in this plan that includes commercial boats in the Ala Wai small boat harbor and that is not before the Land Board today. It is a Legislative matter written into the Hawaii Revised Statutes and can only be changed by the Hawaii Legislature.

Mr. Gruntz spoke about the 25 cent parking. He mentioned the shooting range and hoped that people running that range are recovering spent lead cartridges which you can get money back on. The big barge with moorings damaging...Chair Thielen asked Mr. Gruntz to direct his remarks to the matter before the Board. Mr. Gruntz said title 13 sub 11 chapter 230 parts 1, 2 and 3 authorizes this body to give out long term leases where someone could build a high rise, but currently its two stories high. He asked why the people who operated the haul out facility were not granted a renewal which could be due to the contamination. The free parking is gone by 7:00am where people might park at Ala Moana and paddle over. Referring back to the statute, what leases are talked about saying that an office building could go there to maximize the value of the land. Mr. Gruntz suggested commercializing the outer row of boats.

Chair Thielen said that the Department is not talking about commercialization of the Ala Wai small boat harbor. Mr. Gruntz said eventually it will be. He isn't against this, but

noted the reason why people are against the Department is because they are not informed and if someone is not getting information to process they will say no and he suggested talking to people. Chair Thielen asked Mr. Gruntz to please leave his card so that he can be added to the e-mail list.

Elizabeth Riley, Vice-Chair of the Hawaii Kai Neighborhood Board, said she was here to speak on a community concern with Ka Iwi. Last year her Board along with their area representatives took a strong position to take Ka Iwi off the user park fee list. She and her representative met with the Chair and it was acknowledged that there was a flaw on how staff interpreted the omni track data. Ms. Riley explained these criteria, but Ka Iwi was left on the list and because of this the community does not support the Recreational Renaissance. She related various criteria which don't meet at Ka Iwi. Ms. Riley expressed with emotion that she and her community is not comfortable with DLNR having sole responsibility over Ka Iwi. Volunteers were called to assist and she was insulted that they are being asked again. This is not right. She said she would like the Board to please ensure that the criteria are shared and to take a look at it. Don't step away and don't allow the Chairperson sole power.

Chair Thielen commented that this Board is not authorizing sole power and that the Chairperson does not have sole power. This is coming up before the Board for a vote. Second the concern expressed by many people who are behind the Save Sandy Beach Coalition was asking whether there was an intention to put cabins. Ms. Riley interrupted saying she is not interested in getting off agenda or the criteria of having Ka Iwi on the list and she wants to look at that and she wants to see the omni track numbers again. The Chair said that the omni track numbers are on the DLNR website and that staff has shared it with her before and have not changed and is welcome to look at the information. Ms. Riley said that it is flawed.

Janet Mandrell introduced herself as an ocean user, a live aboard boater at the Ala Wai and a member of the Ala Wai Ad Hoc Committee has been involved with civic affairs pertaining to the harbor for 15 years saying that this was difficult to write testimony because of the way the agenda printed out which is deceiving and that is why staff is getting the responses that you are. Ms. Mandrell pointed out agenda items on the special fund, under DOBOR – authorize delegation of authority to the Chairperson to select appropriate processes for offering and disposing – to anybody that is reading that you are letting the Chairperson go ahead to do any kind of contract and you will have no further oversight or review of these projects. At the same time the Board doesn't have oversight and the public will not have a chance to comment on this which is why people sit up and take notice. Because in the past people didn't notice they've lost. Development occurred and it's always after the fact and staff will grant the developers an after-the-fact or something. Ms. Mandrell said no one should be granted sole discretionary power which is not what the Board was appointed to step out of the loop of responsibility.

Ms. Mandrell read agenda item #2 under Boating and asked does that mean it comes back to the Land Board and whether the public will have another shot at this. She had heard

Exhibit A – Administrative Rule Package will not go for public hearing and that will be an informational meeting only. Exhibit B – moorings fees will go straight to a public hearing, no informational meeting which is another process in changing fees and that is a distinction not made when looking at the submittal or the exhibits. Ms. Mandrell asked for clarification whether Exhibit A is only an informational meeting where Chair Thielen said that it will go to public hearings as well and not at the same time in answer to Ms. Mandrell's question. You are asking the Board for everything including the Exhibit A. Chair Thielen said to initiate the rule making process including informational meetings, as well as formal hearings, as well as hearings to go before the Small Business Regulatory Review Board, as well as coming back to this Board to initiate the steps for rule making is being asked today. Ms. Mandrell reiterated go out do the informational meetings and come back with information about these big packages and the fees noting that the people on the neighbor islands will come up because of the increase in fees. She said she is opposed to delegating authority to a single person.

As a member of the Ala Wai Ad Hoc Committee they have never received a response to their letter from the Board. They did receive a letter from Ed Underwood to Laura Thielen and a 3-inch binder, but did not receive a letter from the Board in acknowledgement on a deadline in which you wanted a report done. The committee was stunned to read the submittal that they had been informed of this, but Ms. Mandrell said not to her knowledge and everyone knows her e-mail address. The committee is prepared to give a report on the parking that they have been doing site observations and asking people whether this is satisfactory or whether there is a better way to do this. When you put in the parking there are a lot of empty spaces down there where people are not willing to pay even 25 cents. Raise it to a dollar there will be many more empty spaces because people are not willing or can't afford to pay it. All the parking shifted to the free area. With the opening of B, C and D docks which serves 200 boats and the committee was going to come back to that area now the those boat slips are open. The committee has been diligently working on this process, but didn't realize today was the day. Ms. Mandrell asked before going out to approve any long term contracts the committee would like the opportunity to get them before.

Noa Napoleon, a member of the Ala Wai Adhoc Committee commented that he was only informed the day before from DOBOR that this meeting was happening asking to do better public outreach with this referring to Mr. Mossman's testimony.

The Adhoc Committee is wondering whether the parking vendor will be a non-competitive bid because they are concerned that this one company was pre-selected and Mr. Napoleon wanted to know if there was precedence for that and why there are no other companies for this request for proposal. Diamond Parking violated in the first few days of its contract by completely failing to monitor the parking area because the Committee went down every day with cameras for two months and there was no one from Diamond Parking there. When they finally ran into a guy they told Committee members that they are not going to be trying at all to protect free parking because they can't identify a recreational user and a non-recreational user. Where Mr. Napoleon

pointed out that during this period when they were analyzing the situation from 5:00 to 9:00 the parking lot filled up there was not one surfer in that parking lot during those months. It's changed now over the last few months, there are surfers and it's hard to find parking.

Mr. Napoleon asked whether the permit Diamond Parking is going to get is transferable. A private vendor had a permit situation with DLNR and that permit was taken over by the Hilton Hawaiian Village. This is a problem that they can't allow the Diamond contract be taken over by the Hilton who has indicated they want to develop the area. The Committee wants to make sure that permit that goes to a private contractor is not going to be subject to a bankruptcy process to where the Hilton can come and get it like a previous permit.

Mr. Napoleon asked the Board to extend the Ad Hoc Committee's scope to address and analyze Plan B. They begged the Land Board over DOBOR's objections to become an adhoc committee so they can get consensus from the community noting that he is not a boater, but a surfer. This Board agreed to allow this adhoc committee be formed. Mr. Napoleon reiterated his question saying that Plan B is different from the Ala Wai parking situation asking the Board to look at the Ad Hoc Committee's alternatives and compare them with DOBOR's.

Mr. Napoleon had a concern with item E noting that commercial vendors are saturating public beaches with equipment and asked to amend item E, 4th line by adding "...harbors, public beaches and waterways..." because this public beach issue is a problem and it is the catalyst for what is happening across the state with abuse to our public beaches. The problem is DOCARE was never required to enforce this before and that this is the problem with DOBOR that everything is done backwards. Have rules first then public and then businesses. Mr. Napoleon suggested for these rules to create a working group like the Ala Wai Ad Hoc Committee where commercial and public people can get together saying at the last Board meeting he came to was full of commercial people and he was the only public person. There is a need to have the commercial people interface with the public and for DLNR to do meaningful, good faith outreach. Not the kind that takes their cues from the commercial community and pushes it so far that the public doesn't have time to bring it back. It has to happen.

He asked before going to public hearing recommended the Land Board fix into DOBOR's proposal to regulate commercial on waterways by creating a position – Officer of Permitting and Licensing who would help DLNR by revoking permits, creating criteria where its like three strikes and your out or something to this affect.

Mr. Napoleon reported that the Committee lobbied this year on a bill that would remove DOCARE from DOBOR, but the bill didn't pass. It's still a good idea whether or not DOCARE is effective.

Donnie Dawson from the Film Office commended on DLNR staff for their hard work on this and for the Board for hearing it through. The film permit process that they are

engaged in and the Memorandum-of-Agreement they have with DLNR is critical to the continued service of this industry which is important to Hawaii's economy by generating revenue. Ms. Dawson supports the fee system that is in place which is something they have been working with Boating for a long time and it is time that State Parks steps up as well to take advantage of this because it helps DLNR's situation. The degree where the industry is going to continue is going to be a big impact on whether those fees are going to be relevant to the bottom line for DLNR, but wanted the Department to know that they are very supportive of the process. Ms. Dawson clarified a point regarding land management it does not charge fees per stay. There are per square foot fees that are imposed when there is a right-of-entry for extended use of lands under their control giving the example of the extended film production use of lands by Wheel of Fortune. She foresees in the future nominal fees charged for filming throughout DLNR who support the film permits. It is critical to have DLNR staff there to support the Film Office by signing off on those permits because they know filming is not DLNR's top priority, but it is important to the State and they couldn't do it without DLNR.

Robert Harris, Director of the Sierra Club testified that they are cautiously in support of the concept in creating a non-resident, access for parking fee at State Parks because Sierra Club mission is to get people to the outdoors, but it become obvious that the parks and trails were in such bad condition primarily as a result of legislators inability to properly fund these public resources it has come to the point where residents are unable to enjoy or to engage in public parks and becoming aware of conservation efforts because they are not given the opportunity. Many residents are not aware of Hawaii's special plants and animals. No one likes fees, but if it creates the capability to be able to do conservation work to put the parks in such a manner to have people come out and enjoy them which will help the Department's overall responsibilities and mission which is principally to protect Hawaii's public resources. Mr. Harris asked and to consider a policy by the Board stating that we will not charge residents fees on the going forward basis and he thinks it's important to do it in conjunction with the concept of what we would do with a non-resident fee. Sierra Club wants to ensure every resident in Hawaii is going to be able to enjoy our public parks and trails. They don't want to have a situation because of poverty issues where people are denied access to parks and it's important to do it in conjunction with this. Don't want a situation where 5 to 10 years from now maybe more fees and it's nice to have it in writing now. It's an important step to take and mollifies some of the concerns people had about this concept.

Mr. Harris said that some members who had not had an opportunity to fully review all the concepts that if there was not another opportunity to review to consider and asked delaying some the actions that may occur today. These are complex concepts and he understands there will be further public hearings and more opportunity to review it which is sufficient.

Chair Thielen reported that staff did meet with the Sierra Club Executive Board to present the entire Recreational Renaissance with the entry fees at parks which was described and thanked the club for the opportunity and wanted to come back especially

on the volunteer side which the members expressed interest in. Mr. Harris thanked her and said they appreciate the collaboration.

1:27 PM RECESS

1:51 PM RECONVENED

Blake McElheny from Pupukea, North Shore of Oahu with the North Shore Community Land Trust said that he submitted written testimony reiterating the phrase cautiously supportive and appreciates everyone's hard work. The North Shore especially appreciates staff in dealing with the various community organizations and they see the power of the partnerships referenced in Plan B. This area is highly utilized by Oahu residents and half of the visitors to Oahu come to the North Shore to enjoy the natural resources which is natural for them to want to support staff's efforts to not only keep resources open for the public, but to improve the repair and maintenance programs and supports this thanking everyone that this will benefit the people of Hawaii.

Chair Thielen informed the Board that Blake is the reason why they have the Pupukea/Paumalu Park Reserve which was an epic effort that spanned over a decade with community effort and she gave some history on it. Mr. McElheny thanked her for those comments saying he appreciates everyone's support in that. The Chair commented about increased land trusts around the state, but there is no increase in the general fund to manage it and a lot of these places like Kaena Point become a festering dispute among the community because the Department doesn't have the resources to manage it. Staff wants to work on the concerns raised by the community here, but part of the goal of Plan B and the Renaissance is we have to take care of these places.

Tom Bashaw is a retired owner of the Hawaii Yacht Brokerage and a 25 year resident of the Ala Wai said that back when staff was doing the parking proposals he had testified against that and he projected then what is happening now that the surfers will not have any free parking because all the hotel workers will take those spaces at 4, 5 or 6:00 in the morning which is what is happening. Diamond Parking could care less about monitoring the parking because they aren't making any money on this which is the same for any vendor because they just won't do it. Mr. Bashaw pays \$50 a month for two cars and already pays fees for his boat slip. Why are boat owners paying for beachgoers and they only pay 25 cent per hour because that is the only parking available to them. Diamond Parking doesn't enforce the parking between 10:00pm to 5:00am. People will stay in the free parking up to the time and move to the non-enforced parking which is human nature. People who don't want to pay will find a way to get around it. Mr. Bashaw said the fees should apply across the board. Most of the cars parked in the free parking are employees of the Hilton.

Chair Thielen asked if anyone else was here to testify where she closed public testimony. There are 23 recommendations and suggested going through each one by one and have

division staff for the items be available to answer questions which the Board agreed to. The Chair apologized that the submittal letters changed to numbers on the recommendations where State Parks #1 corresponds to State Parks a. on the submittal.

SUMMARY OF RECOMMENDATIONS

STATE PARKS sub-items a-d:

1. Approve the Chairperson to appoint staff to be hearing officers for purposes of conducting public hearings related to proposed amendments to certain sections of Chapter 13-146 as proposed in the attached draft of amendments to Chapter 13-146 HAR, pending review and approval by the Office of the Attorney General.

Dan Quinn of State Parks presented.

Unanimously approved as submitted (Goode, Morgan)

2. Approve the amount of the proposed parking fees and to charge such fees as described above at the identified State Park areas and to authorize the Chairperson to conduct an Invitation for Bids, Concession Agreement or other public process as allowed by law, such as a Request for Proposals, and to award and enter an appropriate Agreement for parking fees collection and remittance to the Department for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also assist with repaying bonds issued for DLNR's *original or any approved* Recreational Renaissance plan.

Mr. Quinn described above recommendation.

Chair Thielen said that Mr. Quinn wanted a clarification that under these proposed rule changes that parking passes would be incorporated into any camping or cabin permit if there were parking fees at a park that had camping or cabins. Subsequently, an entry fee was adopted for a particular park that had a parking fee you would drop the parking fee because there would not be duplicate fees.

Member Pacheco asked whether the idea was to have two parks on each island which Mr. Quinn confirmed that except there will be three state parks on Oahu. [Mr.] Deputy Tsuji clarified that Diamond Head, by statute must have so much percent remain at Diamond Head so it doesn't support the overall State Parks system. Mr. Quinn said that it was legislative that 55% of the money from Diamond Head must stay there which hampers staff's ability to maintain the rest of the system. Mr. Cottrell explained a discussion he had with the parking vendor.

Member Pacheco asked what happens if the Board approves this and no body wants it. Do you come back and try and find another site? Mr. Quinn said if it doesn't work and it's not viable then staff won't implement. People will have to find another way to generate revenue. [Mr.]Deputy Tsuji said if the vendor does put up the machine and at the end there is not enough visitors we won't be generating the revenue and we won't achieve the projections State Park has made. If Ka Iwi isn't cost effective at making money to pay for the service - staff will have to find another park that may be able to.

Member Goode asked whether staff envisions going out for bid or an RFP on an island basis say for Kauai for both of these together. Mr. Quinn said most likely. Also, for clarification staff opens the gate and the security company closes it.

Member Agor said he would like to see when a particular plan is finalized for a particular park and would like that plan presented to its respective community. Not necessarily a public hearing, but as a presentation so that the community knows what's going on at least for Kauai. He doesn't know whether he can ask for an amendment just for the Kauai parks. Member Edlao agreed to that - an informational meeting. Member Pacheco asked whether these fees are approved or not what would the purpose be for public meetings. Member Agor said that we don't know the mechanics of how staff will be handling things out of the parks. Chair Thielen suggested what are the repair and maintenance priorities in these areas because that could help inform us. In that Attachment A. staff came up with standards, but we could use until we can get the asset management system in place and that information could help build that system.

Member Goode asked on the timing of this after the Board receives the proposal that they accept so this is informational to what is happening or prior to. Chair Thielen said the recommendation for the Board to go ahead and approve the putting out for the contracts and the starting parking fees and to couple that with informational discussions with the community to apprise them how the parking fees may be coming into their community, the timing and generate ideas on the repair and maintenance to help with the asset management.

Member Goode asked is that public meeting after the contract has been awarded or before. [Mr.]Deputy Tsuji said that it may need to be because if you do an RFP it will be a proposal type versus a straight bid. Staff hasn't worked out all the details yet. Member Goode suggested that you do the meetings before because each park is unique citing Makena as an example reiterating Member Edlao's previous testimony. What works at Makena, Maui may not work for Haena, Kauai. It's an extra step, but there is a reason why Makena was front page news the other day. Member Edlao agreed because the community wants an opportunity. Chair Thielen said that when staff posts notice of an informational meeting 2,000 e-mails went out, it was posted at harbors, during the Recreational Renaissance there was 30-35 public meetings with over 700 people signed in and a tremendous amount of outreach, but there are still people who say they didn't know. It would be helpful to find a constructive way to seek input from the various groups from the community on this topic because it seems if we announce a public meeting and hold one maybe people hear maybe they don't maybe there is something else

going on that they are busy. Sometimes these meetings are not constructive because people don't go to them anymore because they are fed up with the behavior there. Member Morgan said like what Member Goode said placing it on the front page of the Maui News about a big social change that is going to happen and there is a meeting next week. Chair Thielen said that doesn't seem to work because staff did that and there are still people who say I didn't know. Board members said you'll never get everybody. Member Edlao agreed and said if we made that effort than we made that effort and that is all we can do. On Maui if something makes a headline on the Maui News it stirs things up and he knows people will be calling him find out what happened here.

Member Agor said that he could talk to the Waimea Business Association to host an informational meeting on Koke'e, but it has to be put forth before the public because the Board has approved this already. It's done and the Board is telling you how it will be. Chair Thielen asked whether any of the other Board members were willing to host a meeting where Member Edlao said he was willing since he was there at those meetings anyway.

Mr. Hirano suggested that during the RFP process that could be written into the process where potential offers would be required to attend. For engineering projects, any project over \$500,000 staff has to hold a pre-bid meeting with the contractors which is voluntary for the contractors, but for the RFP process you could write that into a component where it is mandatory for any operators to attend this informational meeting at least they will be there directly hearing the type of comments that need to come back. Chair Thielen asked if you do that after you've written the RFP you can't amend the RFP can you. Mr. Hirano said that the RFP process allows you to go back and forth. Even when you select the final request for proposals even when it's ranked with the final offer you can make these final and best offers because there might be some little changes that the RFP goes through. [Mr.]Deputy Tsuji clarified that it won't be necessarily a one or 3-D station; it's going to be a concession type which Mr. Hirano confirmed. The Chair noted that staff has to do this under the procurement code or statute. [Mr.]Deputy Tsuji said that he contemplated a concession type agreement which is a different statute. Mr. Morgan said that could be incorporated in the initial steps. Sometimes it's a two step which is perhaps for qualifications request for proposals that could be a component of the qualifications for the people that aren't able to bid in a RFP/RFQ process. Mr. Quinn said staff understands what the Board is getting to but we do have to craft the agreement to a degree to get it started, but then if we draft it too tightly the input from the community is more difficult to incorporate. Chair Thielen said that the Board could give guidance on the timing of gathering information and input and leave the technical decision on d, e, f, g, etc. We'll figure that one out as we go forward on which would make the most sense under the procurement code. Having that input prior to any final selection or finalization of it, but it's clear that the approval has been put in place for the fees.

There was discussion how difficult it is for staff to find money for a plane ticket where Member Goode said that it's like running any business – you must spend money to make money.

Chair Thielen suggested adding to the amendment by holding an on-island informational meeting prior to awarding the contract. Member Goode said how he visualized it. It has to be done before you craft the RFP/RFQ. The Chair noted that Mr. Hirano is saying there are maybe ways that you craft it and put out notice you are only eligible to bid if you go to this meeting that way all interested bidders are at this meeting and you can still refine the proposal. Member Goode said he heard Mr. Hirano say before awarding a contract which is further down the process. We need two meetings on each island and solicit input on how best to craft whatever process you are going to go out for because you'll need site specific considerations to put in your bid or RFP. Mr. Hirano suggested as early on in the process as possible. Member Goode said if it's an RFQ then you may want to get the qualified people in first and then to the public. The Chair asked how about hold informational meetings on islands to solicit input on the process as early as possible but at least prior to award of contact.

Member Pacheco asked whether the Department has done anything like this before by having a public meeting after making the Board action to do an RFP, etc. Chair Thielen said that this was similar to putting out an RFP/RFQ process where the Board's directed to set up who is qualified to bid then do more discussions and there were instructions to hold post meetings and directions. [Mr.]Deputy Tsuji noted that when Keith Chun of Land Division did the Jacoby Development staff did what the Chair described.

Member Goode said to the main motion he reluctantly support the overall concept by not charging local residents. A \$5 fee is palatable to most visitors. We're running into the situation where general funds are less and less a reality for this Department that there is a need to generate more revenue. Mentioned his positive experience going to Diamond Head, but these other state parks are not properly set-up and you'll have bumps in the road and he thinks generating revenues will not minimize the pilikia with all visitors. Member Goode supports this. Member Pacheco said he also supports this, but hesitates with some of the testimony presented and asked what repercussions we might have to bump this to September or will that delay us. Chair Thielen said she would like to address that saying that this first came out last December and sat down with all the legislators, Sierra Club, Nature Conservancy, Trust for Public Land and a variety of organizations. Had a big announcement of the legislative package, had support of the House Majority Caucus all of which included the entry fees having named the parks – two per island. There were 35 meetings across state where over 700 people came. Staff had the written endorsement of 30 organizations, as well as the Star Bulletin, the Advertiser, The Maui News, and The West Hawaii Today. This was extremely published and outreached to charge the fees to improve these places. There was nothing in Plan B that wasn't discussed fully in the original round and many of these organizations have come back to the table with support and people have been waiting a long time for these places to be fixed. It's hard to make the change to go to fees for parks, but pointed out this is a change for our State noting that most other States have entry fees for parks. Most international places have entry fees for parks. The Department is not charging residents, but proposing to charge visitors most of whom are used to paying fees to enter in parks. The ~~[HGEA]~~HTA – Hawaii Tourism Authority surveys in 2002 and 2007 they wouldn't oppose paying fees in parks if they knew the money was going to support it.

The delay is going to hurt because we're in a year right now with facing the real prospective of shutting down parks come third quarter. We are seriously in the red. If we delay and delay again, it will be that much longer in getting out the RFPs and with everything else it will take a year to phase it in. The Chair said the testimony the Board has heard today, they were here and were at many hearings at the Legislature during Recreational Renaissance and they knew about it. Most organizations and newspapers want the parks fixed.

Board member Morgan moved to approve staff's recommendation with the following amendments. Member Agor seconded it.

The Board moved to approve:

Staff added the following amendment:

Parking passes will be incorporated into any camping or cabin permit if there were parking fees at a park that had camping or cabins.

If an entry fee is established in the future, any parking fee in place for that park will be eliminated.

Staff will conduct an on-island informational meeting to solicit input regarding implementation prior to award of contract and, to hold an on-island informational meeting as early as possible but at least prior to award of contract.

Also, amend State Parks submittal page 5 under * and ** the word "accessed" should be changed to "assessed."

Unanimously approved as amended (Morgan, Agor)

3. Approve the increase in lodging and camping fees at State Parks as described above for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also repay bonds issued for DLNR's *original or any approved Recreational Renaissance* plan.

Mr. Quinn explained recommendation.

Unanimously approved as submitted (Edlao, Agor)

4. Approve the filming fee of \$100.00 per day and delegate to the Chairperson the authority to renegotiate the MOA with the Hawaii Film Office of DBEDT.

Mr. Quinn described recommendation.

Member Morgan asked whether the fees can be changed administratively. Mr. Quinn said generally not because it is set by the Board. Chair Thielen suggested changing the

language to say “up to” a different amount. Member Morgan said this is a good move in the right direction. He was curious about the process.

Mr. Cottrell suggested it may be prudent to amend this based on the status of the film office, with us not knowing what their long term viability is, that it may not exist in the near future. Member Pacheco said that the Board has the authority. The MOA allows the Film Office to implement that for us. If they go away it will have to come back to the Board which the Chair and Mr. Quinn confirmed. Mr. Quinn reported that during the Reduction In Force that program is being eliminated. Chair Thielen asked what is State Parks statutory authority to charge fees for filming and whether it is under the section dealing with commercial uses. Mr. Quinn said that there is a separate section for filming in their rules. There was some discussion whether the Board should initiate that fee. The Chair said she is looking at Mr. Cottrell’s “To negotiate a fee of a \$100 per day for filming in State Parks would be appropriate authority.” Mr. Conry wondered whether that should be all other Divisions assuming an MOA would be negotiated to cover other Departmental alliances as well. Member Morgan suggested adding County film offices because if the State Film Office goes away you’ll still have the County. The Chair noted or the proper authority because we don’t know who that maybe. HTA could pick up something. She suggested how about a filming fee of \$100 per day and delegate to the Chairperson the authority to negotiate the fee with the appropriate authority. Mr. Quinn said it would still work with the way this recommendation is written because if the Film Office goes away staff could still charge \$100 per day. [Mr.]Deputy Tsuji asked about the question Mr. Conry raised where the Chair said that we would have to bring that back in at a different time because we’re noticed and that question is separate from this. [Mr.]Deputy Tsuji said this is only for State Parks which the Chair acknowledged.

[Mr.]Deputy Tsuji informed the Board that Land Division has a lot of unencumbered State lands and there is a set list of parks or areas that the Film Office could issue the permit directly on the set parks and if it is not on that list then they would go to Land Division for the right-of-entry per square foot charge. Other than that square footage charge (something like 10 cents per foot per day with a minimum \$20 or something like that) for those not on the pre-established list, but Land Division currently gets no revenue or fee for those actually on the List with the film office.

Member Pacheco said there is already an MOA with the Department and the recommendation is to renegotiate for State Parks. Chair Thielen said that it authorizes State Parks to charge \$100 per day for filming at parks. It does two things; yes you can charge the \$100 per day for filming at parks and delegates the authority to the Chair to go renegotiate the existing MOA. Member Pacheco asked this amendment we’re asking for say if the Film Office goes away so you wouldn’t be delegating the authority to create a new MOA. It’s going to go back and forth. Chair Thielen said if the Film Office goes away there’s nothing with the Film Office, but this motion would still authorize a charge of \$100 per day. Without the Film Office staff will be working directly with the filming companies unless another entity steps in and says we’ll be the shepherd. And, this will still authorize approving \$100 per day. As Mr. Quinn pointed out it is ok. Mr. Morgan noted the hassles and would want to delegate the authority to someone new. Chair

Thielen said if that was the case the Board could come back to ask for authority for a new MOA with an entity, but still even until then the Division has the \$100. Member Morgan said or the appropriate authority. The Chair said we could do it that way or we could do it as it is written noting if the Board does it with an entity there will be a lag and the Department could tell the new entity that our fee is \$100 per day without negotiating.

Unanimously approved as submitted (Pacheco, Morgan)

DOBOR sub-items e-h:

1. Authorize the Board to initiate the process to amend portions of DOBOR's Administrative rules, Parts I, II, and III, more particularly detailed in Exhibits A and B attached hereto, and delegation of authority to the Chairperson to appoint staff to be hearings officers to conduct public hearings related to the proposed amendments to DOBOR's Hawaii Administrative Rules, Parts I, II, and III;

Ed Underwood of DOBOR presented recommendation.

Mr. Underwood noted that DOBOR recommendation item 1 is agenda item e. and read it. Staff discussed that Exhibit A which is the large packet of rules that they would like to go out prior to public hearing to gather input from various sectors of the community, harbors, commercial operators, and recreational users to make any necessary adjustments before proceeding to public hearing. As part of Exhibit B, Mr. Underwood gave the Board the rule that was inadvertently omitted and reflects the fee would be with the \$3.47 per foot increase and staff would like to go to public hearing on that as well.

Member Morgan asked the Chair that some of the public testimony was concerned about it being already a done deal before it goes out to public hearing and whether corporations applied to fishing or not and he heard assurances that it wasn't all a done deal, but those first words "Preliminary Approval of Amendments" gives this impression that there is some part of a done deal there. Is there some way to amend this so that we don't preliminarily approve the amendments but do approve going to a public hearing. [Mr.]Deputy Tsuji asked doesn't the Board need to approve the draft rules before going out to the public hearing because if can't take action on the rules staff can't go out to public hearing. Chair Thielen referred to Forestry's recommendation 12. Member Edlao said that this approves only the amendments and that this will have to come back to the Board anyway. The Board is not approving a final rule. Member Morgan reiterated the public's concern that the amendments proposed were not amendments and wanted an opportunity before submitting them to talk about them. It's all approved before the submittal which is kind of like a chicken and the egg situation. Member Pacheco asked whether staff could use the same language as DOFAW's recommendation 12. Chair Thielen acknowledged that to authorize DOBOR. Member Morgan agreed that is good language.

Member Pacheco asked that Mr. Underwood mentioned the new fees that it can't be built into the old fees because there was a separate CAM fee to it. [Mr.]Deputy Tsuji said there was no separate CAM fee on this one its \$3.47. Mr. Underwood said it is in the statute on how to calculate it. [Mr.]Deputy Tsuji said that is a separate set of rules that go immediately to public hearing which Mr. Underwood confirmed. Chair Thielen clarified that this rule package does not include CAM fees because there was discussion of that in front of the legislator last session.

Member Pacheco asked whether there is a way for the public to review the special funds accounting to see where the monies are coming from and where it's going. Mr. Underwood said absolutely, staff provided those in the submittal, Exhibit B and DOBOR's books are completely opened to look at. DOBOR's accountant, staff officer and expense accountant have gone through these numbers and they are clearly detailed. Chair Thielen said that these submittals are posted on-line with notices and hard copies available at all the harbor offices for people to review.

Member Pacheco asked for some update or clarification on testimony concerning an ADHOC Committee report. Mr. Underwood said he respectfully disagreed with what was told to the Board reminding the Board that when staff came to ask to enter into a revocable permit with Diamond Park, LLC the Board directed staff to hire a facilitator to form an adhoc committee for the purpose of providing input regarding that particular parking plan at the Ala Wai small boat harbor. In that submittal staff detailed they held three meetings in April 2009 with a facilitator to form an adhoc committee to select a liaison that would work with DOBOR's office. DOBOR's liaison was their Rules and Regulations Officer, Doug Smith and the Adhoc liaison was Bruce Middleton. Staff kept a dialogue and a 3-ring binder of all communication. Staff wasn't getting any response, later to find out that Mr. Middleton was no longer the Adhoc liaison and was changed to Noa Napoleon. Staff hand delivered this package over a week and a half ago to the Adhoc committee, posted it in the harbor and on numerous occasions Mr. Underwood gave a deadline to please give information that could be used in putting this together because the RFP expires at the end of October and staff needs to get this moving if staff is going to get a long term contract. No response, no inputs at all on the parking plan at the Ala Wai. Staff has been in contact with the parking vendor and the issues they are facing plus concerned boaters that have been calling our office which is how staff identified the issues that they need to address at this time. Staff has a detailed log of all the contacts and went above and beyond trying to gather input.

Chair Thielen said in looking at the way DOFAW has worded their recommendation, amend it to say "authorize DOBOR to initiate the process to amend selected portions of

....

Member Morgan moved and Member Pacheco seconded it.

The Board:

Moved to authorize [Board] DOBOR to initiate the process to amend portions of DOBOR's Administrative rules Parts I, II, and III, more particularly detailed in Exhibits A and B attached hereto, and delegation of

authority to the Chairperson to appoint staff to be hearings officers to conduct public hearings related to the proposed amendments to DOBOR's Hawaii Administrative Rules, Parts I, II, and III.

Unanimously approved as amended (Morgan, Pacheco)

2. Authorize the issuance of contracts, concessions, leases and other agreements as allowed by law on lands, including submerged lands under DOBOR's management jurisdiction for income production at the following facilities:

Ala Wai small boat harbor	Nawiliwili small boat harbor
Keehi Small boat harbor	Port Allen small boat harbor
Haleiwa small boat harbor	Maalaea small boat harbor
Heeia Kea small boat harbor	Kihei launch ramp
Waianae small boat harbor	Kahului launch ramp
South Sand Island Ramp	Honokohau small boat harbor
South Kawaihae small boat harbor	Kailua-Kona Pier

Submerged land leases will be issue in conjunction with fast land leases. This would include the haul-out and fuel dock area at the Ala Wai small boat harbor, ship yard at the Keehi small boat harbor, haul-out facilities at the Maalaea small boat harbor and Kahului launch ramp.

Mr. Underwood read above recommendation and noted that submerged lands are a heated topic. By no means does this privatize harbors or anything like that giving the example at the Ala Wai small boat harbor haul-out area needs some submerged lands and Maalaea small boat harbor was identified to proceed with a haul out and a dry dock at Kahului.

Chair Thielen summarized to the Board that the intention of this item is to authorize the issuance of contracts, concessions or leases depending upon which is the most appropriate form to use for DOBOR to move forward with agreements on the fast lands that are under their jurisdiction around the listed harbors and in the limited cases of Ala Wai, Maalaea, and Kahului to do small sections of submerged lands for the launch ramp and haul-out facilities.

Member Edlao moved to approved with amendments and Member Morgan seconded.

Board member Goode asked whether these specific actions are already allowed. The Chair and others said new Board action. Member Goode asked what is the normal course of business if the Board didn't do this. [Mr.]Deputy Tsuji said that staff wouldn't be able to go out and issue leases or start the process in issuing a lease which is governed by Board approval and wouldn't necessarily come back to the Board. Chair Thielen confirmed that in these cases it would not. Normal agency process that doesn't have a governing Board like Department of Transportation has the authority to issue contracts, concessions and other things on their own. Traditionally, what the small boat harbors has

done like in Heeia Kea where they wanted to put out a concession agreement for the snack shop facility that is operating there under a revocable permit they would come before the Board for that specific approval. Like Land Division identified lands listing 14 lands in their submittal for revenue generation and they are asking for support for what is permissible under the zoning. Boating is trying to become more efficient in working with Land in being able to put out contracts on the fast lands surrounding the harbors. This is a request for the Board to authorize Boating to move forward with concessions, contracts or leases for these specific fast lands. Member Pacheco asked whether staff is subject to the Attorney General's approval and meeting applicable zoning and environmental requirements. [Mr.]Deputy Tsuji said or as permitted by law.

Member Morgan wondered if recommendation 5. is under this category and why it is separate. Mr. Underwood said that staff has an existing RP and need to cancel it.

Member Goode said that if the Board approves this, the Board gets a report on what transpired. Chair Thielen said that you could put that in as an amendment to have a report. Member Goode said he would like to suggest that. He likes the Board personally delegating some authority to move this along, but he thinks the Board should be apprised of what happens. It gives an opportunity for small checks and balance to help protect the public. Chair Thielen said she really liked that and suggested that should be a report from all divisions on revenue generation under Recreational Renaissance. If the divisions are moving forward to generate revenues to support this overall the Board needs to start accounting for it as a unit. She suggested working on one at the end where the board could add in a requirement that in all the revenue generating items that the Board is asking for a consolidated report on an annual basis. Member Goode agreed to that.

Chair Thielen said that we have a motion and second, but under discussion we also added in "subject to approval of the Attorney General's Office and as permitted by law" where Member Edlao and Member Morgan approved and supported that amendment.

The Board:

Moved to approve by adding "Subject to Attorney General's approval and as permitted by law."

Unanimously approved as amended (Edlao, Morgan)

3. Delegate to the Chairperson the authority to: (a) select the appropriate processes for offering and disposing of long-term parking agreements for the generation of parking revenues at the Ala Wai Small Boat Harbor and Kailua-Kona Pier; and (b) determine the terms and conditions of each agreement, provided however, all processes selected and terms and conditions in the agreements shall comply with law, such as Chapters 102, 171 or 200 of the Hawaii Revised Statutes.

Mr. Underwood read the recommendation.

Member Pacheco asked for clarity what is the Board delegating to the Chairperson in a practical sense. Mr. Underwood said that would primarily be in the ISB. Staff will probably be doing a concession at this point and returns from that concession would be an 80-20 split where Boating takes 80% and the parking vendor takes 20%. Some parking vendors are saying they aren't going to be able to do it on that kind of split because they need to see the numbers and things of that nature. The type of parking machines which staff will recommend it's the credit card swiping machine. [Mr.]Deputy Tsuji said that is for Part B. On part A is the process its how you issue whether it's an invitation to bid, a request for proposal or some other concession process. Chapter 102 is the concessions, if we're talking about 171 it's a land lease type of situation. A lot depends on the process we select.

Chair Thielen reminded the Board that staff brought about a year ago a request to issue a parking contract and in the interim until that contract is in place or when we were prepared to issue it to begin charging fees on a revocable permit basis. Normally, the Board would have done that approval and that would have just gone and not come back to the Board, but because of the commitment that DOBOR made to the community at that time when staff was ready to come back for an RFP they would bring that back to the Board for discussion and that is why it is before us. Member Pacheco asked whether this precludes that when the processes, the RP has been chosen and the vendor has been chosen it is not coming back to the Board which was confirmed by [Mr.]Deputy Tsuji who said we're at the advising the Board and that this is the rate staff wants to charge and we want to enter into some parking agreement which will be a public process. Any type of long term whether its 171 or Chapter 102 it's all a public process just different requirements. Chair Thielen described a previous Board meeting item regarding Heeia where people came in when the selection was done and because of the process used staff could not talk to the applicants until after it was presented to the Board which was a technical provision in the law. All the applicants were unhappy with that particular process, but the Department was bound by it and that is why these three chapters are listed which would be one of the processes giving the Department the flexibility to fit the one that would most suit the situation and avoid that dilemma again. Mr. Cottrell agreed, citing the Heeia situation as an example of where staff should have also asked the Board to grant the authority to post the award concurrently with the request to issue the RFP they should have granted the authority to the Chair to post the award, but until they could do so that staff couldn't communicate to anyone and this prevents that.

Board member Pacheco moved to approve and Member Edlao seconded.

Unanimously approved as submitted (Pacheco, Edlao)

4. Delegate to the Chairperson the authority to: (a) select the appropriate processes for offering and disposing of a long-term agreement for the operation of the Heeia Kea Small Boat Harbor Fuel Dock, Convenience Store and Snack Shop for DOBOR's income production, whether by lease, concession or other agreement as allowed by law; and (b) determine the terms

and conditions of each agreement, provided however, all processes selected and terms and conditions in the agreements shall comply with law, such as Chapters 102, 171, or 200 of the Hawaii Revised Statutes.

Mr. Underwood presented recommendation.

Member Morgan moved to approve. Member Pacheco seconded it.

Unanimously approved as submitted (Morgan, Pacheco)

5. Authorize the Chairperson to cancel at the appropriate time as determined by the Chairperson the Revocable Permit, BO-07-31, issued to the Deli Corporation for operation of the fuel dock, convenience store and snack bar concession at Heeia Kea SBH.

Mr. Underwood described recommendation.

Member Morgan moved to approve and Member Agor seconded.

Unanimously approved as submitted (Morgan, Agor)

6. All legal instruments such as contracts, leases, concessions and other agreements, and public solicitation documents shall be subject to the following:
 - a. Review and approval by the Department of the Attorney General; and
 - b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Mr. Underwood read recommendation.

Unanimously approved as submitted (Pacheco, Agor)

DOFAW sub-items i-o:

1. Pursuant to the authority granted to the Board by HRS Chapter 183 and HAR Chapter 104, and HRS Chapter 198D and HAR Chapter 13-130-42, approve updated fees for Forest Reserve and Na Ala Hele system camping permits, with fees to be deposited into the respective program special funds.

Mr. Conry suggested adding a clarification amendment to recommendation 1 for fees to add the phrase “....camping permits, as detailed in attachment C.1.1...”

Mr. Conry clarified there are cabins in the request and it needs to be clear that we approved both camping (tents) fees and fees for the cabins.

Board member Morgan moved to amend staff's recommendation. Member Pacheco seconded it.

The Board:

Moved to amend staff's recommendation 1. by adding after camping permits, as detailed in attachment C:1.1

Unanimously approved as amended (Morgan, Pacheco)

2. Pursuant to the authority granted to the Board by HRS Chapter 183 and HAR Chapter 104, approve updated fees for Forest Reserve system commercial permits as discussed above and detailed in Attachment C. 1. 2., with the fees collected to be deposited into the Forest Stewardship special fund and used for future maintenance and operation of the recreational facilities.

Mr. Conry described recommendation.

Member Pacheco moved to approve recommendation 2 and Member Edlao seconded.

Unanimously approved as submitted (Pacheco, Edlao)

3. Approve that the Division of Forestry and Wildlife proceed with revisions to the wildlife sanctuary rules and consult with affected communities on access issues in the development of the draft rule.
4. Approve that the Division of Forestry and Wildlife conduct public hearings to repeal chapter 13-125 and adopt chapter 13-126, Hawaii Administrative Rules, subject to review and approval by the Chairperson and the Office of the Attorney General.
5. Authorize the Chairperson to set dates and times for public hearings, and appoint corresponding hearings officers.
6. Authorize any fees collected pursuant to the permitting of commercial activities in wildlife sanctuaries be deposited in the Endangered Species Trust Fund, pursuant to chapter 195D-31.

Mr. Conry presented recommendations 3, 4, 5 and 6.

Member Pacheco asked whether we're going to allow commercial use and charge a commercial fee in the sanctuary, but (public) is asking is there authority to have commercial activity in the sanctuary. Mr. Conry said right now that any commercial use

would be under a permit basis giving the example at Kawainui Marsh that has plans to develop visitors' kiosks. As those kiosks are developed, the Department has the authority to permit commercial use in the wildlife sanctuary. If you allow commercial activities there, staff would like to establish a fee to do it. Commercial tours currently stop to use Hamakua Marsh - which is going to be added as a sanctuary - for wildlife viewing. Staff will ask is this use allowable within the sanctuary? If so, would staff permit a commercial use? If so, then we would assess fees for that. The basic level of access is detailed in the rule.

Chair Thielen noted that under the existing rules some sanctuaries are listed but there are other new areas that have been approved as Wildlife Sanctuaries, but not added to the rule and are basically rule less now. Kawainui Marsh is the latest example where it has approved for designation as a Sanctuary but not added to the rules, and there are a lot of people going there and there isn't anything on the books to correct bad behavior and this will help correct that.

Member Agor moved to approve staff's recommendations 3, 4, 5 and 6 as submitted. Member Pacheco seconded it.

Unanimously approved as submitted (Agor, Pacheco)

7. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Department of Land and Natural Resources, Division of Forestry and Wildlife under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - a. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - b. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - c. Review and approval by the Department of the Attorney General; and
 - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
8. Authorize the issuance of a management right-of-entry to Division of Forestry and Wildlife covering the subject area, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current right-of-entry document form, as may be amended from time to time; and

- b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

That the Board, subject to Applicant fulfilling the Applicant Requirements above in sub-item 1:

Mr. Conry explained recommendations 7 and 8.

Member Morgan moved to approve staff's recommendations to 7 and 8. Member Goode seconded it.

Unanimously approved as submitted (Morgan, Goode)

9. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Department of Land and Natural Resources, Division of Forestry and Wildlife under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - a. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - b. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - c. Review and approval by the Department of the Attorney General; and
 - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
10. Authorize the issuance of a management right-of-entry to Division of Forestry and Wildlife covering the subject area, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current right-of-entry document form, as may be amended from time to time; and
 - b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Mr. Conry presented recommendations 9 and 10 where Member Edlao moved to approve and Member Pacheco seconded.

Unanimously approved as submitted (Edlao, Pacheco)

11. Authorize the Chairperson to proceed with development of public shooting ranges as described above and to negotiate and enter into cooperative agreements, concessions, or leases pursuant to Chapters 171-56 and/or Chapter 102, Hawaii Revised Statutes, for the operation and management of public shooting ranges, subject to review and approval by the Office of the Attorney General.

Mr. Conry described recommendations 11, 12 and 13.

Chair Thielen said because of some discussion earlier about public shooting ranges this would be asking the Board to give authority to do the operation of the shooting ranges and to delegate the kinds of terms and conditions of that agreement similar to what we talked about under Boating and Land. Asked what the timetable Mr. Conry had in mind for the length of the agreement like up to. Mr. Conry said not to exceed up to five years which is the partnership agreement. Chair Thielen said that is a short time given how long it's taken where there may be a re-opening, but no one will do capital improvements for a shooting range with a five year lease. [Mr.]Deputy Tsuji suggested saying what is allowed by law because if it requires a selected entity to do substantial improvements to build this then five years may not be long enough to amortize (or recover) the cost of the improvements which Mr. Conry agreed. The Chair recommended a term permissible under law. Mr. Conry agreed and said that staff's special use permits for forest reserves are 10 years. [Mr.]Deputy Tsuji said that each chapter has a different maximum term like concessions is no longer 15 years. Chair Thielen said that they wanted to give the Land Board an idea of the length of time because when thinking about land development for leases usually its 30 to 65 years for a shooting range because it requires some capital improvements or capital investments for clean-up. The time period would be up to the maximum term permitted under these chapters.

12. Authorize the Division of Forestry and Wildlife to conduct public hearings to amend Hawaii Administrative Rules Chapter 13-121 to establish rules regulating the use of public shooting ranges, subject to review and approval by the Office of the Attorney General.
13. Authorize the Chairperson to set dates and times for public hearings, and appoint corresponding hearings officers.

Member Pacheco moved to approve recommendations 11, 12 and 13 and was seconded by Member Edlao.

Unanimously approved as submitted (Pacheco, Edlao)

14. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Department of Land and Natural Resources, Division of Forestry and Wildlife under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:

- a. Reservation for future withdrawal of lands covering tmk: 4-5-21:portion 4 (toe), south of Hanakea Gulch along the boundary of the Land Use Commission Urban Classification boundary or other boundary acceptable to the Hawaii Housing Finance and Development Corporation (HHFDC) and DLNR for the Villages of Leiali'i project;
 - b. Reservation for designation of easements for potable water wells 5 and 6 located on tmk: 4-5-21:4, transmission lines, facilities and improvements and access thereto for the Villages of Leiali'i project;
 - c. Access to the subject property, TMK 4-5-21: 4, over TMK 4-5-21: 3 and 22 shall be by temporary rights-of-entry in forms and content acceptable to HHFDC and the Department of Land and Natural Resources, respectively;
 - d. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - e. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - f. Review and approval by the Department of the Attorney General; and
 - g. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
15. Authorize the issuance of a management right-of-entry to Housing Finance and Development Corporation for tmk: 4-5-21:22 and portion of 4 (toe), and Division of Forestry and Wildlife for tmk: 4-5-21:portion of 4, which are by this reference incorporated herein and further subject to the following:
- a. The standard terms and conditions of the most current right-of-entry document form, as may be amended from time to time; and
 - b. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Mr. Conry presented recommendations 14 and 15.

Members Edlao and Pacheco moved to approve as submitted and seconded it.

Unanimously approved as submitted (Edlao, Pacheco)

ENGINEERING (ASSET MANAGEMENT) sub-item p

1. That the Board of Land and Natural Resources authorize the hiring of a consultant for the project indicated and authorize the Chairperson to sign the necessary documents pertaining to the project, subject to review and approval by the Attorney General and Governor's approval.

Eric Hirano for Engineering Division presented recommendations 1 and 2.

Member Pacheco asked what kind of consultant would consult. Mr. Hirano said that staff spoke with the City & County person who testified here. Before staff goes out to hire a consultant they will consult with the City & County who went through all the trials and tribulations and staff wants to look for the right type of consultant. Staff will also meet with the National Park Service. Member Pacheco wondered whether there should be more than one consultant if you can't find the one for all the things you needed. Chair Thielen suggested "the hiring of one or more consultant(s) as needed." It's a good point because there will be tedious data inventory gathering and data entry as part of this.

Board member Morgan moved to amend Engineering's recommendation 1 and was seconded by Member Agor.

The Board:

Moved to approve staff's recommendation by adding the following amendments before consultant...hiring of "one or more [a] consultant(s) as needed..."

Unanimously approved as amended (Morgan, Agor)

2. Recommend that the Board authorize the Chairperson, subject to review and approval by the Attorney General, to enter into supplemental contracts to address unforeseen conditions and sign the necessary documents to implement the additional work.

Member Morgan moved to approved Engineering's recommendation 2 which was seconded by Member Agor.

Unanimously approved as submitted (Morgan, Agor)

LAND DIVISION (REVENUE ENHANCEMENT) sub-items q-v

Mr. Atta said before getting started he wanted to refer to the Chair's expressed desire to include an amendment about reporting back to the Board. The only recommendation that would fit is item u. or recommendation 5. because for Sunshine Law purposes it was published generically to all Department properties. Staff could include an amendment to

report back on all their revenue generating efforts which would include all the other divisions back to the Board. Chair Thielen said she wanted the amendment to make sure it talked about the annual report for the revenues generated, leases, concessions contracted, issued, awarded or in process for issuance on an annual basis from each division, to ensure that people wouldn't assume its only Land Divisions' responsibility. Mr. Atta agreed saying he was trying to look to see where it would fit which is #5.

1. Designate the Revenue Generating Properties identified above as income-producing assets and reserve these properties to DLNR for the purpose of generating revenues to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary legislation, to also repay bonds issued for DLNR's *original* or any approved Recreational Renaissance plan.

Member Edlao moved to approve Land Division's recommendation 1. and was seconded by Member Morgan.

Unanimously approved as submitted (Edlao, Morgan)

2. Subject to Federal Aviation Administration prior approval, approve of and recommend to the Governor the issuance of executive orders: (1) withdrawing lands currently set aside to Department of Transportation for airport purposes, identified above as Ualena Street Industrial Properties and Kona Airport Industrial Lands, and resetting aside those lands to DLNR Land Division for income production purposes; and (2) setting aside lands identified above as Kanoelehua Industrial-Commercial Lot to Department of Transportation for airport purposes, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Member Pacheco asked whether these are lands that were set aside previously to the DOT-Airport that are subject to return to the DLNR because they aren't being used for airport related purposes. Mr. Atta said that these lands are being used for things other

than airport related purposes and that basically DOT-Airports is collecting the rent off of them. [Mr.]Deputy Tsuji said attached as exhibits as part of the submittal are the letters to the FAA advising those lands are not needed for critical airport purposes. Chair Thielen said that in the exchange, airports would receive a vacant title lot which they want to remain vacant for navigation easement purposes as required by the FAA and that is why it is subject to FAA approval. [Mr.]Deputy Tsuji said that the way this submittal was written it wasn't crafted in the form of an exchange because technically staff is giving (by DLNR not developing and generating revenue for DLNR purposes) DOT-Airports and FAA one parcel on which they don't want any development. Staff worked out an agreement if approved by FAA, to transfer the Ualena Street properties to the DLNR, to the extent of a value for value exchange, which DOT-Airports acquired through the use of DOT-Airport's special fund. The Kona Airport lands are excess airport lands that staff is getting back because under the terms of a set aside lands transferred to other government agencies must be returned to DLNR when those lands are no longer needed for the intended purposes of the transfer.

Board member Morgan moved to approve Land Division's recommendation 2 and was seconded by Member Agor.

Unanimously approved as submitted (Morgan, Agor)

3. Authorize issuance of long-term leases for the Revenue Generating Properties via public auction, requests for proposals, or any other process authorized under Chapter 171, Hawaii Revised Statutes, as amended ("HRS").

Member Agor moved to approve as submitted. Member Edlao seconded it.

Unanimously approved as submitted (Agor, Edlao)

4. Delegate to the Chairperson of the Board of Land and Natural Resources (the "Chairperson") the authority to: (a) determine the appropriate process for offering and disposing of leases for each of the Revenue Generating Properties; and (b) determine the terms and conditions of each lease, provided, however, that all process, terms and conditions determined by the Chairperson shall comply with the provisions of HRS Chapter 171.

Chair Thielen said what we are referring to in this recommendation is the non-substantive terms and conditions of leases because the property identified for revenue generation as you enter into discussion with people in the community it maybe rent re-openings versus step ups, when the initial step up period would be, those things are generally determined closer to the issuance of it in order to get the best response back. Mr. Atta said that we are talking about new leases that will come up during the disposition of the revenue generating properties. [Mr.]Deputy Tsuji said there are various processes – auction, RFP, different statutes all have different requirements and staff is asking to select the best one.

Board member Pacheco moved to approve and was seconded by Member Edlao.

Unanimously approved as submitted (Pacheco, Edlao)

5. Delegate to the Chairperson the authority to amend the terms and conditions of any lease, sale of a lease, public auction, request for proposal, or any other disposition previously approved/authorized by the Board for the Revenue Generating Properties as follows: (i) amending the method of disposition; (ii) amending the terms and conditions of a lease to be offered for sale regarding the lease term, minimum building requirement, frequency of rent reopenings, any known rent period and predetermined rent adjustments, percentage rent provisions, assignment and subleasing provisions, bond and insurance requirements, upset lease rents for leases to be sold at public auction; and (iii) amending the procedures of the request for proposals previously approved by the Board for the Former Ewa Feedlot to authorize the Chairperson to select the successful applicant, negotiate the terms of any development agreement or lease, and execute any documents that are necessary or appropriate to effectuate the intent of the disposition; provided, however, that any terms, conditions or procedures amended pursuant to this authorization shall comply with the provisions of HRS Chapter 171 and be subject to review and approval by the Department of the Attorney General.

Mr. Atta noted the amendment is to narrow the application of the delegation of authority which is identical to the previous item, except that this is for pre-existing and previous actions of the Board. Because this request started out as a generic recommendation, he recommends the additional change for clarification. This is to amend terms and conditions of proposed disposition that the Board previously approved. [Mr.]Deputy Tsuji added that this delegation of authority might apply to a situation where we don't have an executed lease but the authority to issue one has been approved.

The Chair said that the annual report that the Board members previously discussed is broader than just a summary of revenues. [Mr.]Deputy Tsuji asked whether we could make a new recommended action. Chair Thielen suggested a motion to amend all the items that include revenue generation by adding a requirement that the Department file a consolidated annual report. [Mr.]Deputy Tsuji said that the format before us is set and all staff is asking is to add an annual report and whether anyone has a problem with that. He doesn't think it's a Sunshine problem because the whole submittal concerns income production from each of the divisions. Mr. Atta said he has a concern with sticking it onto just one of the individual items since the report targets all aspects of the Plan. [Mr.]Deputy Tsuji suggested adding an item 8. Chair Thielen said that there could be a Board motion addressing the submittal as a whole and asking for annual reporting and accounting on the implementation of the Recreational Renaissance. Chair Thielen noted that the Board frequently asks for reports back to the Board.

Member Pacheco inquired about changes to the upset lease rent. [Mr.]Deputy Tsuji said typically, to establish an upset minimally we usually get an in-house evaluation from our appraiser. The delegation to amend terms given to the Chair provides us the flexibility to adjust the upset rent when appropriate. [Mr.]Deputy Tsuji noted that there were situations where the upset rent was set and staff went out to auction and there were no takers – indicating in the market that it was priced too high. Mr. Atta said the Kapahulu parking lot was an example. [Mr.]Deputy Tsuji clarified that with respect to Kapahulu, the property was zoned for commercial/business and the valuation was in the vicinity of about \$200K to \$250K per year, but because the community convinced the Board to limit the allowed uses to a commercial parking lot and ancillary uses, the highest bid was only \$85K per year. Member Pacheco said that if the Board changes to delegating authority to the Chairperson there is a law that governs that situation, which [Mr.]Deputy Tsuji confirmed, that allows these kinds of situations. The bottom line is that this is going to be a public process and he thinks rental values established by the highest bidder at an auction is a reflection on market value - and some people go as far as to say the highest bidder at an auction is truly market value.

Member Pacheco moved to amend Land Division's recommendation 5. Member Edlao seconded it.

The Board amended as follows:

Delegation of authority to the Chairperson to amend the terms and conditions of any lease, sale of a lease, public auction, request for proposal, or any other disposition previously approved/authorized by the Board for the Revenue Generating Properties as follows: (i) amending the method of disposition; (ii) amending the terms and conditions of a lease to be offered for sale regarding the lease term, minimum building requirement, frequency of rent reopenings, any known rent period and predetermined rent adjustments, percentage rent provisions, assignment and subleasing provisions, bond and insurance requirements, upset lease rents for leases to be sold at public auction; and (iii) amending the procedures of the request for proposals previously approved by the Board for the Former Ewa Feedlot to authorize the Chairperson to select the successful applicant, negotiate the terms of any development agreement or lease, and execute any documents that are necessary or appropriate to effectuate the intent of the disposition; provided, however, that any terms, conditions or procedures amended pursuant to this authorization shall comply with the provisions of HRS Chapter 171 and be subject to review and approval by the Department of the Attorney General.

Unanimously approved as amended (Pacheco, Edlao)

6. Authorize the revenues generated from leases of the Revenue Generating Properties to be held separately in a special fund or account to fund Plan B of the Recreational Renaissance, and ultimately upon receiving the necessary

legislation, to also repay bonds issued for DLNR's *original* or any approved Recreational Renaissance plan.

Member Goode moved to approve as submitted and was seconded by Member Agor.

Unanimously approved as submitted (Goode, Agor)

7. Authorize the hiring of an independent real estate consultant to review DLNR's land inventory, identify properties with development and revenue-generating potential, and provide recommendations on the disposition of leases for those properties; and delegate to the Chairperson the authority to determine the scope of work of the consultant's contract, select the parcels to be reviewed under the contract, enter into supplemental contracts to address unforeseen conditions, and sign the necessary documents pertaining to the project, subject to review and approval by the Department of the Attorney General and approval by the Governor.

Chairperson Thielen noted that Board member Pacheco asked earlier if it would be possible to add to those 14 revenue generating properties. She clarified that the idea was after getting an independent evaluation of the State lands inventory, there may be subsequent submittals that could address any necessary additions. Member Goode said that Member Morgan brought up the fact that the lease rents are significantly below market value and maybe that should be addressed in the consultant's evaluation. Mr. Atta said his understanding of what this consultant was suppose to look at was all aspects of generating revenue potential and he guessed that would include whether or not we're charging reasonable market rents. The Chair inquired whether rights of entry should be included. [Mr.]Deputy Tsuji said that Member Goode suggested that we make sure we are able to add in something about reviewing our filming permit and how do they operate. There was discussion about a previous filming project on Maui and charging per square foot on open land.

Mr. Atta said that the genesis of this request came from the director of Budget and Finance when she reviewed the Recreational Renaissance Plan. She suggested that staff retain a consultant to perform an independent assessment of our revenue generating potential. Chair Thielen said that staff sat down to lay down their financial plan to seek administrative approval for the bonding authority as part of that legislative package and got to meet with the director of Budget and Finance who gave staff the green light for this course of action.

Board member Goode moved to approve Land Division's recommendation 7. and was seconded by Member Pacheco.

Unanimously approved as submitted (Goode, Pacheco)

Member Edlao commended the Department and the other Board members expressed their agreement by applauding the Department for this plan. He hopes the public will accept this because the heart of this effort is to repair and preserve our resources and allow DLNR to realize and preserve the value of our resources. The Plan also calls for a report back to the Board annually to keep the Board informed of the progress of the plan, funds generated, and how it's aligned.

Member Pacheco expressed his excitement with the integration of the divisions. He noted that the fees will help with the maintenance, and hopes this will start raising funds, which will in turn be a turning point in this Department. But, he really expects to see some changes happening on the ground out at our sites.

Chair Thielen thanked the Board members since staff asked a lot from them today and staff appreciates the confidence they have shown and leap of faith they are taking. This idea of an annual report is a good one which will require this team to stay together and will require the divisions to understand that they are going to jointly hold themselves accountable to the public because this is a lot of trust and faith in all of us here at the Department. It's exciting, a little scary, but we appreciate the support because this is a tremendous amount of confidence displayed by the votes today.

Adjourned (Edlao, Agor)

There being no further business, Chairperson Thielen adjourned the meeting at 3:42 p.m. Recordings of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Adaline Cummings
Land Board Secretary

Approved for submittal:



Laura Thielen
Chairperson
Department of Land and Natural Resources