



WAIKĪKĪ BEACH SPECIAL IMPROVEMENT DISTRICT ASSOCIATION REPORT TO THE HONOLULU CITY COUNCIL FY 2019-20

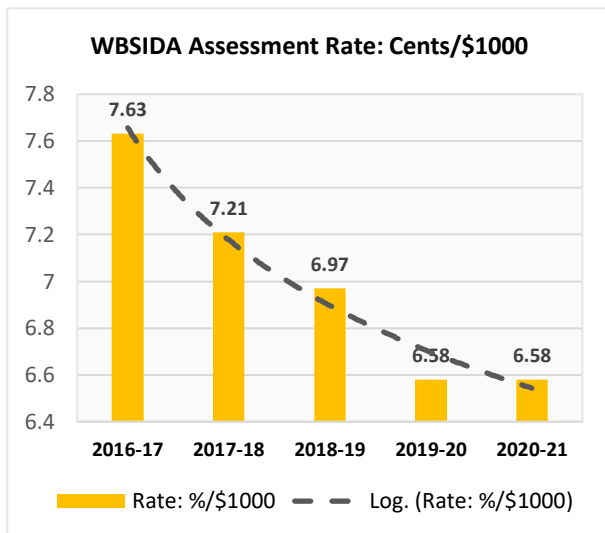
May 29, 2020

INTRODUCTION

COVID-19 Update

The Spring of 2020 brought the onset of COVID-19 health precautions and travel restrictions with Waikīkī experiencing unprecedented declines in visitor arrivals. The Waikīkī Beach Special Improvement District Association (WBSIDA) is reflecting on this economic down-turn as an important time of renewal and rejuvenation of Waikīkī Beach. COVID-19 has no precedent and requires creativity, flexibility and nimbleness in response. So, like the rest of the world, the WBSIDA is adapting to the times. We've had the opportunity to change some of our plans for projects in Waikīkī, having worked to accelerate the reconstruction of the [Royal Hawaiian Groin](#) project that is currently underway. We also partnered with the state to complete the new [Kuhio Beach sandbag groin](#) in November, 2019. The WBSIDA has spent the last two years in partnership with the Department of Land and Natural Resources developing a "Master Plan" (Environmental Impact Statement) for Waikīkī Beach that identifies potential beach improvements that will serve us for generations to come. We look forward to major beach improvements as a result of the Master Plan effort and expect some of these projects to come to fruition in 2022.

Waikīkī Beach Management District



Fiscal Year 2019-20 is the fifth year of operation for the WBSIDA. Created by Revised Ordinance of Honolulu (ROH 15-11), signed into law May 18, 2015 and taking effect July 1, 2015, the purpose of the District is to provide for and finance supplemental services and improvements in and to Waikīkī Beach as authorized by Chapter 36, ROH. For the Fiscal year 2020-21, the tax assessment rate was kept at the same rate as 2019-20 at 6.58 cents per \$1000 of assessed value (\$0.0658/\$1000). Maintaining the assessment rate the same as last year is necessary in order to budget for upcoming major improvement projects in Waikīkī Beach, as you will see in the 3 year operational budget. Under the ordinance, a private non-profit entity was formed to govern the Special Improvement District. The WBSIDA is governed by a



Board of Directors and an Executive Committee directed by representatives of Waikīkī property owners, other stakeholders and by state and county government designees. Waikīkī Beach Special Improvement District #3 (the [WBSIDA District](#)) includes all the commercial properties of Waikīkī, bounded by Kapahulu Avenue, the Ala Wai Canal and the Ala Wai Harbor.

The WBSIDA strives to support beach management and maintenance projects in Waikīkī through providing support and coordination of the [Waikīkī Beach Management Plan](#) (WBMP) and related beach maintenance projects in Waikiki. The WBSIDA serves as in a coordinating, communication and education function for the development and implementation of beach improvement projects in Waikīkī. The WBSIDA serves as a public-private partnership and conduit for project funding, facilitates stakeholder engagement and provides third party oversight of beach improvement projects in close coordination with the State of Hawai'i and the City and County of Honolulu as project partners.

The initial draft of the WBMP was completed in May, 2018, approved by the WBSIDA Board of Directors and the Association members and was submitted to the Honolulu City Council as part of the 2017-18 Annual Report to the Council. The Waikīkī Beach Management Plan provides a clear management strategy and framework for prioritized projects that have been vetted through a community advisory committee to ensure the projects meet the goals and expectations of the Waikīkī community. The WBSIDA has taken the lead on facilitating, coordinating and supporting key beach improvement projects in Waikīkī. The WBMP identifies site-specific strategies to support the goals of the Waikīkī Beach Management District and community. The WBSIDA provides a unique private partnership to support policy, planning, research and scientific studies in Waikīkī Beach and the Ala Wai Canal. The WBSIDA leadership, coordination and cost share for improvement projects has proven to be an important part in the ability of State and local partners to secure leveraged funding for ongoing and new beach improvement projects in Waikīkī.



Fiscal Year 2020-21 Approved Operating Budget

The Fiscal Year 2020-21 Operating Budget was approved by the WBSIDA Board of Directors on April 23, 2020 and approved by the membership at the 2020 Annual Meeting on May 21, 2020. The WBSIDA Board and membership voted to keep the tax assessment rate of 6.58 cents per \$1,000 of assessed value for the 2020-21 Fiscal year effective July 1, 2020.

Waikiki Beach Special Improvement District	2020-21	2021-22	2022-23
Operating Budget March 30, 2020	BUDGET	Projected	Projected
OPERATIONS REVENUES			
Assessments	1,110,391	1,221,430	1,343,570
City Collection Cost	(55,520)	(61,070)	(67,180)
Penalty & Int	1,926		
TOTAL OPERATIONS REVENUES	1,056,797	1,160,360	1,276,390
OPERATIONS EXPENSES			
UH Sea Grant	156,908	164,753	164,753
WIA Admin Expenses	55,520	61,070	67,180
Accounting	15,225	15,986	16,786
Insurance	4,410	4,630	4,860
Communications (JF & Website)	15,120	15,880	16,670
Meeting Expenses	2,100	2,210	2,320
Annual Meeting	4,200	4,410	4,630
Conferences & Dues	5,000	5,000	5,000
Other (Office Parking Etc)	2,520	2,650	2,780

Waikiki Beach Special Improvement District	2020-21	2021-22	2022-23
Operating Budget March 30, 2020	BUDGET	Projected	Projected
SPECIAL PROJECTS:			
Beach Maintenance Project (2012 follow up)	1,000,000		
Waikiki Marine Benthic Survey	50,000		
Beach Profile Monitoring UH (2-year)	70,000	50,000	50,000
Ala Wai Watershed	50,000	0	
Hilton Pier sediment Assessment	30,000	100,000	
Ala Wai Catchment	0	0	
Sheraton Stairway	50,000		
Sheraton-Halekulani Boardwalk		300,000	
Ft DeRussy Sand Back-pass		200,000	
Waikiki Master Plan Projects		1,000,000	1,000,000
TOTAL OPERATIONS EXPENSES	1,511,003	1,926,590	1,334,979
NET INCOME/(LOSS) OPERATIONS	(454,206)	(766,230)	(58,589)
Balance	913,608	147,379	88,790



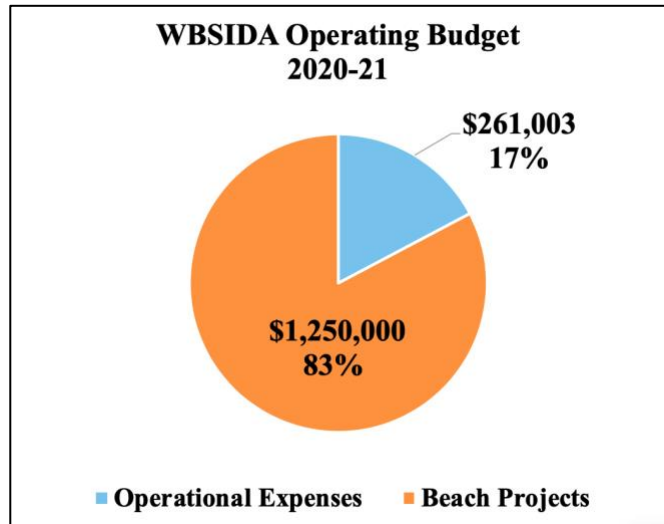
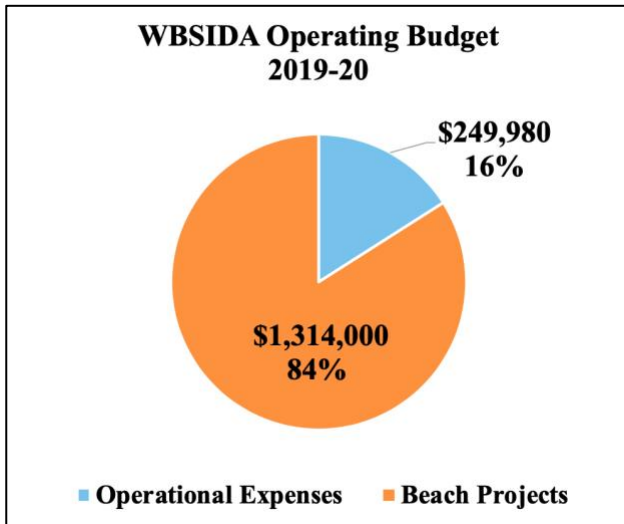
Fiscal Year 2019-20 Financial Report

Financial Position Fiscal Year 2019-20 ending April 30, 2020

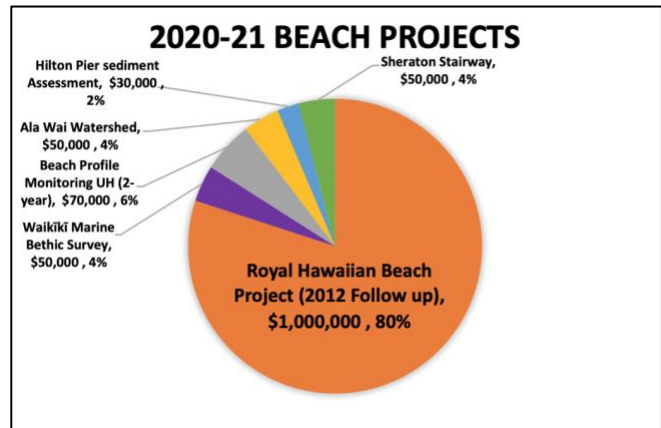
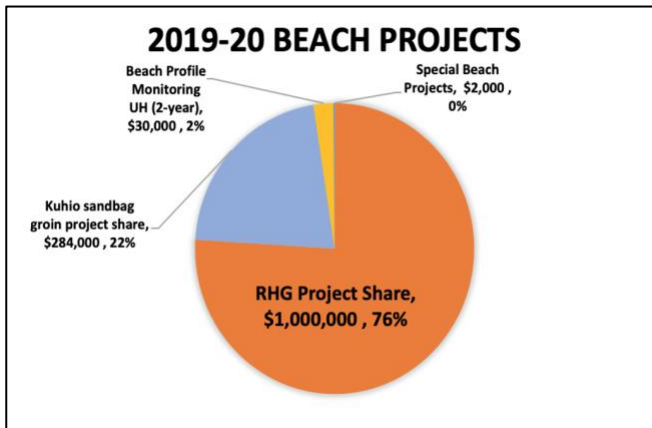
\$ 2,212,635	Net Assets July 1, 2019
\$ 1,747,656	Net Assets April 30, 2020
\$ (464,979)	Net Change
\$ 1,747,656	TOTAL BALANCE (April 30, 2020)

WAIKIKI BEACH SPECIAL IMPROVEMENT DISTRICT ASSOCIATION	
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	
TEN-MONTH PERIOD ENDED APRIL 30, 2020	
NET ASSETS WITHOUT DONOR RESTRICTIONS:	
Revenue and other support:	
Member assessments:	
Assessments	\$1,063,044
Penalties and interest	995
Less: City collection fee	(49,509)
	1,014,530
Interest	1,115
	1,015,645
EXPENSES:	
Program services:	
DLNR Royal Hawaiian groin project share	1,000,000
Waikiki beach coordinator	125,566
Kuhio beach sandbag groin	284,000
Management and general:	
Waikiki Improvement Association	
administrative fees	44,290
Communication	10,471
Professional fees	9,711
Other	3,981
Insurance	2,552
Board meeting	53
	1,480,624
CHANGE IN NET ASSETS	(464,979)
NET ASSETS, July 1, 2019	2,212,635
NET ASSETS, April 30, 2020	\$1,747,656

2020-21 Operational Budget Breakdown



2020-21 Special Beach Projects Breakdown



FISCAL YEAR 2019-20 WAIKĪKĪ BEACH PROJECTS SUMMARY



Royal Hawaiian Beach

- **Kuhio Beach sandbag groin project**
(\$635,000- **Completed** November, 2019)
- **Royal Hawaiian Groin Project**
(\$2 million- **In Progress** May-July, 2020)
- **Waikiki Beach Maintenance Follow up**
(\$2 million- **Planned** January, 2021)

Kuhio Beach Sandbag Groin

<https://www.wbsida.org/kuhio-beach-sandbag-groin>



- **(Completed November, 2019)**
- Partnership with the WBSIDA, DLNR & City and County of Honolulu.
- WBSIDA facilitation role for community outreach and oversight.
- Waikiki Community Advisory committee support and outreach.
- Construction of a 110 foot-long x 18 foot wide x 4.5 foot high sandbag groin and the transfer of 1000 cubic yards of beach sand from the Diamond Head swim basin.
- The groin and beach sand will serve to stabilize the Diamond Head (South east) end of Kuhio Beach park.
- **\$635,000 total construction cost.**
- **WBSIDA 50% Cost share (\$317,500).**

Royal Hawaiian Groin <https://www.wbsida.org/projects-royalhawaiiangroin>

- (In Progress, May-July 2020)
- Accelerated construction timeframe due to COVID shutdown.
- Partnership between the WBSIDA, DLNR and UH Sea Grant.
- **\$2.0 million estimated total construction cost of RHG Project.**
- **\$1.0 million (50% cost share) between the WBSIDA and the DLNR.**



Waikīkī Beach Maintenance Follow up (2021)

- *Planned- Estimated start January 2021.*
- Partnership between the WBSIDA, DLNR and UH Sea Grant.
- Project scope is to deliver 12,000 cubic yards of nearshore sand to the Royal Hawaiian Beach
- Follow up to the 2012 beach maintenance project (50% of the original volume).
- **\$2 million estimate cost**
- **50% cost share from the WBSIDA budgeted.**

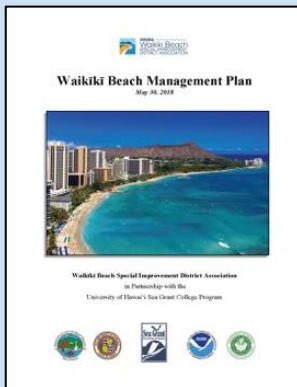


Waikīkī Beach Master Plan (*Ho‘omau o Waikīkī Kahakai*)

- *In Progress- estimated completion 2022.*
- Environmental Impact Statement (EIS) Technical Feasibility Study
- Partnership between the WBSIDA, DLNR and UH Sea Grant.
- Project objective is to develop a technical engineering assessment of various options for improvement to the shoreline conditions in Waikīkī Beach.
- Project outcome is an Environmental Impact Statement for 2-3 priority beach improvement projects with for project scoping, design and permitting.
- Three priority project areas have been identified for the EIS/Feasibility study (Halekulani Cell, Royal Hawaiian Cell and Kuhio beach cell).
- \$10 million CIP state appropriation in 2019 for projects.
- \$3 million identified as match from the WBSIDA.
- **Timeline: 4-year project 2018-2022**
- **\$800,000 total cost of project.**

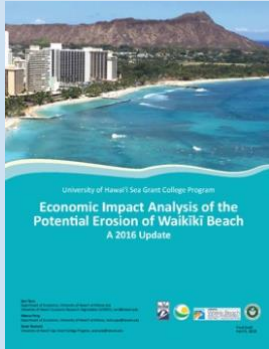


Waikīkī Beach Management Plan (*Completed May, 2018*)



The Waikīkī Beach Special Improvement District Association in partnership with Hawai'i Sea Grant has developed the Waikīkī Beach Management Plan (WBMP). The WBMP serves as an overarching framework for the development, evaluation and implementation of a technical beach management alternatives for Waikīkī. The WBMP supports innovative, science-based beach management planning in Waikīkī including the development and implementation of ongoing community planning and visioning process through the WBSIDA. This project is a partnership between University of Hawaii Sea Grant, WBSIDA and DLNR.

- Project assesses community/stakeholder and visitor surveys of beach experience as well as develop cost vs benefit economic assessment of various alternatives.
- Coordinated project with the DLNR's Waikīkī Beach Feasibility Study/EIS.
- Utilizes the Waikīkī Community Advisory Committee to inform the management plan process.
- Project objective is to develop a stakeholder-driven comprehensive "vision" for Waikīkī Beach under future scenarios and management priorities.
- **Initial draft completed in May, 2018.**
- **\$120,000 total cost of project- 100% Funded by the WBSIDA**



Waikiki Beach Economic Study (Completed May, 2018)

- Partnership with the UH Dept. of Economics and UH Sea Grant.
- Project scope is to update the (Hospitality Advisors, 2008) economic report on Waikiki Beach.
- Phase I Economic study update cost (Complete)
- Phase II Develop new research methodology 2019-20
- **Study estimates Waikiki Beach provides economic value to local economy of \$2.2 Billion/year.**

Waikiki Beach Visitor Perception Surveys (Completed, February 2020)

- Partnership with the University of Hawaii Dept. of Economics and UH Sea Grant.
- Project scope is to conduct in-person surveys of visitor's perceptions of Waikiki Beach and to develop a quantitative assessment of community sentiment of the beach conditions.
- Final data analysis and surveys results expected in July, 2020.

Ala Wai Watershed Collaboration (In Progress)

- Initially started in 2015 and formalized in 2016/17.
- Coordination with the Army Corps of Engineers 100 Year (1% probability) flood mitigation and ecosystem restoration for the watershed of the Ala Wai.
- Focus is on coordination of Community Investment Vehicle (CiviC) as a watershed management district for enhanced recreation and economic development opportunities.
- Pursuing funding for project legal and policy framework for public/private partnership model.
- AWWC Working groups and organizational framework formalized.
- **Primary focus on improving water quality of the Ala Wai Canal and watershed.**

BEACH IMPROVEMENT PROJECTS UNDER DEVELOPMENT

Grays Beach (Halekulani beach cell) Pedestrian boardwalk

- Conceptual engineering designs.
- Design assessment, community outreach and stakeholder engagement.
- Conduct project outreach through the Waikīkī Beach Community Advisory Committee.
- Facilitated conceptual designs and preliminary cost estimates.

Public lateral access assessment and walkway evaluation

- Potential applications at Sheraton Waikīkī, Halekulani, Royal Hawaiian and Kuhio public beach access.
- Project scope is to improve lateral public shoreline access and safety improvements.



Research and Design

- a) Waikīkī beach aerial beach surveys and beach monitoring (UH Research Study).
- b) Beach monitoring using citizen science applications (Coast snap).
- c) Emergency beach erosion control assessment and evaluation.
- d) Beach maintenance and compaction.
 - Beach cleaning systems and tilling equipment.
 - Sand back-passing system at Ft. DeRussy groin.
 - Evaluation of small-scale pumping systems for ongoing beach maintenance.



Nearshore Reefs, Surf sites and Water Quality

- e) Nearshore water quality assessment and monitoring.
- f) Nearshore coral reef conservation, restoration and enhancement.
- g) *World Surfing Reserve* Application facilitation.
- h) Waikīkī groundwater mapping research and impacts assessment.
- i) Sea-level rise adaptation options and design charrettes (UH Study).



Ala Wai Canal

- j) Ala Wai Maintenance Dredging- DLNR coordination and outreach
- k) Army Corps of Engineers Ala Wai Flood Mitigation project
 - Project outreach and coordination through the Ala Wai Watershed Collaboration.
 - Debris management system assessment.

