

RECREATIONAL RENAISSANCE

“PLAN B”

*** BACK TO BASICS ***

www.hawaii.gov/dlnr/recreate

Last year DLNR proposed a Recreational Renaissance: over five years the Department would issue bonds and build \$240 million in capital improvements facilities that are beyond repair in our State parks, small boat harbors, hiking trails, boat ramps, and piers. The bonds would be paid with new non-taxpayer revenue – mostly from urban leases and smaller amounts from tourist fees at parks and modest increases to the boating fees.

The Governor and the House Majority supported the plan, but the bill approving capital improvement projects and a recreational renaissance special fund stalled in conference committee. Ultimately, the bill did not pass, stopping DLNR from doing any new capital improvements of facilities – at least until it can obtain the necessary legislation.

Unfortunately, these public recreational places continue to fall into disrepair and are in shameful condition. But these places are too important to close or to let them slide further into decline, we need a plan B:

- Because broken toilets need replacement.
- Because exposed rebar on a broken down picnic table is unsafe.
- Because no pier we build, can last forever.
- Because cabins for the public are deteriorating and do not provide a safe experience.

Cultural sites need care, recreational places need to stay open, and comfort stations need to be fixed, cleaned, and supplied. We have to take action now, and not just wait. Otherwise, we will lose some of these important places forever.

I. DLNR Recreational Renaissance – Plan B or “Back to Basics.”

Plan “B” focuses on two goals: (1) increase routine repair, maintenance, and improved operations this year; and, (2) start the longer-term process of raising new revenues from vacant urban lands so we can do more capital improvements faster when the legislature eventually gives approval.

1. Within two years, generate \$8 million annually in new, non-taxpayer revenue to support routine and scheduled repair, maintenance, and improved operations in State parks, harbors, hiking trails, boat ramps, and piers.

- \$4 million for State Parks and trails from parking fees for tourists at the 8 high-visitor destination parks and new and existing urban land leases/rent.
- \$4 million for Ocean Recreational and Boating from increases to mooring fees, leases on harbor lands, and new and existing urban land leases/rent.

Immediate Goals of Plan “B”

Keep Recreational Places Open

New revenue will make sure we can keep our parks, harbors, trails, boat ramps and piers open despite drastic drop in state revenues. Keeping these places open during tough economic times is critical for everyone. Residents rely on these places for respite; small businesses rely on these places for their livelihood; tourists dream of visiting these places and their repeat visits depend on a good experience.

Improved Repair and Maintenance

New revenue will go to improving our repair and maintenance to keep these places safe, clean, and operational. We are adopting model scheduled repair and maintenance standards. We'll hold ourselves accountable for meeting the basic standards our current funding supports and phasing in higher standards as funds become available.

Push the Envelope on “Repairs”

We're going to be creative in identifying “repairs” that provide a temporary replacement of condemned facilities so people don't have to go without access. Like how we built our own wooden catwalks to replace the concrete piers that collapsed at the Kaunakakai and Kikiaola boat ramps. They're “duct tape and elbow grease” repairs that will only last a few years – but they'll keep places open while we wait for the legislature to give us approval to do the long-term capital improvements.

We'll also welcome volunteers who want to step up and help keep these places open, repaired, and in some cases, even provide the new facilities. Like the West Kauai surfer/contractors who rebuilt the Polihale State Park bridge and repaired the access road after the winter storm so they could get back to their surf break.

User-Friendly Customer Services

We're moving into the modern era. Our boater registration is on-line and we're working to put our camping and cabin rentals on-line and to allow people to make payments on-line. We're developing a one-stop webpage for all recreational facilities and permits managed by DLNR.

We're making it easier to volunteer by providing people with different options for short- and long-term volunteer opportunities. Volunteer options and forms will all be available on-line as well we know communities care about these places, and to keep them clean, protected, and preserved we need to work together.

2. Within five years, generate an additional \$12 million annually in new, non-taxpayer, revenue from urban and industrial land leases to support debt service on capital improvements in State parks, harbors, hiking trails, boat ramps, and piers.

- We're not giving up on the dream. The \$240 million in capital improvements are still needed. So we're moving forward to develop these vacant urban and industrial lands that

DLNR manages. It will take some time to see the revenue from vacant lands, so we shouldn't wait to start the process.

- We trust the legislature will support our progress and grant the bond authority in future years so we can begin the necessary capital improvements in the near future.

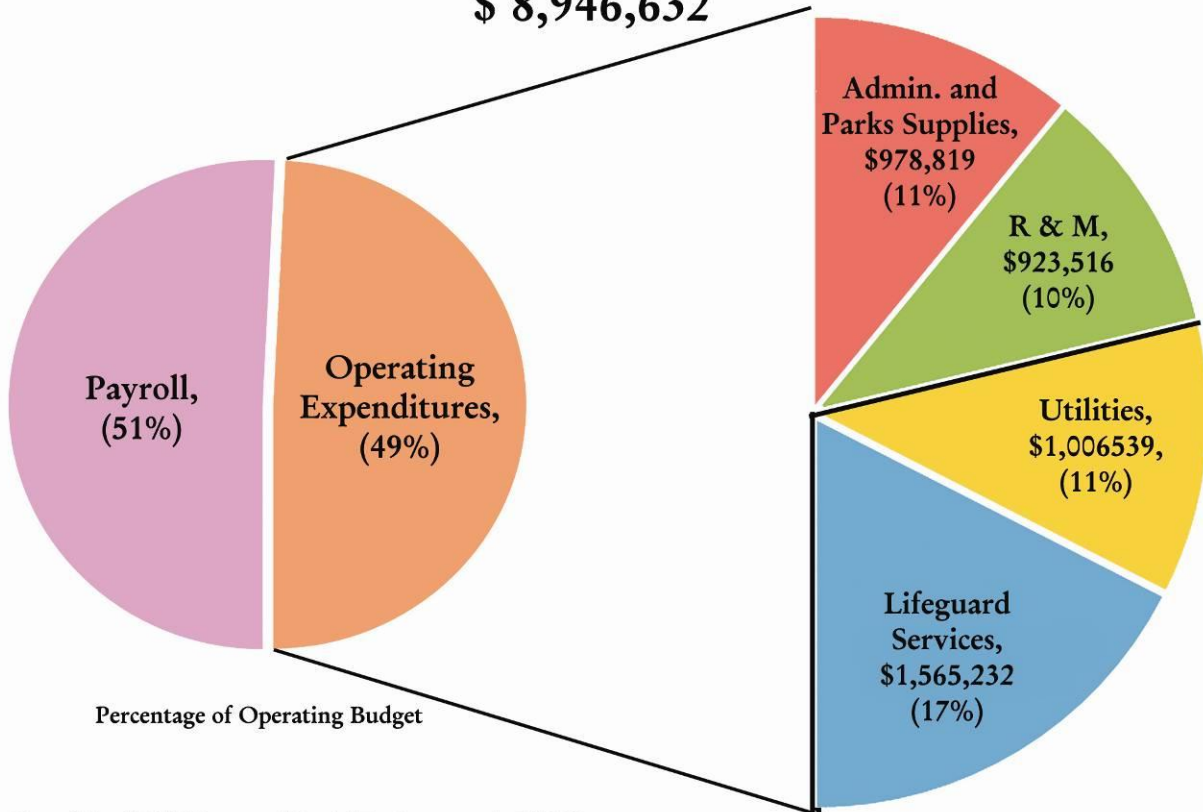
II. Repair and Maintenance Needs Immediate Revenue

Current operating budgets for State Parks and Boating and Ocean Recreation do not cover basic repair and maintenance needs, as most people witness when they visit these sites.

Unfortunately, due to repeated budget cuts since the mid-1990s, State Parks has already been operating in the red for the past few years. Currently, Park's budget has been reduced approximately 35% since last year. As shown here, well over half of Parks operating budget is taken up with four lifeguard contracts and utilities, leaving only a very small fraction to cover basic operating costs, repair and maintenance.

State Parks Operating Budget Fiscal Year 2009

\$ 8,946,632

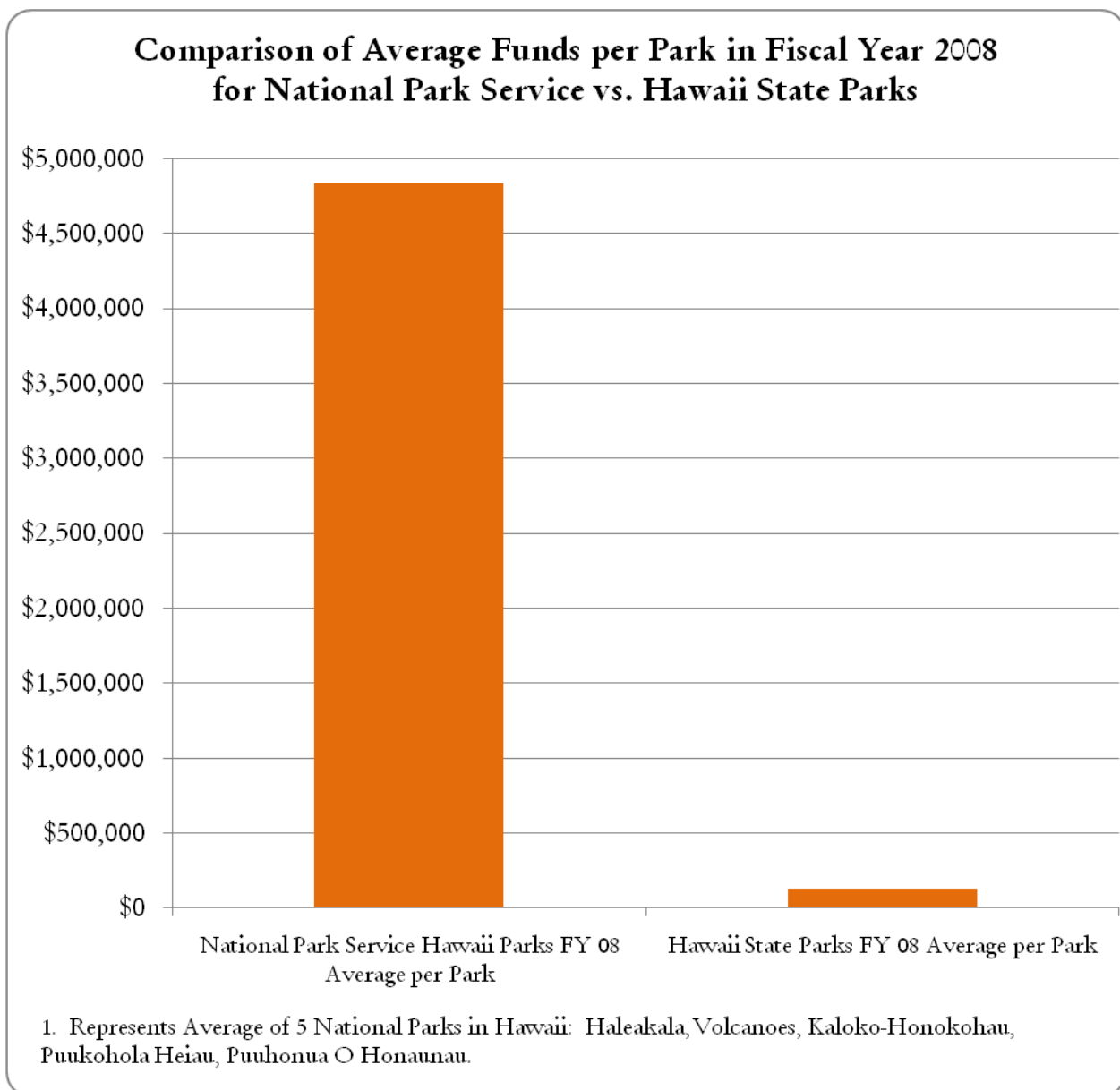


1. General Fund FY 2009 + actual Special Fund revenues in FY 2009.
2. Does not include 5% B&F assessment on special fund or the OHA 20% assessment for income on ceded lands.
3. Does not include any grant in aide pass through funds.

State Parks has less than \$9 million total to manage 69 parks and park reserves. If you subtract the four lifeguard contracts and utilities, that leaves about \$93,000 per park per year for all operational costs in fiscal year 2009. With today’s budget and restrictions, we’re down to about \$70,000 per park per year for operations.

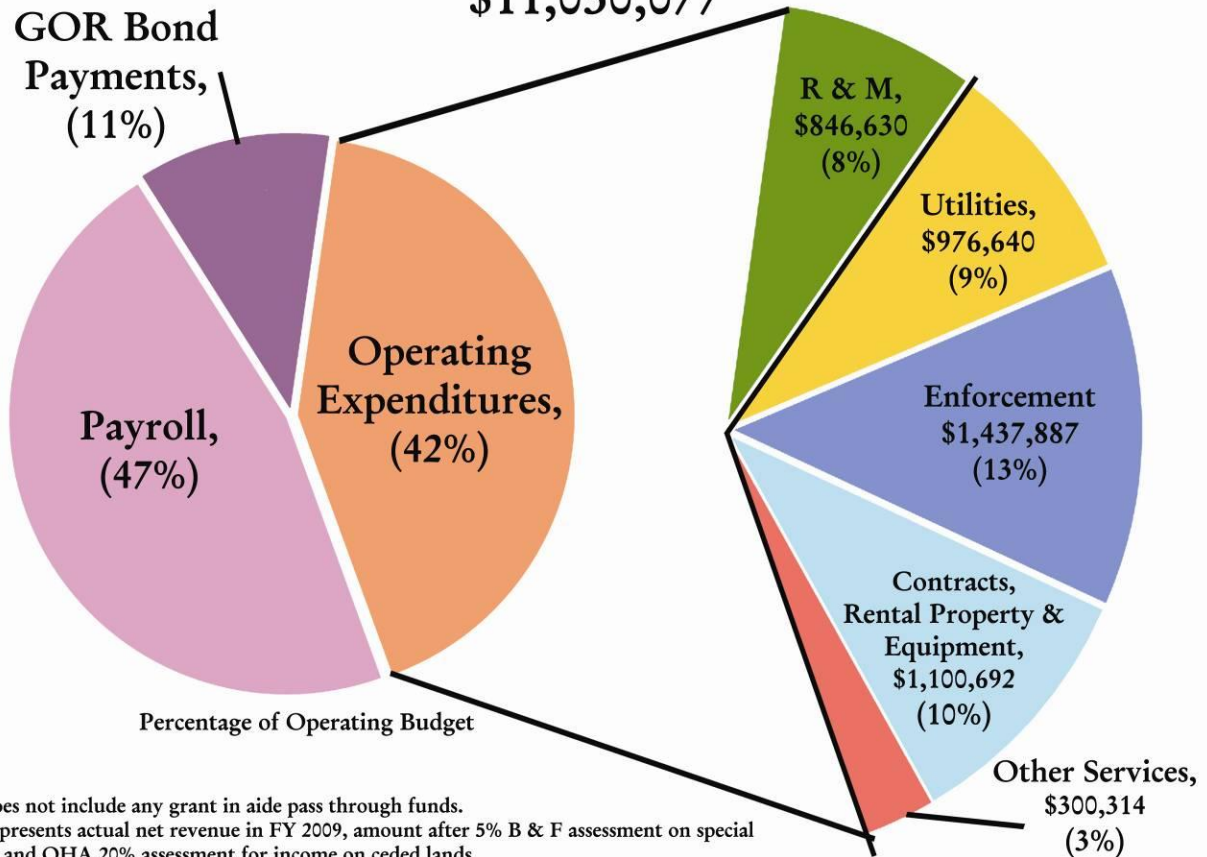
If we are successful in raising \$4 million total through fees and other means, then parks will have approximately \$127,000 per park per year, with the entire sum of the increase going to repair and maintenance and improved operations at parks statewide.

While Hawai‘i residents want State Parks to be run as efficiently as federal parks, federal park budgets, which include entry fees, provide over 35 times the revenue to support repair, maintenance, interpretive programs and general operations.

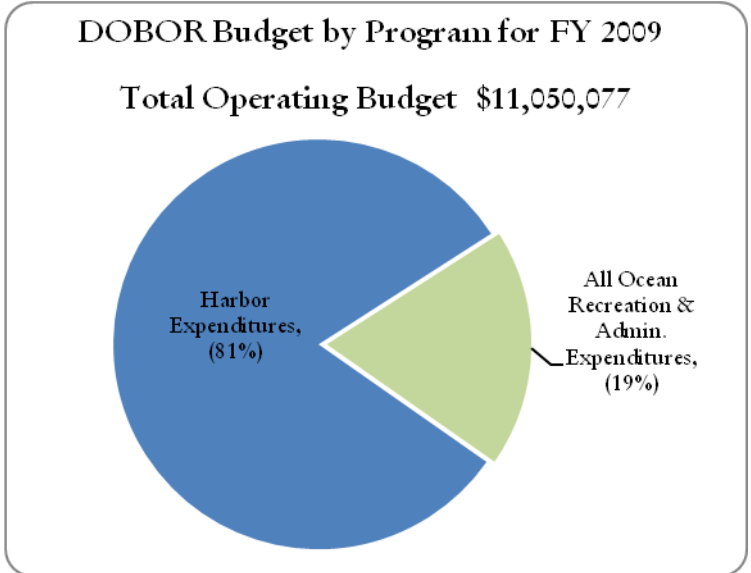
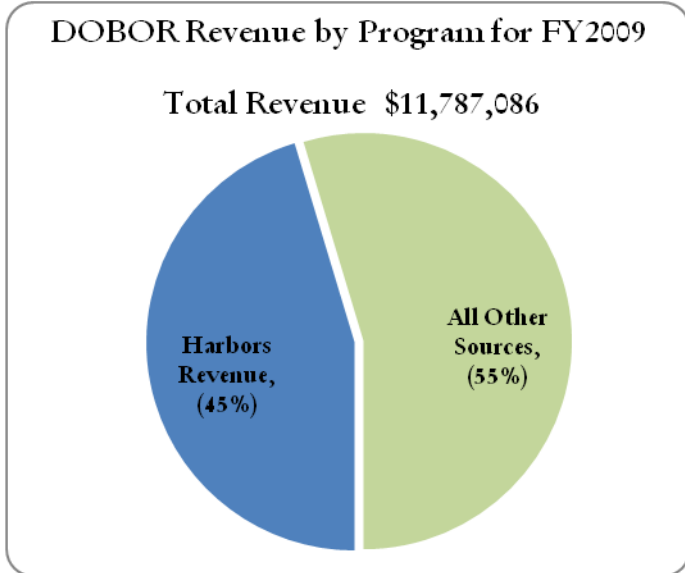


Boating and Ocean Recreation’s budget is bigger than the budget for Parks, but out of those monies they also have to pay debt service on bonds. Between all these operational costs, again only a small fraction is available for repair and maintenance.

DOBOR Expenditures in Fiscal Year 2009
Total Operating Budget
\$11,050,077



Boating and Ocean Recreation’s main programs are the ocean recreation program and the small boat harbors program. The division has fees established for the uses of each program; however, disparity in the revenue collected in each program and the amount of funds the division expends for each program is significant.



1. Does not include any grant in aide pass through funds.
2. Represents actual net revenue in FY 2009, amount after 5% B & F assessment on special funds and OHA 20% assessment for income on ceded lands.
3. “All Other Sources” indicates revenue from liquid fuel tax, leases on DOBOR lands, Ocean Recreation fees, Cruise Ship fees, parking fees, and U.S. Coast Guard Grant.

The Boating and Ocean Recreation Program is proposing to increase the mooring rate in each harbor by \$3.47/ foot over a five (5) year period. The revenue gained will help to balance the expenditures providing the statewide small boat harbors program revenue to cover the majority of their operational costs. This will allow DLNR to utilize more funds to support increased ocean recreation and harbor repair and maintenance.

III. Sources of Revenue and How Money will be Spent

1. Parks: Goal of \$4 million per year within two years

Parks will charge tourists (not residents) an entry fee at 8 high visitor destination parks, two on each major island.¹ While awaiting the rule change and capital improvements for entry fees, Parks will begin with parking fees for tourists only at \$5 per car, walk-ins remaining free. The parking fee can be collected through an automated system that differentiates tourists from resident and is low-cost to operate.

¹ Entry fees are the same as proposed in Recreational Renaissance - \$1 walk-in; \$5 car, higher for commercial vans and buses. The 8 parks are unchanged with two exception. Kekaha Kai was identified for entry fees in the Recreational Renaissance along with capital improvements to the road. Since the legislature did not approve the capital improvements, we will substitute Hapuna for Kekaha Kai. Oahu’s two parks will be Nu‘uanu Pali and Diamond Head State Monument (continue current rates) instead of Ka Iwi State Scenic Shoreline.

Entry fees will collect approximately \$3.5 million per year from all 8 parks combined. In addition, Parks will charge modest fee increases at campgrounds and cabins, mainly by starting a split fee system with slightly higher fees for non-residents.

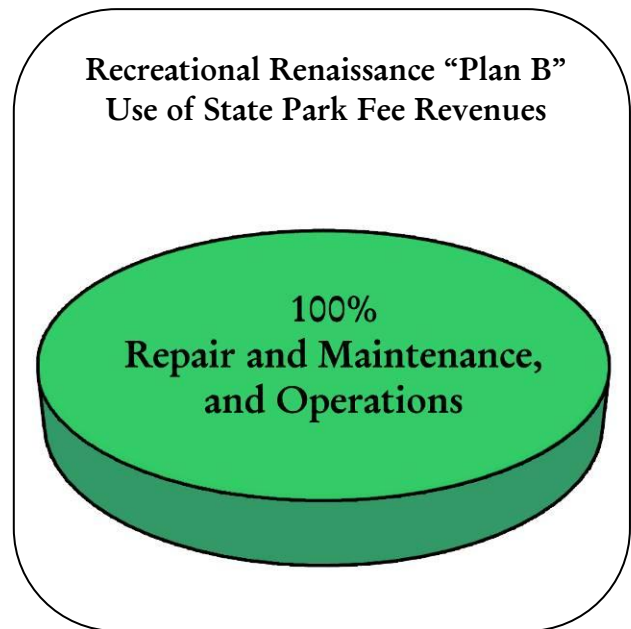
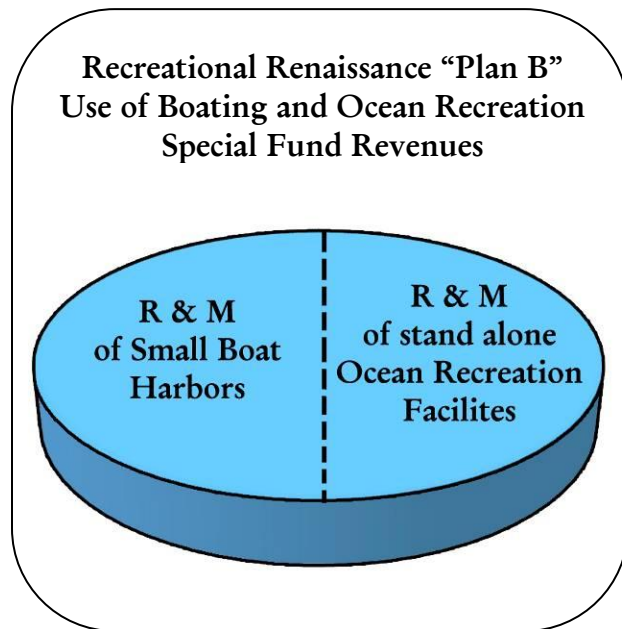
Parks and trails will also receive a share of existing commercial and industrial lease rents from Land Division, up to and until the capital improvements are authorized. Eventually, the urban land revenue will be prioritized for debt service for capital improvements but in the interim will support increased repair and maintenance.

All revenue generated in Parks will stay in fixing up Parks. All revenues generated by the Na Ala Hele Trail system will stay in fixing up trails.

2. Boating and Ocean Recreation: Goal of \$4 million per year within two years

Boating and Ocean Recreation will increase the mooring fees and use those to increase repair and maintenance in small boat harbors. Once fully implemented Boating fee increases will collect approximately \$3.6 Million per year from all moorings in the state. All revenues from mooring fees will stay in fixing up the harbors and mooring areas.

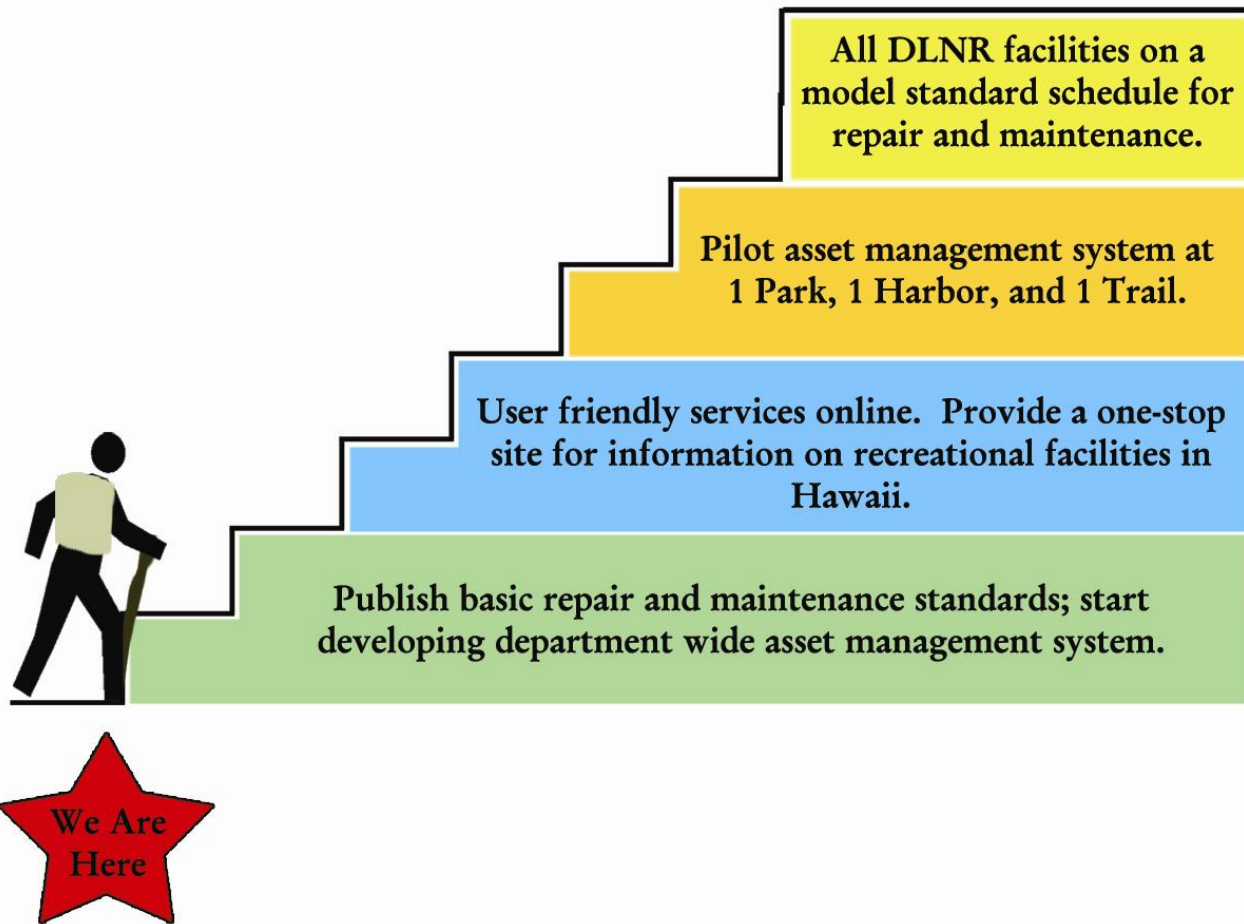
Boating and Ocean Recreation will also generate new revenue from leases on the “fast lands” surrounding the harbors. The revenue generated from leases, fuel taxes and non-mooring fees, including a portion of the urban and industrial land rents, will support repair, maintenance, and operations of stand-alone boat ramps, piers, and ocean recreation areas statewide.



IV. Adopt and phase in model repair and maintenance standards.

The Department will move forward with adopting and phasing in model repair and maintenance standards as we increase revenues. We will also incorporate software to manage the system, consolidate our purchases to be cost efficient, and manage our schedules and assignments for repair and maintenance efficiently. Our Engineering Division will take the lead on developing and operating the DLNR Recreational Facilities and Lands Asset Management System.

State Parks, Trails, and Boating and Ocean Recreation programs have already identified the repair and maintenance standards DLNR can meet this year as we raise the new revenues. In addition, they've identified the new standards DLNR will begin to phase in as revenues are available (See August 14, 2009 Board Submittal H-1 Attachment A).



V. What you can expect to see.

Our State recreational places continue to fall into disrepair and are in shameful condition. Our State land- and ocean-based recreational facilities are in dire need of tender loving care. We need to take steps now; we cannot wait for the legislature to approve capital improvements.

These places are too important and we'll hold ourselves publically accountable by adopting repair and maintenance standards.

The goals of Plan "B" dedicate 100% of new revenues to improved repair, maintenance, and operations in the interim. We'll also start the longer-term process of raising new revenues from vacant urban lands so we can do more capital improvements faster when the legislature eventually gives approval.

