

Modernizing Ocean Recreation Management in Hawai`i

Strategic Action Plan - 2019

Department of Land
and Natural Resources

Division of Boating
and Ocean Recreation



Table of Contents

Message from the Administrator	2
The Early Years	4
Where We Are Now	5
Correcting Course	9
Strategic Plan Overview	10
Strategic Plan Direction	11
Goal 1: Expand ocean recreation management to meet DOBOR’s statutory mandate	11
Goal 2: Provide world-class boating facilities and services	11
Goal 3: Effectively manage DOBOR’s real property	11
Where We Are Going - Fixing the System	12
The Solution: A Public-Private Partnership Approach	13
The Roadmap to Getting There	20
Phase 1 (2019-2020): Setting the groundwork	20
Phase 2 (2020-2021): Initiating PPP at the first harbors	20
Phase 3 (2022-2024): Assessing the program and building on progress	20
Phase 4 (2025): Implementing the partnership strategy at all DOBOR harbors	21
Conclusion	23

Message from the Administrator

When I assumed control over the Department of Land and Natural Resources' Division of Boating and Ocean Recreation (DOBOR) in 2007, I immediately made changes to improve its service and efficiency. At first the changes were incremental. In recent years the changes have grown in scope, influence, and impact to address statewide issues and needs.

Now I feel it is time for the most sweeping, significant set of changes we have ever pursued, which will change the entire character of DOBOR. This strategic plan lays out an ambitious course we have chosen for the foreseeable future. There are opportunities for everyone to play a part in the transformation about to take place. We invite you to join us in partnership.

So, to offer a preview of what is to follow, the Division of Boating and Ocean Recreation (DOBOR) proposes a win-win strategy to ensure that the small boat harbors are operated at their maximum potential and at the same time dedicate much needed staff and resources to the coastal areas program.

As the popularity of ocean recreation has grown, so too has the need to ensure the safety of users. In recent years, boating accidents have decreased nationwide, accidents involving ocean-based activities, such as paddle sports, have increased. Hawai'i is not an exception to this national trend.

In order to provide state-of-the-art services to our ocean enthusiast and recreational boating communities, DOBOR must devote greater attention to managing ocean recreation. This is a shift that demands a new, multifaceted, responsive

strategy. The division's first strategic action plan is an effort that will help make the transition over the next five years towards managing ocean recreation more efficiently and effectively. The plan confronts challenges to making this vital shift and lays out the critical actions DOBOR will take to achieve its goal. We welcome input and discussion as we implement this strategic plan.

Each year, progress towards our goal will be measured and evaluated. The strategic plan will help the division prioritize achievable and specific tasks that contribute to the strategic objectives. In this way, we plan to make ocean recreation in Hawai'i, in a myriad of forms, safe and enjoyable for all.



Edward R. Underwood
Administrator
Division of Boating and Ocean Recreation
Department of Land and Natural Resources

DOBOR's strategic plan advocates a public-private partnership (PPP) approach to harbor management. The plan is divided into three sections: The introductory section presents a brief overview and history of DOBOR, the current state of the division, and an overview of the strategic plan. The following section, "Where We Are Going," provides a closer look at the public-private partnership strategy and how it would enable the division to achieve key goals. Finally, the third section, "The Roadmap to Getting There," lays out the path to implementation.

The Early Years

During the 1991 legislative session, via Act 272, Session Laws of Hawai‘i, the Legislature transferred the boating and coastal areas program from the Department of Transportation (DOT) to the Department of Land and Natural Resources (DLNR). Out of necessity, the Division of Boating and Ocean Recreation (DOBOR) was born within DLNR.

DOBOR was made responsible for regulating recreational and commercial use of State small boat harbors, moorings, and facilities as well as most activities occurring in and on State waters. DOBOR’s regulatory scope covers a wide range of ocean-related matters, from issuance of use permits for harbors and ocean recreation management areas to regulation of ocean activities, such as diving, kayaking, surfing, and jet skiing. These governmental regulatory functions are contained in thirteen mandates (Hawai‘i Revised Statutes §200-3), which act as guidelines for serving the State:

1. Managing and administering the ocean-based recreation and coastal areas programs of the State;
2. Planning, developing, operating, administering, and maintaining small boat harbors, launching ramps, and other boating facilities and associated aids to navigation throughout the State;
3. Developing and administering an ocean recreation management plan;
4. Administering and operating a vessel registration system for the State;
5. Regulating the commercial use of State waters and marine resources, including operations originating from private marinas;
6. Regulating boat regattas and other ocean water events;
7. Administering a marine casualty and investigation program;
8. Assisting in abating air, water, and noise pollution;
9. Conducting public education in boating safety;

10. Administering the boating special fund;
11. Assisting in controlling shoreline erosion;
12. Repairing seawalls and other existing coastal protective structures under the jurisdiction of the State; and
13. Removing non-natural obstructions and public safety hazards from the shoreline, navigable streams, harbors, channels, and coastal areas of the State.

DOBOR operations have been funded primarily by the Boating Special Fund. The Boating Special Fund was established by the Hawai‘i State Legislature in the early 1970s. The sources of revenue for the Boating Special Fund include harbor fees, mooring fees, commercial fees, a portion of the State’s fuel tax, and lease rent from property under DOBOR’s jurisdiction. DOBOR also receives a federal grant through the U.S. Coast Guard (USCG) for the State’s boating safety campaign. The federal funds are a 50/50 match. Capital improvement projects are funded through bonds authorized by the Legislature when possible.

At the time of the division’s transfer from DOT to DLNR, there was approximately \$300 million dollars in deferred maintenance in the recreational small boat harbors, launch ramps, and other related facilities. Some progress has been made, but this list continues to grow as the facilities age.

The management and operation of the State’s boating facilities is only one of the thirteen mandates associated with the boating and coastal areas program. Running small boat harbors has always consumed the majority of DOBOR’s personnel hours and resources, yet the thirteen statutory mandates require an equal allocation of resources between boating and ocean recreation management.

Where We Are Now

Revenue generated through DOBOR's funding sources, has never been sufficient to keep pace with ever-increasing demands for maintenance and services.

Ala Wai Small Boat Harbor has undergone substantial improvements since DLNR assumed management. But it is always in need of repairs and maintenance. The waters of the harbor also collect marine debris from the densely populated community. Damaged infrastructure and polluted waters detract greatly from the harbor's appeal. Situated in a key tourism area, it could offer more to Hawai'i's people and visitors.

The Ala Wai Small Boat Harbor is just one example of a State small boat harbor that can be better managed in order to protect the resource sustainably and serve the people of Hawai'i. Situated near Ala Moana Center, a premier retail complex that draws 48 million shopping visitations annually, the Ala Wai should offer safe and aesthetically pleasing facilities. Yet, the harbor languishes in disrepair.

Although the Ala Wai stands out as the highest net income-generating harbor, its earning potential remains untapped. Like other State harbors, the harbor itself underperforms in revenue; it is the parking revenues that account for Ala Wai Small Boat Harbor's comparative "success." Transforming the facility requires a revision of management strategy to enable the asset to generate greater revenues, a change that is possible through public-private partnerships.



At the core of the problem lies an inefficient harbor management model. Although harbor management represents just a single statutory mandate, it depletes a disproportionate share of DOBOR's personnel resources. Furthermore, investing substantial funds and staff into the harbors has not produced a commensurate return.

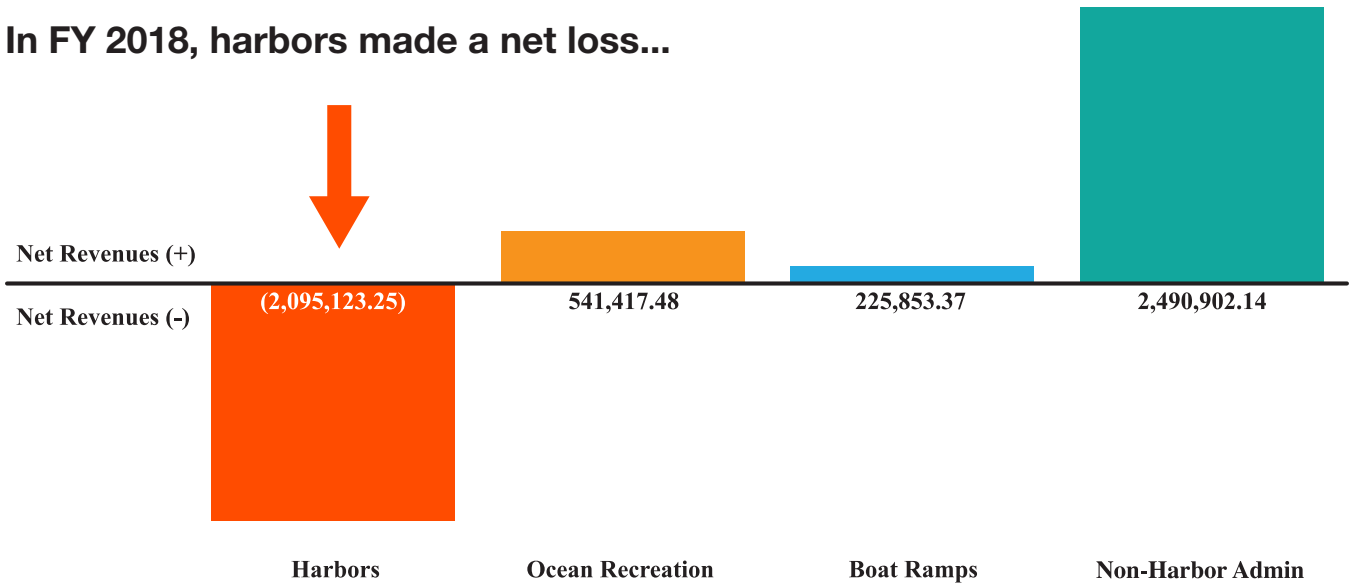
Revenue generated by the harbors does not even begin to offset management and maintenance costs. For the past several years, harbor management as a whole operated at a net loss. In fiscal year (FY) 2018, for example, Hawai'i's small boat harbors incurred a net loss of nearly \$2 million while consuming 69% of staff resources.

In fact, over the past five years, an average of as much as 84.2% of staff resources were allocated towards harbor management.

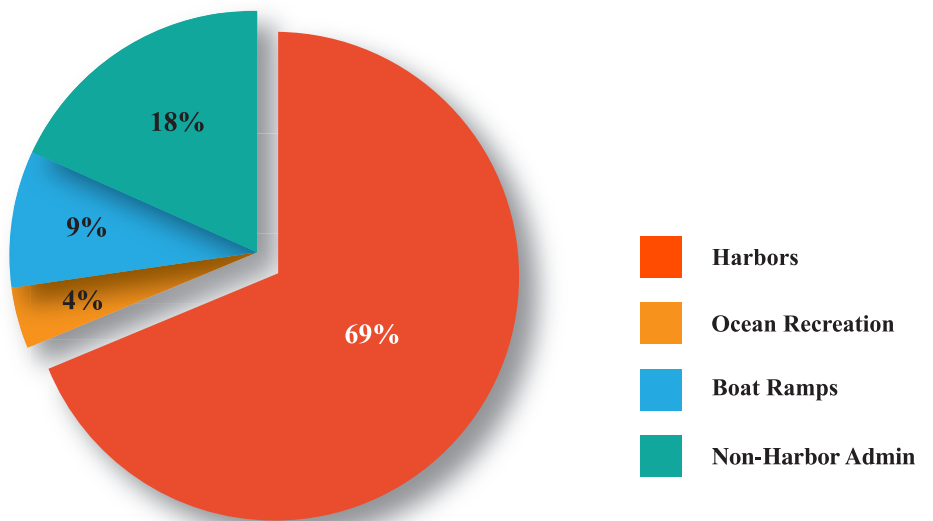
This drain on staff and funding underlies root causes of the division's inability to adequately execute its statutory mandates.

The coastal areas program has grown immensely over the years, continually adding to DOBOR's list of responsibilities even though DOBOR has no dedicated staff or dedicated funding to address this mandate.

In FY 2018, harbors made a net loss...



... Yet consumed most of staff resources



Staff Resources

Correcting Course

In Hawai‘i, on every island, we are never more than an hour from the ocean. Hawai‘i’s residents and more than nine million visitors each year use the nearshore waters for swimming, recreational fishing, surfing, snorkeling and more. Our boating community is small but diverse. Our nearshore waters are rich with marine life. Above and below the water, and on the shores, millions of people use and enjoy Hawai‘i’s oceans. Almost monthly, a new type of device is being introduced to our waters or an already present device is being used in a different way. But the boom in ocean recreation, the weather, and Hawai‘i’s landscape and culture - the engine that keeps Hawai‘i’s economy healthy - does not result in a windfall in funding for DLNR or DOBOR.

By seizing opportunities and changing the way it does business, DOBOR has slowly adapted and evolved. By 2019, with good leadership, DOBOR has built a financial base to meet many, but not all, of its needs. This is quite an achievement in itself, taking into account DOBOR’s history and origins, but that is only a small piece of the puzzle compared with what is to come. The management model that DOBOR inherited at its inception does not allow the division to fulfill its statutory mandates and meet its needs – it was and continues to be a system that shackles the division. But, this failing system also presents a challenge and an opportunity to embrace change.



Strategic Plan Overview

In the absence of increased funding and staff, DOBOR is working smarter, and more efficiently, to fulfill its mandates and reach its potential. *The division is proposing to shift to public-private partnership small boat harbor management, moving staff away from day-to-day direct harbor management, allowing staff to prioritize the exclusive governmental functions of ocean recreation management, rulemaking, oversight, and enforcement.* To do this, DOBOR has developed a Strategic Plan for modernizing and revitalizing Ocean Recreation Management in Hawai‘i.

The plan will:

- Serve as a forward-looking roadmap that will guide DOBOR in developing an effective management model, sustainably managing the State’s assets, and protecting the natural resources in the face of a growing visitor economy and changing environment.
- Communicate DOBOR’s strategic priorities to decision-makers, staff, and partners effectively, so that they can gain a clear understanding of these priorities and can assist with implementation efforts.
- Identify strategic plan priorities in the State’s annual budget for DOBOR and DLNR.
- Detail a critical shift in management practices and philosophy that will help DOBOR fulfill its intended purpose.

Strategic Plan Direction

The strategic plan presents a future-oriented vision for the division: to modernize and revitalize *ocean recreation management* in Hawai‘i through a strategic redesign of DOBOR’s system for small boat harbor, staff, resource, and asset management.

DOBOR’s vision is aligned with its mission and calls for a shift away from its current practice of directly managing harbors achieved through a public-private partnership (PPP) asset management strategy. The PPP approach is a proven model that has demonstrated success for harbors in almost every other jurisdiction in the nation. This shift will allow DOBOR to execute its State functions more effectively and facilitate efforts to accomplish three main goals:

Goal 1: Expand ocean recreation management to meet DOBOR’s statutory mandate

Ocean recreation plays a substantial role in Hawai‘i’s economy, community, and culture. DOBOR needs to balance its focus between boating and ocean recreation management by shifting greater attention towards the latter. Expanding ocean recreation management will allow DOBOR to provide a safe and enjoyable experience for all residents and visitors on all State waters, not just within boating harbors and facilities.

Goal 2: Provide world-class boating facilities and services

As a State with a significant number of ocean recreation enthusiasts and millions of residents and visitors alike who participate in ocean-based activities, Hawai‘i should have the facilities and services required to meet the needs of these populations. State harbors are in desperate need of maintenance, improvements, and other developments necessary to adequately meet the expectations of the public.

Goal 3: Effectively manage DOBOR’s real property

The State is underutilizing the opportunity to generate revenue from State-owned fast lands. Fast lands have immense commercial development potential to attract greater foot traffic in harbor areas and yield higher income to the State. Through this strategic plan, DOBOR can realize a more efficient management and development scheme that takes advantage of this opportunity.

Where We Are Going - Fixing the System

DOBOR's plan fully leverages the advantages of public-private partnerships to empower DOBOR to fulfill its statutory mandates and its ambitions for Hawai'i's small boat harbors and ocean recreation management.

The plan entails achieving balance between boating and ocean recreation mandates by allocating more resources to developing excellent and effective ocean recreation

management while continuing to streamline core boating functions. The division aims to establish a robust public-private partnership-based system statewide to transform its recreational harbors into world-class marinas that meet the needs of millions of residents and visitors. At the same time, optimization enabled by public-private partnerships will free DOBOR staff to provide much-needed safety, education and enforcement for the State's ocean enthusiasts.



The Solution: A Public-Private Partnership Approach

Public-private partnerships hold the key to a strategic redesign that enables harbors to operate at their maximum potential while staff engage in managing ocean recreation.

Public-private harbor management, a proven approach that has demonstrated success for jurisdictions across the country, offers the optimal approach.

States that have partnered with private entities have found that private organizations can conduct harbor management successfully and efficiently. For these states, partnerships have brought in capital for much-needed infrastructure development, optimized revenue to honor the public interest, and freed up resources to allocate towards other needs, advantages that Hawai‘i direly needs.

*Public-private partnerships allow the State access to the advantages private companies offer **WITHOUT** privatization.*

Public-private partnerships allow the State to access key advantages private companies have without diminishing the State’s regulatory authority. In a public-private partnership, the State contracts harbor management or leases its assets to a private entity while retaining ownership, governmental oversight, and control of fees. Public-private partnerships are different from privatization, in which the State sells its assets, transferring ownership to a private entity. DOBOR already has demonstrated the economic viability of the concept on a small scale with Waikīkī Yacht Club, Hawai‘i Yacht Club, La Mariana Sailing Club and Ke‘ehi Marine Center. These four operations pay DOBOR just under \$825,000 per year through long-term leases of fast lands, and manage their own boating operations on those lands. Now we will attempt implementation on a larger scale encompassing entire harbor facilities.

DOBOR is prohibited from privatizing by selling its assets by State law. Instead, it recognizes that private companies offer crucial advantages over State government. Since private firms can seek funding from sources the government may not be able to access, maintenance, renovations, and other improvements can be performed more cost effectively. Moreover, because firms aim to increase their customer base, they are adept at making business decisions that satisfy consumer needs and can respond more quickly to change as needs arise. Private firms can find the most cost-effective and efficient way to manage a harbor as a business while simultaneously prioritizing customer satisfaction.

Private companies provide successful harbor management solutions across the US.

Across the United States, governments have connected with private entities to increase revenue, provide improved management and infrastructure, and ensure that State resources remain focused on critical governmental functions. While Hawai‘i is unique in that it has not fully embraced this proven strategy, it has recognized the potential benefits of allying with private companies. Harbor management by private entities is not a new idea: in 1993, the Office of State Planning pointed out that “[p]rivate enterprise can play a large role in providing necessary capital” for boating infrastructure.

The benefits of managing harbor assets in conjunction with private entities were highlighted in a recent survey. In 2017, the Hawai‘i Coral Reef Initiative (HCRI) conducted a national survey on harbor management practices, consulting and interviewing ten governments in seven states. The survey found that *only 1% of the harbors surveyed nationally were*

state-owned. States contracted harbor management out to private companies either fully or piecemeal, by service or function. These government entities have found working with private companies to be the best way to:

- Manage harbor assets efficiently in terms of revenue;
- Shift limited staff resources to areas where they are really needed (i.e. for rule-making, oversight, enforcement, and safety education);
- Develop infrastructure by partnering with private entities.

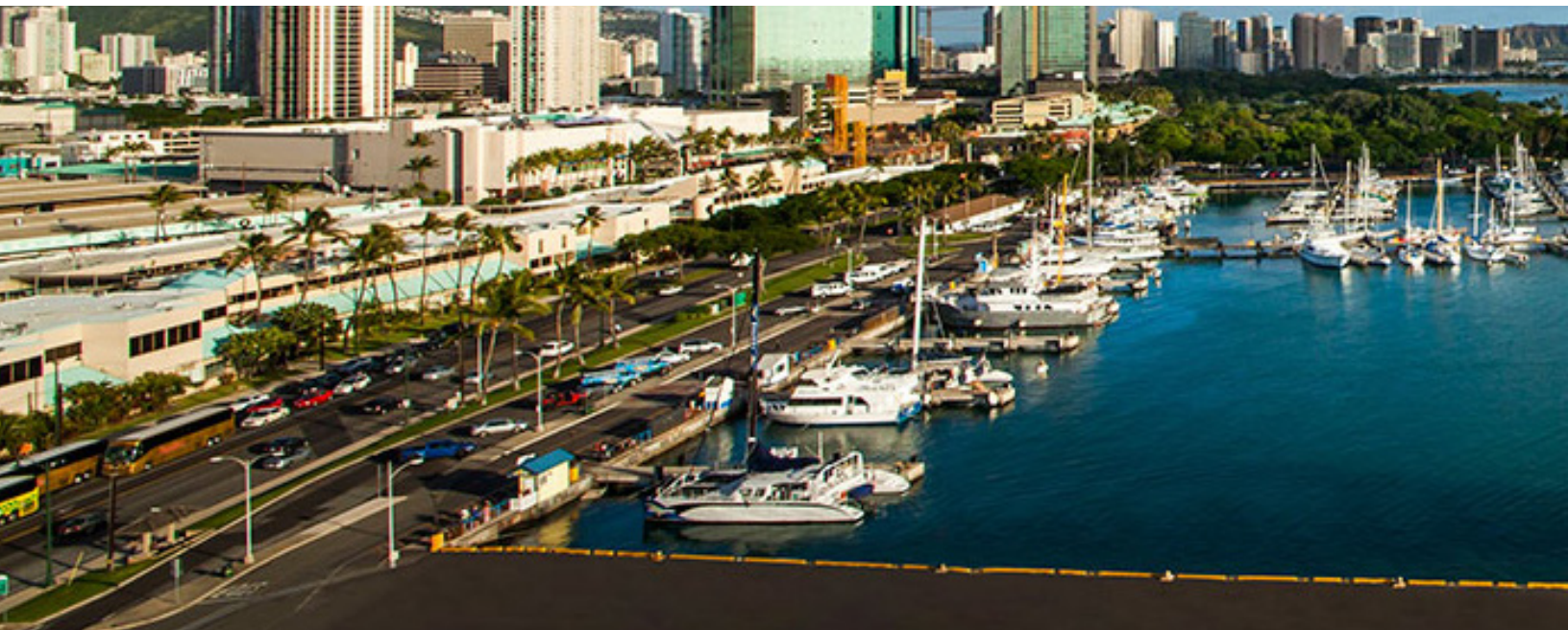
Interviewees included Chicago Park District, Illinois; New York; Titusville, Florida; and Kewalo Basin, Hawai‘i.

Chicago Park District, IL

Chicago Park District first turned to a private company to manage its ten harbors and 6,000 boat accommodations in 1995. Since partnering with Westrec Marinas of Encino, California, Chicago Park District has not looked back. The largest municipal system of harbors in the U.S., Chicago Park District Harbors offers sophisticated amenities for locals and visitors, including fueling facilities and floating docks. Over the past few years, these popular harbors have had occupancy rates greater than 98%. In the two decades following Chicago Park District's implementation of this management strategy, net revenues increased from \$0 to \$13.5 million.

New York

Like Chicago Park District, New York State has enjoyed greater revenues through partnering with a private management company. New York has the ninth highest boating community in the US, with over 400,000 registered motorized vessels and roughly 300,000 non-motorized vessels. The State has always bid out management of its harbors to private companies. One of its marinas plans to bring in as much as \$10 million over the 25-year rental period. The harbor development company that operates and maintains New York's Buffalo River Marina Complex will invest that revenue in harbor development.



Titusville, FL

After contracting a private company to manage its harbors, the City of Titusville also experienced a dramatic increase in revenues. Occupancy increased from 50% to 60% to 96%. This partnership enabled Titusville to overcome its debt of \$300,000 and generate \$120,000 in positive working capital. Managed and operated by F3 Marina, an industry leader, Titusville Marina provides full-service amenities that cater to boaters' needs. Among its many sophisticated features are fixed and floating docks, a store that sells boating equipment and cleaning gear, a fuel dispensing station, a laundry area, and WiFi throughout the facility.

Kewalo Basin, HI

Through its successful implementation of a public-private partnership (PPP) strategy, Kewalo Harbor on O'ahu has demonstrated that this approach can provide successful, effective harbor management solutions and infrastructure development to Hawai'i's harbors. Under the Hawai'i Community Development Authority's (HCDA) jurisdiction, Kewalo Basin is leased to the Howard Hughes Corporation (HHC) which contracts harbor management to Almar Marina Management Company. The former brings in capital for infrastructure development, while the latter manages the facilities.

HCDA has a very different mandate from that of DLNR/DOBOR. HRS §206E granted HCDA the power to develop areas of Honolulu and leverage public-private monies. In the case of Kewalo Basin, this authority allowed HCDA to attract a private funder (HHC) to propose capital improvements. The understanding at work here is that fair market rent set by appraisal will attract a business entity, such as HHC, to conduct the improvements. Currently, much of Kewalo Basin is slated for or undergoing planned improvements that will be funded by HHC. In these types of partnerships, because capital improvement funds come from private partners, State funds requested from the Legislature can stretch further.



A model of successful public-private partnership in Hawai‘i, beautiful Kewalo Harbor will enjoy streamlined management while offering world-class facilities through partnership with Howard Hughes Corporation.

Kewalo Harbor fronts the Ward Village area, an integrated commercial and residential setting not far from Ala Moana Shopping Center. Selected by HCDA in 2014 for a lease agreement through a competitive process, the Howard Hughes Corporation (HHC) embarked on its improvement and modernization project for Kewalo Basin in 2015. Howard Hughes Corporation is improving harbor facilities, providing better safety and security services, and upgrading docks. Howard Hughes Corporation also aims to increase foot traffic to Kewalo Harbor via strategic marketing.

In the years to come, boaters can look forward to state-of-the-art infrastructure and services. Other objectives include greater management efficiency and higher numbers of moored vessels. The future-oriented improvement plan also supports fishing, recreational vessel and tour activities while recognizing the importance of Kewalo as a valuable resource and aiming to maintain Kewalo Basin for the community.

Through the PPP strategy, Kewalo Harbor benefits from investments to improve infrastructure while the State retains regulatory oversight of the asset. This management model serves all parties: the State is free to focus on providing exclusive governmental functions, boaters gain improved facilities and services, and the resource is responsibly stewarded, maintaining the public trust.

Kewalo Basin demonstrates that the PPP model can work in Hawai‘i applied to an entire harbor facility and that large corporations are interested in investing in the islands.

As the HCRI national survey and the success of Kewalo Basin clearly indicate, public-private partnerships offer the optimal harbor management solution Hawai‘i needs. For this reason, PPPs form the crux of DOBOR’s plan to revitalize a dysfunctional harbor system. These collaborative arrangements will allow DOBOR to replace outmoded, ineffective practices with modern, proven approaches, while the Boating and Ocean Recreation Division preserves ownership of its assets and the Board of Land and Natural Resources (BLNR) retains control over fees.

When DOBOR enters into partnerships with private companies on a larger scale than it has in the past, its small boat harbors can be brought up to par with world-class marinas and other successful harbors throughout the country. This management scheme will produce better services, a more satisfied boating community, increased services, and increased capital and revenue for improvements, and, most importantly, enable the State to responsibly steward its assets and resources.

Through leveraging the advantages of public-private partnerships, DOBOR's new management model supports the division in fulfilling its duty to better serve its ocean recreation management and boating purposes. The vision for DOBOR set forth in this strategic plan supports three goals:

1. Expand ocean recreation management to meet DOBOR's statutory mandate;
2. Provide world-class boating facilities and services;
3. Effectively manage DOBOR's real property.

Each goal translates the main vision into specific actions that move this plan forward.

Goal 1: Expand ocean recreation management to meet DOBOR's statutory mandate

Through implementing the PPP strategy, DOBOR will free existing staff that it will then shift toward ocean recreation management tasks to balance its allocation of resources between its two primary statutory mandates. Contracting resource-intensive harbor management responsibilities to private partners will enable DOBOR to expand ocean recreation management and fulfill the mandate without needing to increase staff numbers. This rebalancing will empower staff to provide critical State functions for the broader ocean-user community. DOBOR will be able to serve more ocean enthusiasts through greater ocean recreation management planning, oversight, education, and enforcement, as well as meet the needs of more ocean users and recreational boaters in the State.

Goal 2: Provide world-class boating

By implementing the public-private partnership strategy and transitioning to more of an asset management model, DOBOR will not only perform necessary repairs and improvements to its small boat harbors, but again, transform them into world-class marinas. By maintaining a degree of engineering oversight in the development process, the harbors can be transformed in a way that is sensitive to community needs and concerns.

Goal 3: Effectively manage DOBOR's real property

Through the PPP model, DOBOR will streamline current operations and effectively manage its real property. DOBOR aims to transfer duties irrelevant to primary State functions to private partners, allowing the division to more fully utilize its assets by further developing its fast lands to generate revenue. Because the fast lands could bring in substantive financial resources, capitalizing on the potential of these assets presents a significant opportunity to increase revenue for core operations.

Within its fast lands, DOBOR has identified two areas with considerable revenue potential, pictured in the figure below. The figure shows an overhead view of the Ala Wai Small Boat Harbor and highlights the areas where the State generates money. The fast lands are outlined in yellow and are accompanied by a text indicator detailing the amount of revenue the land generated, based on DOBOR income statements for FY 2018. One opportunity is to enhance the fast lands that are currently under-utilized. Since these parcels can potentially generate substantial income for the State, cultivating the commercial development of these assets can

add greater value. Another is to take advantage of the vacant lot next to the Hawaii Prince Hotel. This site presents an important opportunity to attract businesses that will draw more foot traffic and encourage greater economic activity.

Once harbors under its jurisdiction are leased to companies in the partnership model, DOBOR will be able to work on optimizing revenue to the State by making the best use of its fast lands. This strategy presents a far more efficient means to yield significant revenue than expending resources on deferred maintenance for harbors operating at a net loss.

Ala Wai Small Boat Harbor Revenue Sources



**Total Revenue generated from
Fast Lands in FY2018 = \$1,914,816**

- Legend**
- Free Parking
 - Paid Parking
 - Fast Lands
(includes submerged parcels)
 - Slip Fees

The Roadmap to Getting There

DOBOR's strategic plan is divided into four phases. It begins with a preparatory stage, continues with an initial implementation phase followed by rigorous assessment, and culminates with full implementation of the PPP strategy and the achievement of all three of DOBOR's goals. DOBOR looks forward to establishing a well-designed system that enables effective harbor management and developing balanced staff allocation between boating and ocean recreation management, providing world-class boating services, and optimizing asset revenues by 2025.

Phase 1 (2019-2020): Setting the groundwork

During the initial phase, DOBOR will make all necessary preparations to implement PPPs at its boating facilities. Currently, HRS Chapter 200 authorizes DOBOR to lease fast and submerged lands at the Ala Wai Small Boat Harbor. DOBOR will seek to clarify its authority to enter into PPPs at small boat harbors statewide through legislative action. DOBOR will then be able to move forward with a statewide PPP plan. DOBOR will identify criteria and management candidates and determine metrics to gauge performance. DOBOR will also identify revenue-generating services to be contracted out and outline tasks associated with contracting these services to private companies. At this time, DOBOR will also release requests for proposals (RFPs) for management of each of its harbors. Initial groundwork to rebalance staff between boating and ocean recreation management by apportioning greater staff resources toward the latter will also commence during this stage. The division will develop a staffing plan for adjusting staff duties to achieve a balance between harbor management and ocean recreation management tasks. DOBOR will determine prioritization of ocean recreation management tasks.

Phase 2 (2020-2021): Initiating PPP at the first harbors

Once the groundwork has been laid, DOBOR will begin implementing its newly designed public-private partnership strategy. Through the RFP process initiated in 2019, DOBOR will select private entities with which to partner and issue them long-term leases to attract funds for improvement projects. The selected companies will perform harbor management, maintenance, and improvement project tasks under the division's supervision. During this phase, DOBOR will also formulate plans to optimize any remaining harbor revenue-generating services. This process will continue until all of DOBOR's facilities are being managed through a PPP and are optimized to maximize returns. DOBOR will submit a report on its progress to the Legislature by the end of 2021.

Phase 3 (2022-2024): Assessing the program and building on progress

In 2022, DOBOR will begin evaluating the PPP program, assess services, revenue, cost, and maintenance. Assessment data will guide adjustments that will be made to the PPP-based management strategy in the future. At the close of 2024, DOBOR will submit a report on progress to the Legislature.

Phase 4 (2025): Implementing the partnership strategy at all DOBOR harbors

Following careful preparation and assessment during the first three phases, the fourth stage calls for establishment of a rigorously evaluated, robust public-private partnership-based management system across all harbors under DOBOR’s jurisdiction. DOBOR will advance progress toward its goal of statewide PPP harbor management by continually adding any remaining facilities and fast lands to the program, performing assessment, and making adjustments aimed at optimization. During this phase, DOBOR will complete optimization of all relevant services. DOBOR will finalize staffing and finish equally allocating staff between boating and ocean recreation management duties and attend to real property management tasks to optimize revenue from fast lands.

The course charted by this strategic plan culminates with this concluding phase, at which point maximum advantages of the partnership-based system are realized, maintained, and improved upon as necessary.

Developed after extensive dialog with marina management companies to obtain feedback, the proposed system adapts strategies that have been used successfully in other, similar programs to address the constraints DOBOR must grapple with. DOBOR proposes this public-private partnership-based harbor management program with full confidence that it will be successful, bringing the division closer to its goal of modernizing and revitalizing ocean recreation management in Hawai‘i.

2019

- Clarify statutory authority to give DOBOR ability to enter into public-private partnerships (PPP)

2020

- Legislature approves PPP at first harbor(s)
- Release requests for proposals (RFPs)

2020-2021

- Initiate PPP at first harbor(s)
- Submit report to Legislature on progress

2022-2024

- Assess first PPP harbors; services, revenue, cost, maintenance
- Submit report to Legislature on progress

2025

- Modify PPP program as necessary
- Implement PPP at all DOBOR harbors

Conclusion

DOBOR's harbors of tomorrow should be clean, modern and well-maintained. They should serve as true community centers of boating and ocean recreation activity in the islands and gateways to access a rich resource for residents and visitors alike. We have an opportunity to create a space where people congregate, meet friends and family, enjoy the ocean waters and watch the sun rise and set. When sailors arrive in Hawai'i and when residents visit our facilities, our harbors must meet or exceed expectations, offer world-class amenities, activities and resources. They should be, and can be, inviting.

The path to developing world-class facilities is very long and uncertain with DOBOR's current system of direct governmental harbor management. The current management strategy for the State small boat harbors that has been in place since they were first constructed has proven to be ineffective and is now outdated. In order to accomplish our goal to offer better services and modernize the facilities, DOBOR needs to enter into collaborations with the private sector and the community to make this vision a reality.

The coastal areas program requires DOBOR to manage all activities taking place in state waters from the shoreline and three miles out to sea. This includes regulating commercial and recreational vessel activities, maintaining aids to navigation, and assisting with protecting marine resources. However, DOBOR does not have a dedicated funding source or dedicated staff to carry out this mandate.

A win-win situation is created by entering into different management scenarios that will allow for more resources and staff time to be allocated to the coastal areas program while ensuring that the small boat harbors are maintained and by offering quality service to the community and visitors alike.

We invite you all to join in this important transition for Hawai'i's ocean community to rejuvenate our harbors and coastal areas program in Hawai'i.

It is up to us all to build on the rich and colorful ocean-going tradition of our host culture and re-establish Hawai'i as a place where our people can safely enjoy and thrive in our ocean, a magnet for international boat traffic and a hub for adventurers crisscrossing the Pacific.

— Mahalo —