



WAIKĪKĪ BEACH SPECIAL IMPROVEMENT DISTRICT ASSOCIATION REPORT TO THE HONOLULU CITY COUNCIL FY 2021-22

May 31, 2022

INTRODUCTION

This year has been a productive year for beach improvements in Waikīkī. With a new Royal Hawaiian groin and a newly replenished beach, Waikīkī Beach is in good shape for the anticipated visitor industry recovery. The Spring of 2022 brought the onset of COVID-19 recovery and easing of travel and social restrictions. The Waikīkī Beach Special Improvement District Association (WBSIDA) has been utilizing the economic down-turn of 2021-22 as time of renewal and rejuvenation of Waikīkī Beach while also working with State partners on the development on longer-term beach improvement plans. The WBSIDA also partnered with the state to complete the [Waikīkī Beach Maintenance project](#) in May, 2021 ahead of schedule with an expedited construction timeframe. The focus of 2022 has been planning for longer-term beach improvement projects. The WBSIDA has spent the last four years in partnership with the Department of Land and Natural Resources developing an [Environmental Impact Statement, \(EIS\)](#) for Waikīkī Beach that identifies potential beach improvements that will serve Hawai'i for generations to come. We expect the Final EIS to be completed in the summer, 2022 and the onset of the proposed beach improvement project permits by the end of the year. We look forward to major beach improvements as a result of the EIS effort and expect some of these projects to come to fruition possibly in 2023-24.

Waikīkī Beach Special District

Fiscal Year 2021-22 is the seventh 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. 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.

For the upcoming fiscal year 2022-23 (July to June), the special district assessment rate was increased to 6.90 cents per \$1000 of assessed value (\$0.069/\$1000) up from 6.58 cents per \$1000 of assessed value (\$0.0658/\$1000) (Figure 1). This is the first year the assessment rate has increased since the initial creation of the district in 2015. Increasing the assessment rate is necessary in order to budget for upcoming major improvement projects in Waikīkī Beach, and due to the Covid-related downturn in the assessment income as reflected in the 2022-23 operational budget and assessment income (Figure 2).

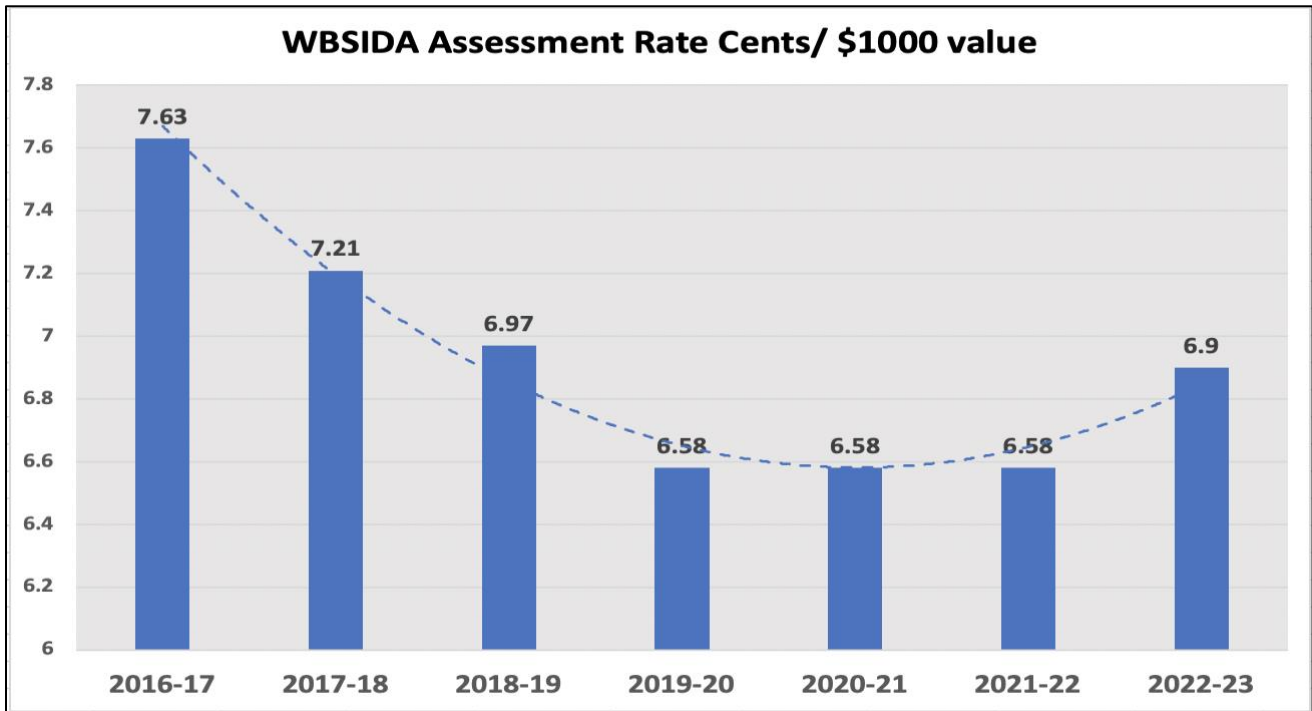


Figure 1. WBSIDA Assessment rate.

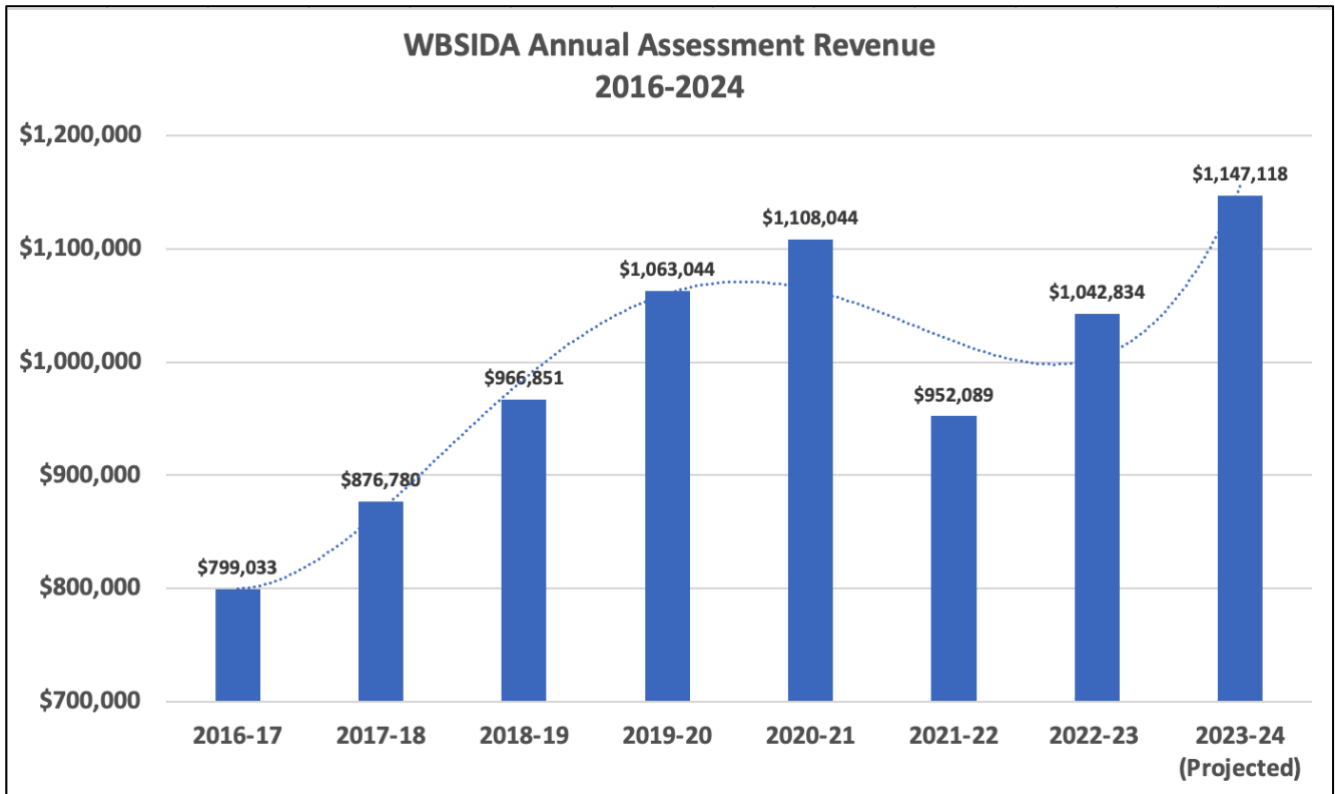


Figure 2. WBSIDA Assessment Revenue (2016-2024).

Waikīkī Beach Management Plan

The Waikīkī Beach Special Improvement District Association in partnership with the University of Hawai'i Sea Grant is supporting/leading 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 plans in Waikīkī including the development and implementation of a dynamic and ongoing community planning and visioning process through the WBSIDA and the Waikīkī Beach coordinator. The Waikīkī Beach Management Plan identifies site-specific strategies to support the goals of the Waikīkī Beach Management District and community.

The WBSIDA strives to support beach management and maintenance projects in Waikīkī through support and coordination of the WBMP and related beach maintenance projects and initiatives in Waikīkī providing adaptive management strategies for prioritized projects. The WBMP serves as an overarching, goal-oriented guiding document with variable planning horizons and objectives. The initial draft of the WBMP was completed in May, 2018, approved by the WBSIDA Board of Directors and the Association members. The WBMP identifies site-specific strategies to support the goals of the Waikīkī Beach Management District and community. The WBMP is complementary and coordinated with the Waikīkī Beach Improvements EIS that is currently underway.

The Waikīkī Beach Special Improvement District Association has taken the lead on facilitating, coordinating and supporting key projects in Waikīkī. The WBSIDA provides a unique funding mechanism for Waikīkī beach planning, research and scientific studies in addition to project support, management and coordination of beach maintenance and improvement projects in Waikīkī and the Ala Wai Canal. The WBSIDA leadership, coordination and cost share for future projects plays an important part in the ability of State and local partners to secure funding for ongoing and new beach improvement projects in Waikīkī. The WBMP provides adaptive management strategies with resilience and climate change adaptation at the forefront.

The WBSIDA serves 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 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.

The Fiscal Year 2022-23 Operating Budget was approved by the WBSIDA Board of Directors on April 28, 2022 and approved by the membership at the 2022 Annual Meeting on May 26, 2022. The WBSIDA Board and membership approved an increase to the special assessment rate to 6.90 cents per \$1,000 of assessed value and approved a \$949,514 operating budget for the 2022-23 fiscal year effective July 1, 2022.

Fiscal Year 2022-23 Operating Budget

Waikīkī Beach Special Improvement District	2020-21	2021-22	2022-23
Operating Budget	Actual	Projected	Budget
OPERATIONS REVENUES			
<i>Assessments-</i>	1,108,044	952,089	1,042,834
<i>Penalties & Interest Collected</i>		50,724	
<i>City Collection Cost</i>	(55,535)	(50,140)	(52,140)
<i>Interest</i>	247	300	
TOTAL REVENUE	1,052,756	952,973	990,694
OPERATIONS EXPENSES			
UH SeaGrant	156,908	146,698	140,820
WIA Admin Expenses	55,392	55,392	61,800
<i>Accounting</i>	11,258	9,685	10,169
<i>Insurance</i>	3,173	3,224	3,390
Communications (JF & Website)	25,281	25,130	35,000
Federal Funds Consultant (Coastal Strategies)		1,380	2,000
Meeting Expenses	123	0	150
Annual Meeting	2,572	2,910	3,056
<i>Conferences & Dues</i>	500	1,400	4,500
Legislative Monitoring		2,500	2,500
<i>Other (Office Parking Etc)</i>	1,799	1,075	1,129
SPECIAL PROJECTS:			
<i>Sand Replenishment Project (2012 follow up)</i>	1,000,483		
<i>DLNR RHG Project Share</i>	(295,463)		
<i>Ala Wai Canal Feasibility Match (HGG)</i>	50,000		
<i>Duke Kahanamoku Beach Maintenance</i>		214,438	470,000
Gray's Beach Board Walk			50,000
Manoa Stream Debris Catchment			50,000
Kawehewehe Channel Sediment Assessment			50,000
Kawehewehe Concrete Debris Removal			45,000
Waikīkī Beach Improvements Special Projects	3,225	9,558	20,000
TOTAL EXPENSES	1,015,251	473,390	949,514
NET INCOME/(LOSS)	37,505	479,583	41,181
FUND BALANCE	1,692,216	2,171,799	2,212,980
NEW Assessment Rate is 6.9% per \$1000 (from 6.58% per \$1000, since 2019)			

Fiscal Year 2021-22 Financial Statement

WAIKIKI BEACH SPECIAL IMPROVEMENT DISTRICT ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

TEN-MONTH PERIOD ENDED APRIL 30, 2022

NET ASSETS WITHOUT DONOR RESTRICTIONS:

Revenue and other support:

Member assessments:

Assessments	\$ 952,089
Penalties and interest	50,724
Less: City collection fee	(49,000)

953,813

Interest

286

954,099

EXPENSES:

Program services:

Waikiki beach coordinator	122,248
Beach management project	214,438
Other projects	10,938

Management and general:

Waikiki Improvement Association administrative fees	46,160
Communication	20,942
Professional fees	8,115
Other	5,000
Insurance	2,686
Annual meeting	2,716

433,243

CHANGE IN NET ASSETS

520,856

NET ASSETS, July 1, 2021

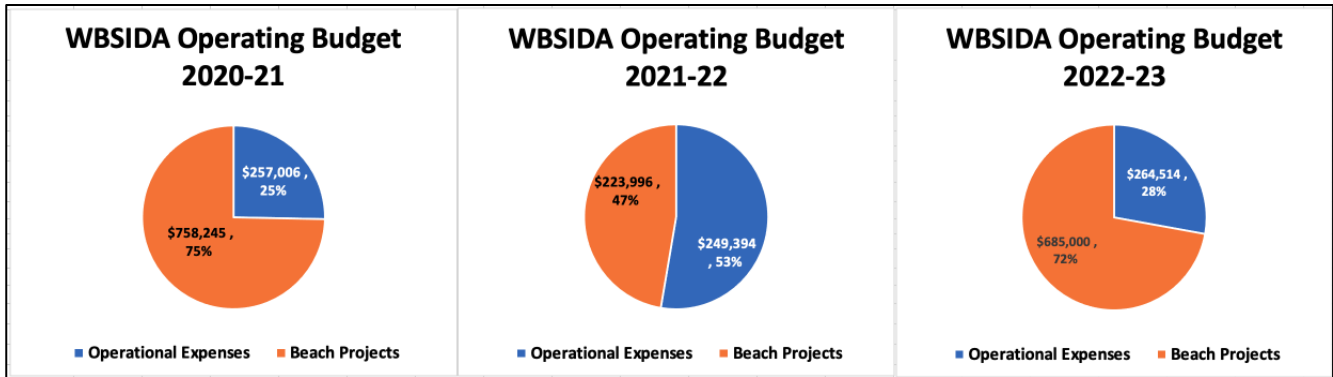
1,692,216

NET ASSETS, April 30, 2022

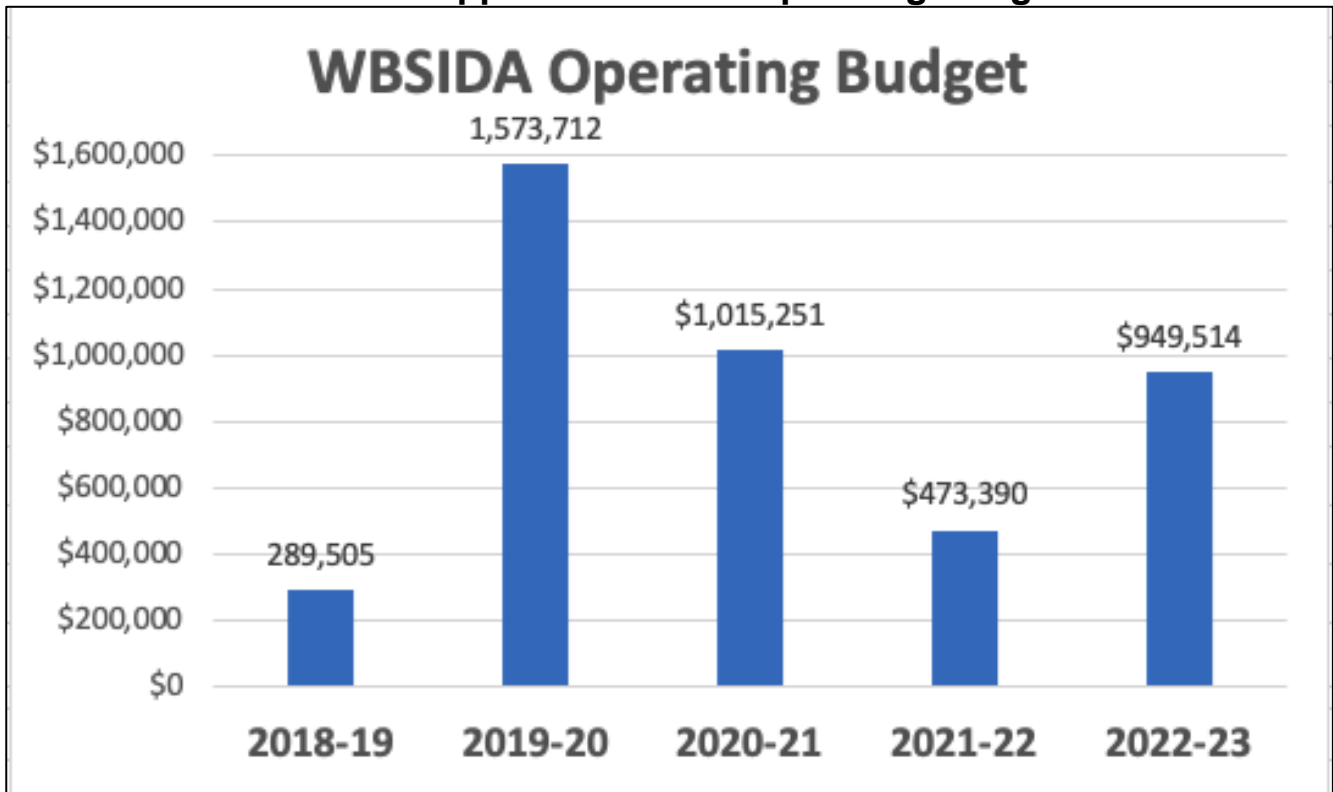
\$2,213,072



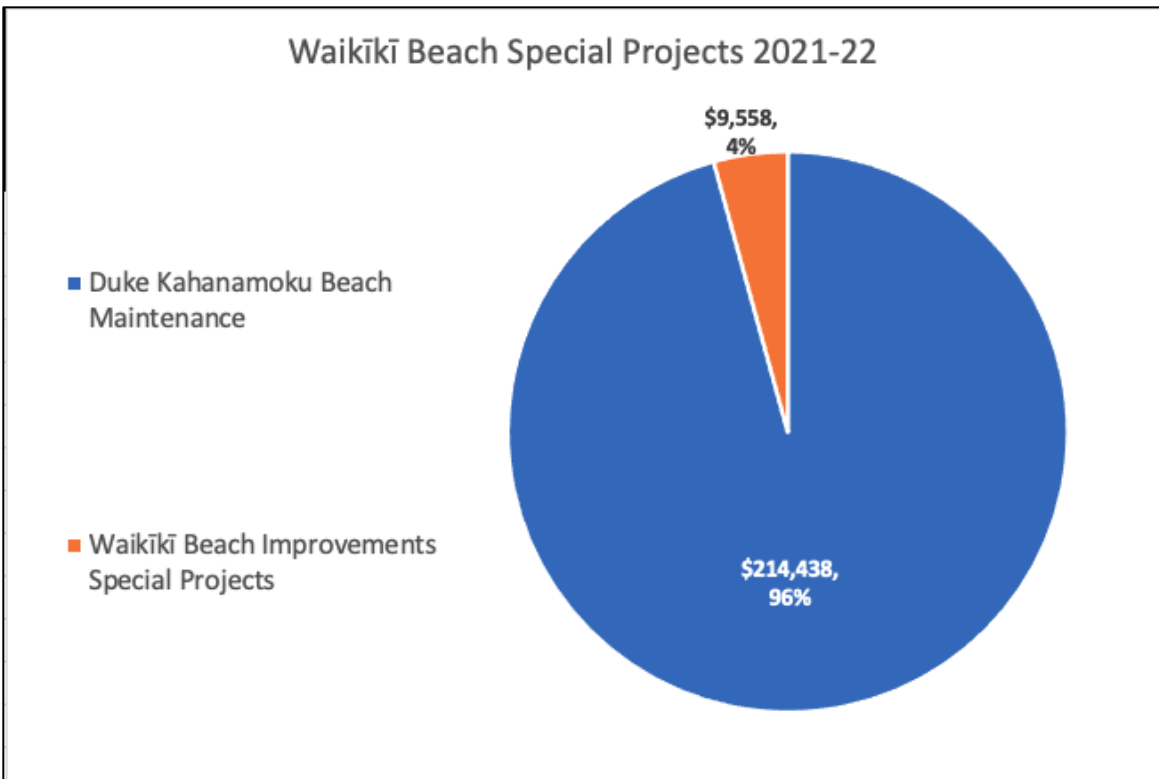
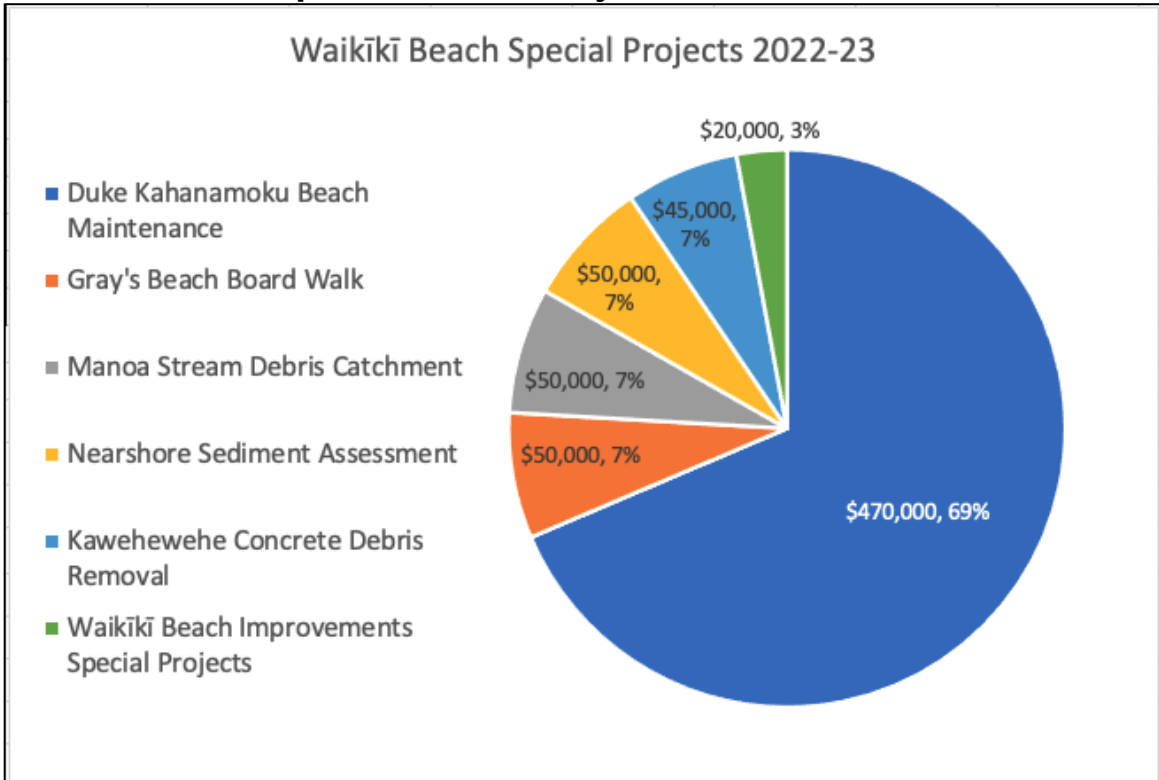
Operating Budget Breakdown



WBSIDA Approved Annual Operating Budget



Special Beach Projects Breakdown



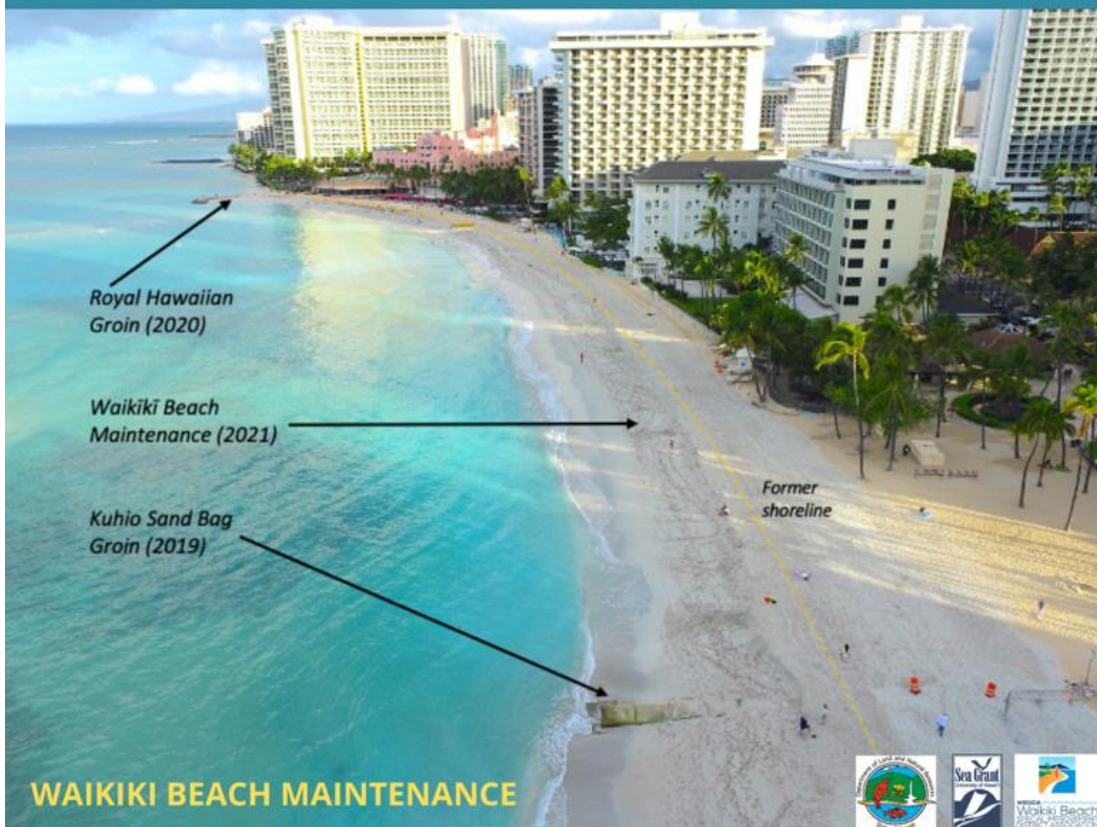
WAIKĪKĪ BEACH PROJECTS SUMMARY



Waikiki Beach Improvement Accomplishments

- 2019- Kuhio Sand Bag Groin (\$635k)
- 2020- Royal Hawaiian Groin (\$1.5 million)
- 2021- Waikiki Beach Maintenance (\$3.5 million)
- 2021- Waikiki Beach Improvements EIS

www.wbsida.org



Beach Improvement Projects

www.wbsida.org



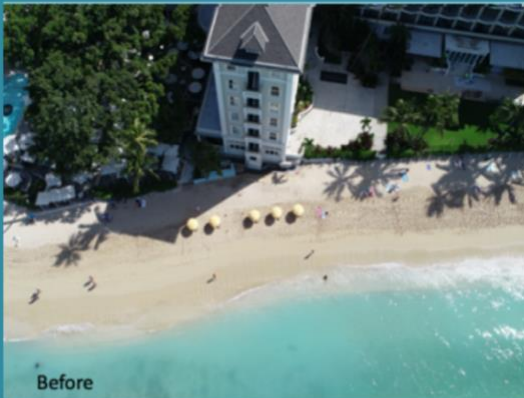
ROYAL HAWAIIAN GROIN



KUHIO SAND BAG GROIN



WAIKIKI BEACH MAINTENANCE




Before




After

**ENVIRONMENTAL IMPACT STATEMENT
PREPARATION NOTICE**
Waikiki Beach Improvement and Maintenance Program
December 2020



Prepared for:
Hawaii Department of Land and Natural Resources
Office of Conservation and Coastal Lands
1151 Punchbowl Street, Suite 131
Honolulu, Hawaii 96813

Prepared by:
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Malua Research Pier
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Waimanalo, Hawaii 96795
Job No. 25249



WAIKIKI BEACH EIS CONCEPTUAL DESIGNS

Beach Improvement Projects

Waikīkī Beach Improvements EIS

(Ho'omau o Waikīkī Kahakai)

- *In Progress- pending approval by the DLNR/Governor.*
- Draft Environmental Impact Statement (EIS) June, 2021.
- Final EIS expected Summer, 2022.
- Partnership with 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 EIS for 2-3 priority improvement projects with 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).
- \$11.5 million CIP state appropriation for construction in 2019-21, and reauthorized in 2022.
- \$3 million of the \$11.5million identified as match from the WBSIDA.
- **Timeline: 4-year project 2018-2022**



Waikīkī Beach Maintenance Project

The goal of the Waikiki Beach Maintenance Phase II project is to restore and maintain the public beach between the Kuhio Beach Ewa Groin and the Royal Hawaiian Groin. The project includes hydraulic dredging and pumping up to 20,000 cubic yards of marine sand from offshore Waikīkī as a follow up to the 2012 project.

START DATE: January, 2021. **COMPLETION:** May, 2021

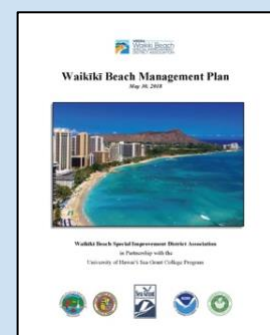
- **21,000 cubic yards of sand**
- **\$4.0 million cost**
- \$1,000,000 match from the WBSIDA
- ~5-10 year expected lifespan
- Added ~25-50 feet of width



Waikīkī Beach Management Plan

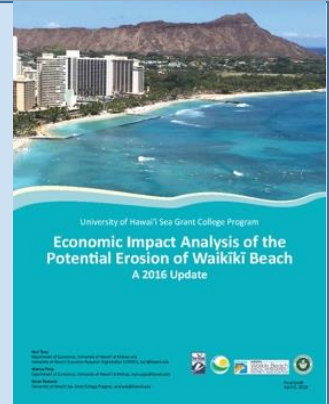
The Waikīkī Beach Special Improvement District Association in partnership with Hawai'i Sea Grant has developed the Waikīkī Beach Management Plan (WBMP). The WBMP serves as an guidebook for the development, evaluation and implementation of beach management alternatives for Waikīkī.

- Project assesses community/stakeholder and visitor surveys of beach experience and perceptions of various alternatives.
- 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. Update in progress**
- **\$120,000 total cost of project- 100% Funded by the WBSIDA**



Waikīkī Beach Economic Study

- Partnership with the UH Dept. of Economics and UH Sea Grant.
- Project scope is to update the (Hospitality Advisors, 2008) economic report on Waikīkī Beach.
- Phase I Economic study update cost (Complete).
- Phase II Develop new research methodology 2021-22.
- **Study estimates Waikīkī Beach provides economic value to local economy of \$2.2 Billion/year.**



Waikīkī Beach Community Advisory Committee (Ongoing)

- The Waikīkī Beach Community Advisory Committee helps to address the complex issues associated with beach sustainability by building consensus and identifying and resolving conflicts relating to Waikīkī Beach management.
- The committee provides important guidance for planning and prioritizing future beach management projects at Waikīkī.
- The primary purpose of the advisory committee is to identify and prioritize beach management projects in Waikīkī and to help inform these projects.
- Ensure that future beach management projects address the issues and concerns of the Waikīkī community and local stakeholders.
- **Advise the WBSIDA, the DLNR and Hawaii Sea Grant on the development and implementation of a Waikīkī Beach Management Plan.**

Ala Wai Watershed Collaboration (In Progress)

- Initially started in 2015 and formalized in 2016/17.
- Coordination with the Army Corps of Engineers 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.
- **Current feasibility project to evaluate watershed improvement project (2022).**
- **Primary focus on improving water quality of the Ala Wai Canal and watershed.**



BEACH IMPROVEMENT PROJECTS UNDER DEVELOPMENT

Small-Scale Beach Restoration (**Kawehewehe beach**)

PROJECT SCOPE:

- Small-Scale Beach Restoration application through the DLNR.
- Interim pilot project to demonstrate small-scale sand pumping.
- Placement of *up to* 5,000 cubic yards of sand as an interim, emergency measure.
- October, 28, 2021. The WBSIDA requested Governor Ige *enact an emergency proclamation* in accordance with Hawai'i Revised Statutes §127A-12 *Emergency Management Powers*.
- This would compliment the planned Phase I beach stabilization in the [Waikīkī Beach Improvements EIS](#).
- **Demonstration of small-scale dredge system for nearshore sand back-passing.**



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.

