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February 5, 2016

HAND DELIVERY

Mr. Bert K. Saruwatari
Land Use Commission, State of Hawai'i
235 South Beretania Street
Room 406, Leiopapa A Kamehameha Building
Honolulu, Hawai'i 96813

LAND USE COMMISSION
STATE OF HAWAII
2016 FEB -5 A 10:50

Re: KO OLINA DEVELOPMENT, LLC; DR08-36

Dear Mr. Saruwatari:

Thank you for sending us the two questions submitted by the Commissioners for our docket, DR08-36. The questions are presented below with the answers following each question.

1. Is the Ko Olina Launch Ramp operational 24/7?

Answer:

The Ko Olina Boat Launch Ramp ("Boat Ramp") is operational from sunrise to sunset. This requirement is consistent with certain State and City parks and facilities, and Ko Olina's lagoons and beaches where sunrise to sunset operating hours are implemented as a public safety measure. Further, there are no lights at the ramp or parking lot to safely conduct night operations. There were no lights at the first two boat ramps. In addition to the Ko Olina Marina, Ko Olina is comprised of residential and resort communities where safety and security and quiet enjoyment are paramount concerns, therefore, the sunrise to sunset requirement is implemented at all public facilities at Ko Olina.

As an accommodation, registered vehicles and trailers in the boat ramp parking lot after sunset will be allowed to remain for one night only at no additional cost. Transient dockage at Ko Olina Marina may be available for late returnees at the posted rate.

Recreational boaters interested in 24-hour boat ramp access may access the Phoenician Launch Ramp Facility built by Ko Olina and located at nearby Kalaeloa Harbor which is also open sunrise to sunset and can accommodate overnight vehicle and trailer parking for two or more nights.

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2. What has Ko Olina done in discussion to seek greater understanding in regard to the Ko Olina Boat Ramp?

Answer:

Ko Olina has had many discussions with several different groups of people concerning the three boat launch ramps built by Ko Olina (two at the Ko Olina Marina and the Phoenician Boat Launch Ramp at Kalaeloa). These discussions go back approximately ten years and have included the Waianae fishermen, Waianae Harbor Master, the City and County of Honolulu, fishermen from other parts of Oahu, and proceedings before the State Land Use Commission.

Not every group or organization possessed the same interests or concerns and those diversities often lead to competing solutions, which in turn resulted in the eventual construction of three public boat launch ramps.

More recent discussions have taken place as a result of issues raised by certain boaters and the prompting of the LUC. These discussions have focused on three issues: 1) launch and parking fees; 2) marine liability insurance requirements; and 3) the 40 foot truck and trailer length limit.

As has been previously communicated to the LUC, Ko Olina opened the Boat Ramp to the public as of July 2015. In order to attempt to address operational costs, a \$15.00 launch fee and a \$10.00 parking fee was implemented, along with a requirement for boaters to carry marine liability insurance with a \$500,000.00 policy limit minimum in order to protect not only the owners of the marina but also all other boaters and members of the public. The 40 foot limit was based on the 40 foot minimum parking stall requirement provided by City ordinance for boat trailers and vehicles.

On November 24, 2015, Ko Olina met face-to-face with the boaters to discuss the three issues. The meeting was held at 9:00 a.m. at the law offices of Matsubara - Kotake. Attending the meeting were Creighton Chang (boater), Warren Von Arnswaldt (boater), Rodney Ajifu (boater), Ken Williams (KOCA), Ben Matsubara (Matsubara - Kotake) and Curtis Tabata (Matsubara - Kotake).

Mr. Ajifu indicated that his truck and trailer length was 41.5 feet. Mr. Von Arnswaldt indicated that his truck and trailer length was 48.5 feet. Mr. Chang indicated that his truck and trailer length was just under 40 feet. The boaters explained that the 40 foot length limit would exclude some boaters from using the Boat Ramp.

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The boaters also wanted to eliminate the launch and parking fees, or to implement a yearly fee or a tiered fee to provide the boaters another option.

The insurance issue was discussed primarily by Mr. Ajifu who is retired from Island Insurance. Mr. Ajifu indicated that the additional insureds was a problem and that Island Insurance would not be able to issue a policy as a result. The boaters also discussed their general concern about the need to incur substantially increased insurance premiums as a result of Ko Olina's insurance requirement.

Mr. Williams explained the need to offset expenses for maintaining the Boat Ramp and the need for marine liability insurance and the decision to design the parking lot based on the 40 foot minimum provided by City ordinance, but Mr. Williams agreed to consider the boaters' concerns and to attempt to find solutions to the issues and to continue the discussions at a later date.

On February 2, 2016, the same group returned to meet face-to-face at Mr. Chang's home in Waipahu at 10:00 a.m. to continue discussion of the three issues.

The boaters were informed that Ko Olina will provide ten 50 foot parking stalls, in addition to nineteen 40 foot parking stalls and one 40 foot handicap parking stall, in order to accommodate larger boats, including nine regular 50 foot stalls and one handicap 50 foot stall. These stalls will be built by Ko Olina and would require approximately two months to complete. The two months is a very preliminary estimate but was provided to show that Ko Olina intends to proceed as soon as possible.

The boaters were also provided information relating to insurance to assist the boaters in obtaining marine liability insurance policies. Boaters currently registered at the Boat Ramp are insured by Farmers, State Farm, Progressive, Ocean Marine and Liberty Mutual. An example of a Progressive policy was provided to the boaters, and the Progressive print out showed that the \$500,000.00 limit for boat insurance for a 26 foot or less boat, with the five additional insureds, came out to an annual premium of \$100.00, or \$8.33 per month. The boaters were encouraged by the low cost to increase their coverage. Mr. Chang requested additional information relating to the names of the additional insureds for the purpose of adding them to his policy and those names were provided later in the day via email.

With respect to the \$15.00 launch fee and \$10.00 parking fee, Mr. Williams explained that Ko Olina is currently operating the Boat Ramp with operating expenses exceeding launch fees and parking fees by approximately \$2,000.00 per month. Furthermore, it's too soon to experiment with annual fees or to make any kind of fee adjustment. Ko Olina has no intent to be profitable, and is just trying to partially offset operational costs. Ko Olina will periodically evaluate the fee structure.

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The boaters wanted parking stalls longer than 50 feet, and they had wanted more done to eliminate or decrease the fees and insurance requirement, but it was explained that there is no requirement that the Boat Ramp be free at no expense. It need only be open to the public, and the fees are reasonable given the operating expenses involved.

With respect to insurance, it was explained that the additional insureds are owners of the marina and Ko Olina common areas. They must be covered by the policies. The insurance is intended to protect not only the marina owners, but also all of the users of the marina, including the users of the Boat Ramp. Potential liability resulting from property damage (including collisions with marina berthed vessels, and damage to docks), bodily injury, pollution, ship wreck removal, and other mishaps must be addressed, especially in light of affordable annual premiums of only \$100.00.

Currently, the Boat Ramp is averaging ten launches per month. Ko Olina will proceed with the ten 50 foot parking stalls.

The group ended the meeting by shaking hands and thanking Mr. Chang for his hospitality. Ko Olina believes that the discussions were helpful in reaching a better understanding of everyone's positions and concerns and that the issues were resolved as much as possible at this time. The future will include additional discussions given the relationships that have been created through this process.

Very truly yours,

MATSUBARA - KOTAKE



Benjamin M. Matsubara

cc: Ken Williams
Rodney Funakoshi
Bryan C. Yee, Esq.
Rodney Ajifu
Creighton Chang
Warren Von Arnswaldt