
HOUSE CONCURRENT RESOLUTION

URGING THE HAWAII HEALTH SYSTEMS CORPORATION TO ENTER INTO A
LEASE/PURCHASE AGREEMENT FOR A PARKING STRUCTURE FOR MAUI
MEMORIAL MEDICAL CENTER IN WAILUKU, MAUI TO BE FUNDED BY
THE ISSUANCE OF CERTIFICATES OF PARTICIPATION.

1 WHEREAS, Maui Memorial Medical Center is the oldest and the
2 largest of the acute care facilities operated by the Hawaii
3 Health Systems Corporation; and

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5 WHEREAS, Maui Memorial Medical Center is also the largest
6 health care provider on the island of Maui, providing acute,
7 rural, and long-term care for the residents of Maui; and

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9 WHEREAS, Maui Memorial Medical Center currently has a
10 parking shortage and the shortage will increase with plans to
11 add a new four-story wing and a new medical office building to
12 the present hospital site; and

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14 WHEREAS, a new parking structure is needed for Maui
15 Memorial Medical Center to meet the demand added by the new
16 four-story wing and the medical office building and to address
17 current parking shortages on the site; and

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19 WHEREAS, a lease/purchase agreement would permit the Hawaii
20 Health Systems Corporation to construct and deliver this much-
21 needed new parking structure at Maui Memorial Medical Center,
22 with the assistance of the private sector; and

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24 WHEREAS, lease/purchase agreements using certificates of
25 participation have proven to be an efficient and expeditious
26 alternative mechanism for funding the construction of needed
27 public facilities; and

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29 WHEREAS, a certificate of participation is an arrangement
30 in which private investors buy certificates that entitle them to
31 a participation, or share, in the lease payments from a



1 particular construction project. These lease payments are
 2 passed through the lessor to the certificate holders with the
 3 tax advantages intact (i.e. in the case of the State -- tax-
 4 exempt interest). The lessor typically assigns the lease and
 5 lease payment to a trustee, who then distributes the lease
 6 payments to the certificate holders. Much like a bond, each
 7 certificate or share entitles an investor to periodic payment of
 8 principal and tax-exempt interest; and
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10 WHEREAS, public-private efforts to fund and construct
 11 public facilities in a manner that is prudent and conservative
 12 and that directly benefit the State and the health and well-
 13 being of our residents are to be applauded and encouraged; now,
 14 therefore,
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16 BE IT RESOLVED by the House of Representatives of the
 17 Twenty-third Legislature of the State of Hawaii, Regular Session
 18 of 2006, the Senate*concurring, that the Hawaii Health Systems
 19 Corporation is urged to enter into a lease/purchase agreement
 20 for the acquisition of a new parking structure consisting of
 21 approximately nine hundred stalls for Maui Memorial Medical
 22 Center and related facilities, to be funded by the issuance of
 23 certificates of participation; and
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25 BE IT FURTHER RESOLVED the Hawaii Health Systems
 26 Corporation is requested to submit a copy of any lease/purchase
 27 agreement to the Legislature no later than twenty days prior to
 28 the convening of the Regular Session of 2007; and
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30 BE IT FURTHER RESOLVED that the Hawaii Health Systems
 31 Corporation is requested to refrain from using moneys from its
 32 operating budget to pay for debt service on the certificates of
 33 participation; and
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35 BE IT FURTHER RESOLVED that certified copies of this
 36 Concurrent Resolution be transmitted to the President of the
 37 Hawaii Health Systems Corporation, the Governor, the
 38 Comptroller, and the Chief Executive Officer of Maui Memorial
 39 Medical Center.
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OFFERED BY: *Bob Nakamura*

MAR 13 2006

