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DEPARTMENT OF PARKS AND RECREATION
KA ʻOIHANA MĀLAMA PĀKA A ME NĀ HANA HOʻONANEA
CITY AND COUNTY OF HONOLULU

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March 31, 2026

The Honorable Andria Tupola, Chair
and Members
Committee on Housing, Homelessness & Parks
Honolulu City Council
530 South King Street, Suite 202
Honolulu, Hawaiʻi 96813

Dear Chair Tupola and Councilmembers:

SUBJECT: Bill 33 (2026), Relating to Funds

The Department of Parks and Recreation (DPR) supports Bill 33 (2026). The creation of revolving special funds is an essential companion to realizing Bill 32 (2026) proposed fee structure to support the City parks and botanical gardens. Hawaiʻi residents have time and again expressed willingness to pay reasonable fees to support these important recreational, cultural and environmental amenities, *provided that they are assured that the fees will go towards improving these places and their programs*.

The creation of the two revolving special funds will provide the public with the assurances on how these resources are managed. DPR stresses the importance of having separate revolving special funds: one dedicated to parks and one for botanical gardens and urban forestry. The donors and users of these spaces and programs often, but not always, overlap, and they will want assurances that the fees contributed to their upkeep and management will be used for its intended purposes.

DPR respectfully requests the following technical amendments to Bill 33 (2026):

1. SECTION 2 Concessions

The City Department of Enterprise Services (DES) currently manages concessions at a few iconic places that are on DPR Parks Maintenance and Recreation Services lands, including in Waikīkī (e.g. Kūhiō Beach and Kapiʻolani Beach), Ala Moana, and Wāwāmalu (e.g. Sandy Beach) concessions. DPR and DES agree that DES should continue to receive

the revenue from and manage the concessions in those areas. The two departments are discussing the ability for DES to retain a percentage of revenue from any new concessions in other DPR parks or gardens, alleviating the need for DPR to duplicate expertise existing in DES. This would allow DES to obtain assistance to expand concessions to other City parks and gardens, such as food trucks and amenities desired by the public.

DPR and DES offer to work with the Council to provide technical amendments prior to the next Committee hearing to Section 6-__.3(a)(3), p. 2, which governs deposits from concessions.

2. SECTIONS 2 and 3 Federal or State Grants

The Department of Budget and Fiscal Services (BFS) currently has an account for all grants received by City agencies, which enables the City to consolidate and report on all grant revenues and expenditures. BFS is asking that any federal or state grant funds remain in these central accounts—Fund 390 for federal grants and Fund 380 for State grants. Accordingly, the Administration requests the reference to grant funds be stricken from the two sections in the Bill that reference depositing such funds into the DPR special funds:

> Article __: Parks Maintenance and Recreation Services Revolving Fund
> Section 6-__.3 Deposits.
>
> (a)(6) ~~Federal or State grants, c~~Contributions or other relevant funding directed to the department of parks and recreation; provided that ~~the~~ any private grants are specifically dedicated for deposit into the parks maintenance and recreation services revolving fund. Federal and State grants will continue to be deposited into the central City funds holding governmental grants;
>
> Article __: Botanical Gardens and Urban Forestry Revolving Fund
> Section 6-__.3 Deposits.
>
> (a)(6) ~~Federal or State grants, c~~Contributions or other relevant funding directed to the department of parks and recreation; provided that ~~the~~ any private grants are specifically dedicated for deposit into the parks maintenance and

recreation services revolving fund. Federal and State grants will continue to be deposited into the central City funds holding governmental grants;

3. SECTIONS 2 and 3 Transient Accommodations Tax

Bill 33 (2026) as written proposes to place eighty percent (80%) of the portion of the City's Transient Accommodations Tax (TAT) allocated to support the restoration, operations and maintenance of parks and beaches, into the Parks Maintenance and Recreation Services revolving special fund, and twenty percent (20%) into the Botanical Gardens and Urban Forestry revolving special fund.

DPR acknowledges that the Revised Ordinances of Honolulu (ROH) language dedicating a portion of the TAT revenues for these purposes is worded more broadly than only parks and gardens.[1] The division of such revenues is a policy determination appropriate for the Administration and Council. DPR offers the following points for Council consideration:

First, dedicating a set proportion of the annual TAT revenue for parks and gardens will enable the department to plan for and effectively utilize the revenues. Having to apply for revenues on an annual basis and learning of the decision one month prior to the start of the fiscal year does not support efficient or effective operations, particularly when it takes a year to draft, bid and finalize any new contracts or master agreements. Dedicated funding will reach farther and have greater impacts than annual appropriation decisions.

Second, the Administration supports dedicating to DPR at least half of the 8.34% TAT revenues deployed to mitigate visitor impacts for the restoration, operations and maintenance of beaches, gardens and parks. If the Council concurs, DPR recommends allocating any dedicated amount in an 80-20 split between the two revolving special funds.

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[1] Revised Ordinance of Honolulu (ROH) 21-33: Eight-point thirty-four percent (8.34%) of the City's total Transient Accommodation Tax (TAT) shall be deployed to *"supplement, not supplant, actions to mitigate the impacts of visitors on public facilities and natural resources, including the restoration, operations and maintenance of beaches and parks."*

DPR stands ready to provide alternate language should the Council decide to allocate a proportional amount to parks and gardens, or to address the issue of the 8.34% of TAT revenues in a separate Bill.

4. SECTION 10 Effective Date

The Administration asks to set the effective date of the two revolving special funds as FY28, not FY27. The Department of Budget and Fiscal Services (BFS) will need time to establish the two funds, update all internal fiscal coding and internal departmental accounting systems.

DPR proposes the following amendment:

> Section 10. This ordinance takes effect on July 1, ~~2026~~ 2027; provided that SECTIONS 4 and 5 take effect only upon the transfer of any and all moneys remaining in the Waipio Peninsula Soccer Park Fund and the Patsy T. Mink Central Oahu Regional Park Fund to the special fund established in SECTION 2 of this ordinance as provided therein.

Thank you for the opportunity to provide testimony on Bill 33 (2026).

Sincerely,

Digitally signed by Laura Thielen
Date: 2026.03.31 10:21:49 -10'00'

Laura H. Thielen
Director

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director