

REPORT TO THE TWENTY-SEVENTH LEGISLATURE  
2014 REGULAR SESSION

RELATING TO CURRENT AND POTENTIAL REVENUE GENERATING ACTIVITIES ON  
STATE-OWNED LAND AT SAND ISLAND



PREPARED BY THE:

**DEPARTMENT OF LAND AND NATURAL RESOURCES**

IN RESPONSE TO:

House Concurrent Resolution No. 181, House Draft 1  
Regular Session of 2013

November 2013

**RELATING TO CURRENT AND POTENTIAL REVENUE GENERATING  
ACTIVITIES ON STATE-OWNED LAND AT SAND ISLAND**

**Purpose**

This report addresses the reporting requirements of House Concurrent Resolution 181, House Draft 1, Regular Session of 2013, for a study by the Department of Land and Natural Resources on current and potential revenue generating activities on state-owned land at Sand Island, Oahu.

**Current Revenue and Uses**

Current revenues are generated in the following amounts on state-owned land at Sand Island:

1. Division of State Parks:  
Sand Island State Recreation Area (SISRA) TMK: 1-5-041:006
  - Camping revenues (2012-2013) \$20,000 per year
  - Hui Wa'a and Oahu Canoe Racing Association  
Special Use Permits for canoe storage and training use Gratis – 0\$ per year
  - Sand Island Off-Highway Vehicle Association (SIOHVA)  
Month to month Board of Land and Natural Resources  
approved Revocable Permit Gratis – 0\$ per year
2. Land Division:  
Sand Island Industrial Park TMK: 1-5-41: Various  
general leases (2012) \$4,900,000 per year

**Increases in Revenue Based on Current Uses**

1. Sand Island State Recreation Area

The Division of State Parks does not anticipate an appreciable increase in camping revenues and there are no plans to increase the number of overnight camp sites, increase camping fees, or charge for day use of the recreation area. The currently developed portion of the park will remain a day use and picnicking area with overnight camping.

2. Sand Island Industrial Park

From July 2017 to June 2022 the lease rent will be: \$9,285,600 per year

**Potential Revenue Generating Activities**

Division of Boating and Ocean Recreation:  
Proposed Marina Complex and Other Uses for Undeveloped Park Lands

The Division of Boating and Ocean Recreation has proposed the creation of an ocean recreation park at Sand Island based around a marina complex on the waterfront, in conjunction with other land recreation uses in the undeveloped portion of the recreation area. Revenue potential of a marina complex includes boat slip rental, boat storage rental, use of an administration area, and commercial and marina parking.

If the marina complex is initiated, then the SIOHVA Revocable Permit will be terminated and motorized recreation (four wheel drive trucks, motorcycles and remote control cars) will be terminated – but the current non-motorized BMX uses for children will be included in the marina plan and relocated. The current canoe club storage and training area will be included in another portion of SISRA and will have improved facilities and ample access to the ocean for training purposes.

Please see the attached Table 1 for projections based on the development of a marina.

By comparison, if no marina development takes place, then park revenue and uses will remain static, and public access to the recreational area will remain as is.

### **State-owned Lands Not Related to the Department of Land and Natural Resources**

There are state-owned lands in the Sand Island area which are not under the purview of the Department of Land and Natural Resources.

The Department of Transportation (DOT) has extensive land holdings at Sand Island; however, this report does not address their uses or their current and potential revenue. See, for example, the Port Transition Zone (DOT Property) on the attached preliminary master plan.

The University of Hawaii also has a small facility at Sand Island for educational purposes. See METC, Marine Education Training Center, on the attached preliminary master plan. Its uses and current and potential revenue are not addressed in this report.

## **RECOMMENDATIONS OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES**

The Department of Land and Natural Resources recommends that the development of a marina complex be pursued as part of an ocean recreation park. The Department will be submitting a capital improvement project request of \$11,000,000 for planning, design and construction of appurtenant marina facilities in order to achieve the goal of a marina complex and ocean recreation park.

Revenue generated by a marina will serve to support new land and water activities and improve existing uses of SISRA. As an example, in the economic downturn of the last few years irrigation has been drastically reduced to achieve operational cost savings at the camping and day use portion of SISRA. While new State Park revenues from other sources are allowing for the phased-in redeployment of irrigation water to initiate park restoration, an infusion of revenue generated by a marina complex would allow for the entire SISRA to be managed at a higher quality level through the development of a marina complex with a combination of ocean and land based recreation uses.