

HAWAII COUNCIL OF MAYORS



Testimony of the

Hawaii Council of Mayors
Bryan Baptiste, Mayor of Kauai
Mufi Hannemann, Mayor of Honolulu
Harry Kim, Mayor of Hawaii
Charmaine Tavares, Mayor of Maui

Before a Joint Hearing of the

House Finance Committee
Senate Ways and Means Committee

January 15, 2008

Mahalo for inviting us to testify before this joint hearing of the House Finance Committee and Senate Ways and Means Committee.

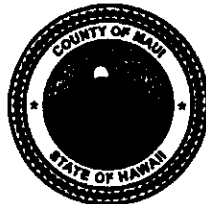
We established the Hawaii Council of Mayors as a roundtable to identify common public policy goals, exchange ideas, and collaborate on solutions to problems facing our counties. We have been meeting regularly to discuss our respective priorities and decided that one of our initiatives should be collectively approaching the members of the Legislature on legislation that addresses county concerns and stimulating a dialogue that should ultimately lead to more cooperation between our jurisdictions.

This year, in our talks on our legislative priorities, we adopted four priorities for our collective endorsement and your consideration. They are:

- homelessness,
- affordable housing,
- rehiring of retirees, and
- the HI-5 program.



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City and County of Honolulu
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Mayor Charmaine Tavares
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Mayor Bryan J. Baptiste
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Homelessness

Every county is experiencing homelessness. The scope or nature of the problem varies by county, but this much is clear: Many of the homeless are chronically homeless who require social services of a degree beyond the county governments' resources. We need more shelters and public housing so the homeless have somewhere to live, rather than on our streets and beaches.

We know the extent of the problem through our police, emergency services, housing, social service, and parks agencies. In December, we met with representatives of state agencies involved in addressing the needs of the homeless, to hear about their work and recommendations for legislative action. We believe you will have those before you, along with measures proposed by your colleagues.

We do not pretend to have the answers. However, we are united in our appeal to the members of this body to support measures that will enable the state to expand services to the homeless, repair and increase the inventory of public housing units, and stimulate the development of housing.

Affordable Housing

The lack of housing throughout the state is directly related to homelessness, as the absence of this housing, particularly in an overheated real estate market, is a contributing factor to the inability of many residents to find suitable homes. Again, the Hawaii Council of Mayors will stand behind proposals proffered by the Legislature and administration to increase funding for special funds that support the development of public housing and repairs to aging public housing projects.

We also believe that infrastructure construction costs can add to the price of a house, depending on the location. As such, perhaps the Legislature can revisit proposals to ease this burden by providing zero-interest loans to developers to underwrite infrastructure projects.

Rehiring of Retirees

The county governments continue to face a protracted workforce shortage caused by the retirements of baby-boomers and competition from the private sector and other jurisdictions for skilled workers. The shortfalls are acute in the construction-related occupations—engineers, inspectors, planners, and the like—and in our police force.

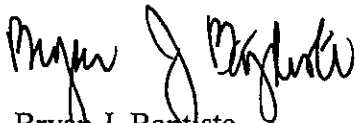
The counties are proposing that we be permitted to rehire retirees immediately upon retirement and with no employer contributions to the Employees Retirement System. We have met with the public employee unions and our preliminary discussions were favorable. We will work with them, should concerns arise.

HI-5

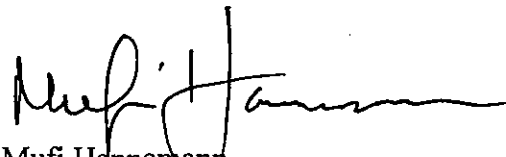
We are proposing that the HI-5 beverage container surplus deposit money now in state coffers, and all future surplus deposit revenue, be distributed to the counties to support our recycling efforts. The counties must dispose of recyclables that are not redeemed. The Neighbor Island county governments do not have enough redemption and recycling centers. The distribution of such surplus funds would be applied to supporting the expansion of county recycling efforts.

Each county will be seeking your support for legislation specific to our respective jurisdictions. However, these four priorities represent the collective efforts of the four mayors. We are eager to work with the members of the Legislature, on both houses and both sides of the aisle, to find common ground and support those measures that will produce tangible solutions to the challenges that we all face as public officials.

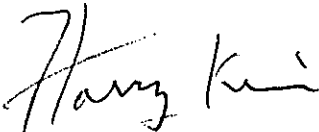
Mahalo for granting us the opportunity to testify.



Bryan J. Baptiste
Mayor of Kauai



Mufi Hannemann
Mayor of Honolulu

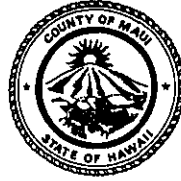


Harry Kim
Mayor of Hawaii



Charmaine Tavares
Mayor of Maui

CHARMAINE TAVARES
MAYOR



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OFFICE OF THE MAYOR
County of Maui

January 15, 2008

The Honorable Rosalyn Baker, Chair
and Members of the Senate
Committee on Ways & Means
The Honorable Marcus Oshiro, Chair
and Members of the House
Committee on Finance
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Baker, Chair Oshiro, and Members:

Good afternoon and thank you for the opportunity to come before you today to discuss some of the priorities of my administration. You have already heard from all four mayors with regard to our collective priorities: homelessness, affordable housing, the ability to rehire retirees, and the disbursement of HI-5 surplus funds to the counties. I'd like to spend the next few minutes discussing priorities that are specific to Maui County.

UPCOUNTRY WATER STORAGE

The number one priority for my administration is the development and increase of water storage. My administration recognizes that without additional water, there will be no affordable housing or expansion of agriculture. As such, my fiscal year 2009 budget proposal will include in excess of \$20 million for water development- and storage-related CIP projects throughout the County.

Currently, the area most in need of increased water is Upcountry, which includes Haiku, Makawao, Pukalani, Kula, and Ulupalakua. To address this, my administration is working towards building a new 150-million gallon reservoir in the Piipolo area. However, the County does not have the resources to complete this project alone. In addition to working with federal agencies, I am asking for your support of \$3.7 million for design of the Piipolo reservoir. The completion of this project is critical to address some of our affordable housing needs, but will also allow for the expansion of agriculture in the Upcountry area.

RENEWABLE ENERGY

My administration also strongly supports soon-to-be introduced legislation which will promote the expansion of renewable energy development on agricultural lands.

Allowing benign, non-intrusive renewable energy development with minimal adverse impacts on agricultural lands will promote renewable energy development throughout the State in a timely and cost-effective manner. In addition to land-based energy technologies, there is a recognized potential for ocean energy in the Hawaiian islands.

By removing the unnecessary impediment to locating renewable energy projects in non-productive, marginal agricultural lands, it will not only lower the cost but facilitate the efforts of weaning our State from dependence on costly imported fossil fuels. It would also be instrumental in meeting both the Hawaii Renewable Portfolio Standard and the Hawaii Greenhouse Gas Reduction goals.

DISASTER RECOVERY

As you probably know, Maui County was hit by a severe storm December 4-7, in which the Governor subsequently declared a disaster. I have had the opportunity to discuss with some of you just how destructive the storm was, particularly in the Upcountry and South Maui areas. To date, recovery efforts have cost Maui County approximately \$1.4 million, with additional expenses still being incurred. My administration is pursuing financial assistance from FEMA for Public Assistance. However, the County is responsible for matching one-quarter of any FEMA monies received. I'm asking for the Legislature's support in helping the County with this disaster-related expense.

DOCARE OFFICERS

I would like to express my appreciation to the Legislature for the funding of four new DLNR Division of Conservation and Resource Enforcement (DOCARE) officers and two clerical positions for Maui County in the current budget. However, there continues to be a critical need for additional officers. Immediately, there is a need for another two supervisor and two clerical positions. The supervisor positions are needed to address span of control—the ratio of supervisors to officers. Span of control is critical in any law enforcement agency; according to Maui DOCARE, the optimum efficiency is one to five. It should be noted that with the four additional officers, Maui County will have an eight to one officer to supervisor ratio, which is not within an adequate span of control.

In addition to the role these additional officers play in protecting the public and our precious natural resources, this is also a matter of safety for the officers that are serving our communities.

January 15, 2008

MAUI HEALTH INITIATIVE TASK FORCE

The Maui Health Initiative Task Force, which was created by Act 219, recently concluded its work. The final report of the Task Force has been transmitted to the State Health Planning and Development Agency. It is my understanding that the Legislature will be receiving a copy of the report shortly. I would ask that you seriously consider each of the recommendations—including proposed legislation—that are outlined in the report.

Maui County, and indeed the entire State, continues to face major challenges in addressing our health care needs. I believe many of the recommendations of the Task Force would be a positive step in the right direction.

I understand that this may be a difficult financial year for the State. In recognition of this, I have listed only my administration's highest priorities. With collaboration, we can continue to address many of these important issues.

Again, thank you for this opportunity.

Sincerely,

A handwritten signature in cursive script that reads "Charmaine Tavares". The signature is written in black ink and has a long, sweeping underline that extends to the right.

CHARMAINE TAVARES
Mayor, County of Maui

Bryan J. Baptiste
Mayor



Gary K. Heu
Administrative Assistant

OFFICE OF THE MAYOR

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January 15, 2008

Honorable Marcus Oshiro, Chair
House Committee on Finance
Hawaii State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Committee Members:

Greetings and aloha from the Garden Island of Kauai!

As you stand ready to begin the 2008 session, you will be faced with the challenge of dealing with numerous supplemental budget requests in a challenging revenue environment. In recognition of the challenge you face, we have carefully considered the numerous needs in our county, and limited our requests to the most urgent priorities.

Before I describe these priorities, I would like to thank you for the support you've given us over the years, and look forward to our continuing partnership.

One of the projects you assisted us with called Mana'olana (Kauai's first homeless shelter) opened its doors just before Thanksgiving last year. It truly is heartwarming to know that nearly 40 people, who didn't have anywhere else to turn to, especially families, now have temporary shelter.

Certainly the funding you've provided for highway improvement projects have helped tremendously, affording us some much-needed traffic relief, and for this we are most appreciative.

Another important project that you've extended your kōkua on is the rubberized track at the Antone K. Vidinha, Jr. Stadium. Thanks to your support, our youngsters are now competing on a level-playing field and are enjoying the benefits of having similar track and field opportunities as their peers across the state.

As mayor of Kauai County, it goes without saying that I support the legislative proposals offered by the Council of Mayors. In addition, the County Council and the administration jointly developed proposals that comprise the Kauai County legislative package. The package consists of the following priorities.

Ballpark and Recreational Facility Light System Retrofit**\$1,210,000**

The light systems at several of our outdoor facilities, where the vast majority of the State Department of Education's sporting activities are held, must be retrofitted in order to protect endangered bird species under the Endangered Species Act. Unlike schools on O'ahu, Kaua'i schools do not have their own stadiums, and depend on county facilities for sporting events.

If the project is completed, the Department of Education and the Kauai Interscholastic Federation can continue to utilize these facilities during evening hours. Although the county is jointly working with the DOE to schedule sporting events during daylight hours whenever possible, in order to minimize the harm to seabirds that are attracted to the ball field lighting, daylight events are not always feasible or desirable for many sports, such as football.

The funding we are requesting would cover 50 percent of the estimated cost of this multi-phase project for the following ball fields: Vidinha Stadium, \$700,000 for construction; Hanapēpē Stadium, \$640,000 for design and construction; Isenberg Park, \$220,000 for design and construction; and Peter Rayno Park, \$330,000 for design and construction.

Habitat Conservation Plan**\$200,000**

Approximately 70 percent of the world's remaining population of the Newell's Shearwater nests on Kaua'i. In order to comply with laws aimed at protecting endangered seabirds such as the shearwater, the county is seeking assistance in the hiring of a biologist and environmental planner who would be tasked to develop a seabird Habitat Conservation Plan (HCP) for county facilities.

Ultimately, an HCP would help to protect and perpetuate endangered seabirds, which are more plentiful on Kauai, because it is mongoose-free.

Wailua Wastewater Treatment Plant Upgrades**\$1,050,000**

Originally built in the 1960s, the Wailua Wastewater Treatment Plant serves the largest populated area on Kaua'i. Due to its age and environmental conditions, the plant is in dire need of numerous upgrades.

With new connections planned for several future affordable housing projects in the area and to provide reliable services for existing customers, it is imperative that improvements be made to the Wailua WTP in the near future.

Over the past three years, the county has invested over \$600,000 for planning and engineering studies and approximately \$4 million on improvements to the Wailua WTP. Plans to continue the much-needed upgrades recently hit a stumbling block because the State Department of Health's State Revolving Fund Program, which is the county's usual source of funding for wastewater projects, committed most of their funds to the City and County of Honolulu for the next few years.

In most jurisdictions, revenue generated from rate payers would be used to partially fund CIP projects, however, on Kaua'i the wastewater rate payer base is so small that monies collected is not even sufficient to sustain day-to-day operations.

Assistance from the State would significantly help defray the cost (\$14 million) to cover all the improvements needed for the Wailua WTP.

The county's legislative package also contains a statutory amendment so that county beach parks are provided immunity from liability due to land-based hazards, in the same way as ocean hazards.

We also support a proposal by our Kaua'i delegation for funds to study the feasibility of establishing an entity to operate and maintain reservoir and ditch systems in the county.

With increased exposure to penalties and liability as a result of the passage of the Hawai'i Dam and Reservoir Safety Act, a number of owners are now considering decommissioning their reservoirs, dams and ditch systems on Kaua'i.

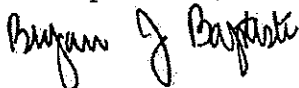
If this should happen, it will have a devastating effect on the island. The county will lose convenient and affordable sources of water for agriculture, water for suppressing wildfires, as well as some degree of flood control. Decommissioning may also place additional burden on the county's water supply.

Based on successful programs in other areas around the world, the county is seeking to study the feasibility of creating an entity that would manage, operate and maintain all reservoirs, dams and ditch systems on Kaua'i. While the study would focus on Kaua'i, the results could be utilized by other counties to address similar issues.

In closing, we humbly ask for your support and continued partnership in serving the needs of the people of Kaua'i.

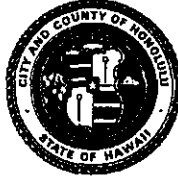
Henry Ford once said, "If everyone is moving forward together, then success takes care of itself." I believe that by working together as a team, we can successfully achieve the goals we collectively seek.

Aloha pumehana,



Bryan J. Baptiste
Mayor, County of Kaua'i

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MUFI HANNEMANN
MAYOR

January 15, 2008

The Honorable Rosalyn H. Baker, Chairwoman
and Members
Committee on Ways and Means
Senate
State Capitol
Honolulu, Hawaii 96813

The Honorable Marcus R. Oshiro, Chairman
and Members
Committee on Finance
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Baker and Oshiro and Members:

The City and County of Honolulu is seeking the Legislature's consideration of one measure regarding identify theft, and I will provide an update on three other matters involving the state government.

Encryption

The City's major proposal for 2008 is one that affects both the county and state governments. Acts 135, 136, and 137 were enacted by the Legislature last year and mandate that we protect personal information in our databanks. Act 135 requires businesses and government agencies that keep confidential personal information to notify them if that information has been compromised by an unauthorized disclosure. Act 136 will require those same entities to take reasonable precautions to protect against unauthorized access to personal information when disposing of records. And Act 137 will restrict businesses and government agencies from disclosing Social Security numbers to the general public.

These acts represent important steps in ensuring against identify theft; however, they also represent unfunded mandates. The City and County of Honolulu, in particular, administers a number of state programs that contain considerable amounts of personal information. These include drivers licensing, motor vehicle registration, voter registration, and juvenile justice information. The City operates these systems on behalf of our sister counties as well. The data is transported electronically and manually to various backup locations; it is not encrypted.

We are requesting \$1.25 million this year from the state to install the necessary hardware and software to encrypt and strengthen security for this data. We will work with the Department of Accounting and General Services on rules, procedures, and future support.

Real ID

The Real ID Act, which has been the subject of debate and controversy, is another unfunded mandate, this one imposed by the federal government. My purpose in raising this matter is only to apprise you of the potential pitfalls in administering the provisions of this federal legislation.

The City and County of Honolulu issues licenses to 70 percent of the 867,000 drivers in Hawaii. Moreover, all of the state's driver license computer records are stored by Honolulu. We estimate that the one-time cost to implement this system will be \$7.67 million and the ongoing expenses will total \$17.88 million during the first five years of the program. About 90 percent of this \$25.55-million expense will be incurred by the City and County of Honolulu. Although the Department of Homeland Security announced that 20 percent of the state's Homeland Security Grant Program funds will be made available during the 2007 grant cycle, most of these funds have already been dedicated. As I told the U.S. Congress, we are hoping that these costs be borne by the federal government.

The act requires that we refuse to issue a driver license or identification card to a person holding a license or card issued by another jurisdiction. This is similar to a provision of the Commercial Motor Vehicle Safety Act, which requires commercial drivers to have one and only one license at any given time. This requirement is supported by the Commercial Driver's License Information System (CDLIS), which has been operating in all 50 states and the District of Columbia since 1992. Access is provided through a secure private network operated by the American Association of Motor Vehicle Administrators and cannot be accessed through the public Internet. Neither the State of Hawaii nor the AAMVA is aware of any privacy breaches since it went into development in 1989. We are supporting the modernization of the CDLIS as the most practical means of achieving the goals of the Real ID Act.

Practical considerations aside, the City and County of Honolulu cannot afford to implement the requirements of the act without initial and continuing federal funding. If funding is provided, the time limits for implementation of the program, without the required electronic verification systems, will place an enormous burden on the driver licensing staff and be a tremendous inconvenience to the public. To ensure long-term success, a more realistic

implementation plan should be developed with input from the jurisdictions who bear the burden of issuing driver licenses and identification cards.

We are supporting U.S. Senator Daniel Akaka's efforts to repeal the Real ID Act, as well as the state's efforts delay the implementation of the rules and deadlines imposed by the federal government.

311 Call Center

In 1997, the Federal Communication Commission (FCC) made available a new code, 311, as a means of quick access to non-emergency police and other government services to improve the effectiveness of 911 emergency services. Since then, more than 70 jurisdictions have begun or fully implemented 311 systems. Instead of searching through government phone listings, the public can simply call one number or use a Web-based self-service system to reach a call center that provides the requested information or creates a service request for follow-up.

Jurisdictions report such benefits as reductions in incoming calls by nearly 50 percent through Web-based self-service; reduction of hardware expenses, and reduction of misrouted calls by 25 percent, among other improvements. For Honolulu, a 311 call center would alleviate the workload of our 911 dispatch centers, which currently receive more than 1,000,000 calls a year—of which two-thirds are non-emergency.

The City and County of Honolulu has developed a 311 business plan that includes an analysis to identify expected values and benefits and potential savings; conducting a partnership assessment that focuses on leveraging 311 to service residents in other counties; explore options for partnering with the Aloha United Way, host of Honolulu's 211 number; developing a roadmap for all counties to use to implement 311; and developing software requirements for such a system.

We believe a 311 call center has the potential to encompass the full range of government information at all levels, and will keep you apprised of our progress in developing this service.

Mass Transit

I also want to bring you up to date on Honolulu's High-Capacity Transit Corridor Project. I appreciate the vital role this body has played in making mass transit a reality for Oahu and I look forward to our continued collaboration as we tackle one of the most pervasive threats to the quality of life on this island.

We are making great strides. The federal government has just awarded us more than \$15 million in mass transit funding, money which will be used to fund work on the project's environmental impact statement and to initiate preliminary engineering. The City is now soliciting responses to a request for information distributed to technology suppliers. The responses to this request will enable us to determine which system best meets our needs in terms of capacity, performance, and cost.

Based on the information received and guidelines established by the Honolulu City Council in its selection of the fixed guideway alternative, I have proposed that an independent panel make the technology selection. Technologies that can be considered include steel wheeled vehicles on steel tracks, rubber-tired vehicles on steel tracks, magnetic levitation, and monorail. I firmly believe that having an independent panel make this selection ensures that solid performance criteria rather than politics will drive this crucial decision.


Later this year we will complete the draft environmental impact statement, with the final EIS scheduled for completion in fall 2009. We are pushing hard to break ground in late 2009 and hope to have the first segment of the project, from East Kapolei to Waipahu, up and running by 2012.

We're also doing much work on transit-oriented development, which takes advantage of the high volume of riders on a mass transit system to spur the development of livable, walkable communities that are truly places where people can live, work, play, and raise their families. We initiated a community-based planning process in Waipahu and residents have come up with some creative, innovative design approaches to leverage the mass transit system to revitalize that community while maintaining the charm that comes from Waipahu's unique plantation heritage.

Let me again thank you for the important part you've played in moving mass transit forward. My overall goal continues to be creation of an integrated, multi-modal transportation system that offers Honolulu's citizens a variety of reliable and efficient transportation choices, and you certainly share in the credit for our progress so far.

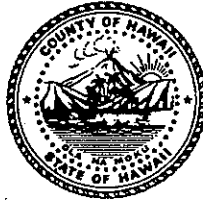
Mahalo.

Sincerely,

A handwritten signature in black ink, appearing to read "Mufi Hannemann", with a long horizontal flourish extending to the right.

Mufi Hannemann
Mayor

Harry Kim
Mayor



Dixie Kaetsu
Managing Director

Barbara Kossow
Deputy Managing Director

County of Hawaii

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January 15, 2008

The Honorable Rosalyn H. Baker, Chair
and Members of the Senate
Committee on Ways and Means
Hawai'i State Capitol
Honolulu, Hawai'i 96813

The Honorable Marcus R. Oshiro, Chair
and Members of the House
Committee on Finance
Hawaii State Capitol
Honolulu, Hawai'i 96813

Good afternoon and thank you for the opportunity to come before you today. I would like to begin my presentation by first thanking you for the help you have provided to the County of Hawai'i in the past.

Once again, I am including in my presentation both capital improvement projects and legislative measures that we are asking you to support in this legislative session. We are not restricting our requests to only County projects, but have listed projects that we believe are important for all of our island's people.

PRIORITY PROJECTS

A complete list of our legislative priorities is attached. Of highest importance are projects that address the housing and health care needs of our residents.

Housing

Since the declaration of a housing crisis in 2003, measures have been taken to try to address this major problem for our residents. Through property tax changes, taxes have been kept affordable for homeowners by providing an additional tax exemption as well as a 3% limit on annual growth in assessed values. An "affordable rental" class was also created to enable the County to provide benefits to property owners who are renting their homes at affordable rental rates. A lower tax rate and a 3% limit on value increases are being offered as incentives for property owners to keep their rents affordable.

As some of you have seen on the news, ground was recently broken on a 1,200 workforce housing project called Kamakoa at Waikoloa. The County donated 279 acres of land adjacent to the Waikoloa Village and will be contributing \$40 million toward this project. However, more needs to be done to address our housing needs, and your assistance is badly needed.

**Kaloko Housing Program
Planning, Design, and Construction, \$12,000,000**

The highest priority for Hawai'i County this session is the Kaloko Housing Program (KHP). KHP will be the only program providing transitional housing to the homeless population in all of West Hawaii. Ka Hale O Kawaihae, the small existing transitional housing program in Kawaihae, must close soon due to issues with its land lease and large capacity cesspools, and KHP is needed to replace it and expand on its offerings. This proposal is to develop 50 multi-family, cluster homes, providing housing and supportive services for families affected by homelessness.

**Keahuolu Affordable Housing Project (KAHP)
- Water System Improvements, \$12,000,000
- Mid-level Road, \$10,000,000**

Our next priority is the State's Keahuolu Affordable Housing HHFDC Project. To allow the creation of affordable housing on the only parcel of government-owned, non-ceded land in Kona, we ask legislative funding for the needed North Kona Water System Improvements and a "mid-level road" to open access to the property, at a cost of \$12,000,000 and \$10,000,000, respectively.

Health Care

In December 2007, the County sponsored a health care conference where physicians, health care workers, consumers, and business leaders met and discussed the severe deficiencies in our health care delivery system. There is perhaps no other issue on the island of Hawai'i that affects so many people than our health care crisis.

Recognizing the importance of addressing health care concerns in Hawai'i, it is asked that the State Legislature help the Hawai'i Health Systems Corporation (HHSC) fund the following:

**Kona Community Hospital Emergency Room
Expansion and renovation, \$10,000,000**

The emergency department at Kona Community Hospital was built to accommodate 10,000 patient visits per year and is currently seeing 18,500 patient visits per year, with a 9% annual visit increase. The department needs to be expanded and modernized to improve patient access, flow and privacy and to provide for a better working environment for the staff.

**Hilo Medical Center
Replacement and Expansion of Long-term Care Facilities, \$25,000,000**

There is a desperate shortage of long-term care services statewide, and this is particularly acute in East Hawai'i. If the Hilo Medical Center can find a private company with which to partner, HHSC will be asking for \$25,000,000 in State funds for construction. We understand that the entire estimated cost would be \$75,000,000.

**Hilo Medical Center
Construction of a Cardiovascular Laboratory, \$7,000,000**

This facility is very much needed to support the ongoing recruitment of cardiologists and a vascular surgeon.

Other Improvements to Health Care

The following measures which will be proposed by Rep. Josh Green are fully supported:

- Repay college loans and tuition costs of University of Hawai'i medical students who commit to practicing in rural Hawai'i for a five-year minimum.
- Increase funding for medical and nursing schools, as well as residency programs statewide.

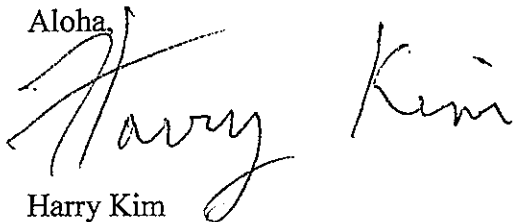
OTHER REQUESTS

A complete list of CIP and other legislative measures that we support is included on the attached sheets.

CONCLUSION

In closing, I would like to express our appreciation for your past support and for the opportunity to come before you today. My staff and I look forward to working with you in the months ahead, and wish you every success.

Aloha,



Harry Kim
MAYOR

Attachment

CAPITAL IMPROVEMENT PROJECTS (CIP) REQUESTS

The Hawai'i County administration requests support from the Hawai'i State Legislature for the Capital Improvement Projects listed below. Details of the projects are on the following pages. Highest priority projects that are described in the transmittal letter are indicated by an *:

1. ***Kaloko Housing Program.** \$12,000,000
2. ***Infrastructure for State Keahuolu Affordable Housing Project**
 - a. *Water System Improvements, \$12,000,000*
 - b. *Mid-level Road, \$10,000,000*
3. ***Kona Community Hospital Emergency Room Expansion and Renovation.** \$10,000,000 (Hawai'i Health Systems Corporation)
4. ***Hilo Medical Center Long Term Care Replacement and Expansion.** \$25,000,000 (Hawai'i Health Systems Corporation)
5. ***Hilo Medical Center Cardiovascular Laboratory (Cath Lab).** \$7,000,000 (Hawai'i Health Systems Corporation)
6. **Puna Regional Complex.** Construction, \$10,000,000
7. **Multi-purpose Senior Center/Aging & Disability Resource Center, Kailua-Kona.** Planning and Design, \$500,000
8. **Ocean View Water Well.** Deadline Extension to June 30, 20090
9. **Shooting Range, West Hawai'i.** EIS and Planning, \$250,000 (StateDLNR)
10. **Veterans Center.** Matching funds for Community Center, \$500,000 (Private Non-profit, Hawai'i Island Veteran's Memorial, Inc.)
11. **Community Resource Center, Waimea.** Plans, Design, Construction, \$1,500,000 (Private non-profit Kanu o ka 'Aina Learning 'Ohana)

DETAILS – CIP REQUESTS

1. ***Kaloko Housing Program**

Planning, Design and Construction, \$12,000,000

The Kaloko Housing Program will be the only program providing transitional housing to the homeless population in all of West Hawaii. This proposal is to develop 50 multi-family, cluster homes, providing housing and supportive services for families affected by homelessness.

2. ***Infrastructure for Keahuolu Affordable Housing Project**

Water System Improvements, \$12,000,000

Mid-level Road, \$10,000,000

The State's Keahuolu Affordable Housing HHFDC Project is fully supported. To allow the creation of affordable housing on the only parcel of government-owned, non-ceded land in Kona, legislative funding is requested for the needed North Kona Water System Improvements and a "mid-level road" to open access to the property, at a cost of \$12,000,000 and \$10,000,000, respectively.

3. ***Kona Community Hospital Emergency Room (HHSC)**

Expansion and Renovation, \$10,000,000

The emergency department at Kona Community Hospital was built to accommodate 10,000 patient visits per year and is currently seeing 18,500 patient visits per year, with a 9% annual visit increase. The department needs to be expanded and modernized to improve patient access, flow and privacy and to provide for a better working environment for the staff.

4. ***Hilo Medical Center Long Term Care (HHSC)**

Replacement and Expansion of Long-term Care Facilities, \$25,000,000

There is a desperate shortage of long-term care services statewide, and this is particularly acute in East Hawai'i. If the Hilo Medical Center can find a private company with which to partner, HHSC will be asking for \$25,000,000 in State funds for construction. We understand that the entire estimated cost would be \$75,000,000.

5. ***Hilo Medical Center Cardiovascular Laboratory (HHSC)**

Construction, \$7,000,000

This facility is very much needed to support the ongoing recruitment of cardiologists and a vascular surgeon.

6. Puna Regional Complex

Construction, \$10,000,000

Puna is the fastest growing district in Hawai'i County and is underserved by public recreational facilities. The County of Hawai'i would like to construct a new district park for Puna that will include a modern gymnasium, meeting and recreational activity support rooms, a regulations soccer/football field, multiple baseball fields, pavilions, restrooms, adequate parking, and all necessary infrastructure to support the district park concept. Planning, design and construction of the Puna Recreational Complex is expected to cost \$10,000,000, and State funds are being requested for this project.

7. Multi-purpose Senior Center/Aging & Disability Resource Center, Kailua-Kona

Planning and Design, \$500,000

Due to the shortage of facilities in this growing community, services for senior citizens in the Kailua-Kona area are lacking. The multi-purpose Senior Center/Aging & Disability Resource Center will serve as a highly visible single point of entry to public long-term care options and benefits for older and/or disabled individuals.

The Center will serve older persons, younger individuals with disabilities, family caregivers, as well as persons planning for future long-term support needs. It will also be a resource for health and long-term support professionals and others who provide services to elderly and disabled persons. Services will include recreation and educational activities, congregate meals, legal services, health care services, transportation, information and assistance, and case management. Space will also be available for senior clubs and organizations. \$500,000 is being requested for the planning and design of this facility.

8. Ocean View Water Well

Deadline Extension to June 30, 2009

We are asking the State Legislature to extend the deadline for a CIP item that was authorized in Act 178 (2005), an Ocean View water well. These funds were designated to Hawai'i County Department of Water Supply, which has worked diligently to construct the well. It is expected that all funds will be encumbered prior to the funds lapsing June 30, 2008. However, in case there are any unanticipated problems, we would appreciate having the lapse date extended one year, to June 30, 2009.

9. Shooting Range, West Hawai'i (State Project)

EIS and Planning, \$250,000

We also support a State DLNR request for \$250,000, to cover the cost of an EIS and planning for a public shooting range in West Hawai'i. There has been a strong community effort to establish such a facility, and it is deserving of legislative consideration.

10. Veterans Center (Private Non-profit Project)

Matching Funds for Community Center, \$500,000

The County supports the construction of a Veterans Center in Hilo. The proposed facility will be constructed on State land that has been given to the County by Executive Order. The County, in turn, is leasing the site to the developer, the Hawaii Island Veterans Memorial, Inc. (HIVM), a non-profit organization.

The facility in total includes a combined veterans center building on a subdivided lower lot; a public-private use multi-purpose building that will be available to the entire island community as a meeting, banquet, and conference center; and an affordably-priced, ADA accessible senior independent living community of 110 condominium apartment units. The HIVM is seeking \$500,000 in state funds for preparing the land for construction of the multi-purpose building.

11. Community Resource Center, Waimea (Private Non-profit Project)

State Share of Funds for Plans, Design, Construction, \$1,500,000

The County also supports the construction of a Community Resource Center in Waimea, Hawaii. The project is being planned and developed by the Kanu o ka 'Āina Learning 'Ohana. The Kanu o ka 'Āina Learning 'Ohana was organized in December 2000 by a group of North Hawai'i community leaders committed to academically rigorous, culturally driven education, integrating the latest in educational technology with Hawai'i's native language, culture and traditions. \$1,500,000 of State funds is being requested as matching funds to construct Kauhale 'Oiwio Pu'ukapu's Halau Ho'olako on 15 acres of Hawaiian Homes Lands in Waimea on Hawai'i island.

Objectives of the request are:

1. To construct environmentally-responsible, sustainable facilities serving learners of all ages. These facilities are part of a larger, intergenerational learning center, which will be completed over three phases; and
2. To develop an economic model, which provides a baseline for success and assures long-term self-sustainability and educational, cultural and organizational growth.

LEGISLATIVE FUNDING ASSISTANCE

Loan Fund for Wastewater Projects

Increase Fund to Assist Counties

The State has a revolving fund to enable the counties to obtain loans for wastewater projects. Because \$65,000,000 from this fund was committed to the City and County of Honolulu, there is little or nothing left to cover even our highest priority projects. We ask that this fund be increased to reflect the great needs that exist. Because of the magnitude of the problem, we hesitate to ask for a specific sum. Hawai'i County alone could use up to \$53,000,000, and we are sure that the other counties have comparable needs.

Emergency Medical Services Appropriation

Increase EMS appropriation for Hawai'i County, \$326,934

This increase will cover new retirement contribution rates. This increase is the result of the enactment of Act 256 in the last legislature, which increased the standardized retirement contribution rates, beginning FY09, for firefighters (15.75% to 19.7%) and for HGEA employees (13.75% to 15.0%). The State DOH said it would attempt to have this added to its appropriation request, but recommended that we also include it in the County's request, since the numbers were submitted late by our Fire Department.

Reed Act, Workforce Investment Boards (WIB)

Appropriate Federal Funds, \$2,000,000

In 2006, the Hawai'i State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the four county Workforce Investment Boards (WIBs). Of that sum, \$1,900,000 came to Hawai'i County. The Department of Labor, and all involved with the Big Island WIB efforts, are justly proud of the initiatives that this money enabled, such as Going Home, our prison-to-community reentry initiative; Huiana, our islandwide high school student internship program; and an initiative to directly serve and strengthen Hawai'i County's work places through our business center and business service representatives.

We are asking the State Legislature to appropriate another \$2,000,000 from these federal funds, so that these initiatives can continue, and new ideas can be developed by the WIB partners, such as an expansion of our new disabilities consortium and its increased services to persons with disabilities--particularly our youth; and expanding our Huiana and Going Home initiatives to serve more students and ex-offenders. We are also asking it to consider any comparable requests that come from our sister counties.

Earthquake Assistance

Appropriate \$5,500,000

The earthquake in October, 2006 caused great damage in Hawai'i County. Last year's Legislature passed an emergency appropriation bill that was meant to help, and we did receive \$850,000 for some of our parks repairs, for which we are thankful. However, we are told by the State Department of Defense that it is difficult to tap the rest of the funding because the Legislature appropriated the money from the Rainy Day Fund rather than the General Fund, and the Governor does believe that this is warranted. The County of Hawai'i is left with matching requirements of \$1,344,089 for Federal Highways fund match; \$665,000 for FEMA match; and \$3,761,621 for Department of Water Supply FEMA match and other excess costs. Any financial assistance provided in covering these County out-of-pocket costs would be appreciated.

Veterans Cemeteries

Increase Funding for Maintenance, \$165,000

Current funding for maintenance of these cemeteries is far below the actual cost, which is approximately \$165,000. We are requesting an increase to this amount.

LEGISLATIVE ISSUES

"Hire the Retiree"

Allow state and county retirees to return to work without forfeiting their retirement benefits.

Firearms

Exempt the State and counties from absolute liability as firearm owners under HRS 663-9.5.

Fireworks

Allow counties to enact fireworks ordinances that are more stringent than the State statute (HRS Chapter 132D).

Environmental Impact Statements (EIS)

Amend Chapter 343 to clarify the extent of executive branch authority to exempt items of limited impact from EA/EIS.