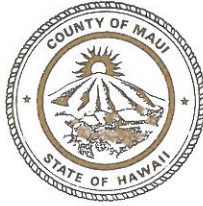


ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

**TESTIMONY OF ALAN ARAKAWA, MAYOR
COUNTY OF MAUI**

**BEFORE THE JOINT COMMITTEE OF
THE SENATE COMMITTEE ON WAYS AND MEANS**

AND

THE HOUSE COMMITTEE ON FINANCE

Monday, January 25, 2016

1:30 p.m.

State Capitol Auditorium

RELATING TO INFORMATIONAL BRIEFING

Honorable Jill Tokuda, Chair

Honorable Donovan Dela Cruz, Vice Chair

Honorable Members of the Senate Committee on Ways and Means

Honorable Sylvia Luke, Chair

Honorable Scott Y. Nishimoto, Vice Chair

Honorable Members of the House Finance Committee

Aloha and thank you for this opportunity to testify at this joint hearing of the Senate Ways and Means Committee and the House Finance Committee.

I'd like to first acknowledge our Maui County delegation: Senator Gil Keith-Agaran, Senator J. Kalani English, Senator Roz Baker, House Speaker Joe Souki, Representative Angus McKelvey, Representative Justin Woodson, Representative Kaniela Ing, and Representative Kyle Yamashita.

On behalf of the people of Maui County, we thank each of you for your hard work, dedication and commitment.

As always, there are many issues needing to be addressed. But I know that time is short, and there is much work ahead, so I'll simply highlight my administration's top priorities for this session:

1. HCOM & the Transient Accommodations Tax

It is my privilege and honor to stand before you today with Mayors Bernard Carvalho, Jr. of Kaua`i County, Billy Kenoi of Hawaii County, and Kirk Caldwell of the City and County of Honolulu. We, the Hawai`i Council of Mayors, come before you speaking as a united voice on the issue of the **Transient Accommodations Tax revenue**.

As you know, this working group was created by the 2014 Legislature, through Act 174, and charged with (1) evaluating the division of duties and responsibilities between the State and counties as they relate to public services, and (2) submitting a recommendation to the Legislature on the appropriate allocation of the transient accommodations tax revenues between the State and counties that properly reflects the division of duties and responsibilities relating to public services.

Together, we stand in strong support of the recommendation of the *State-County Functions Work Group*.

(Note: It is my understanding that Governor Ige said that the state government had a cash surplus of \$828 million at the end of the last fiscal year. Additionally, the Council on Revenues recently increased its estimate of the amount of taxes the state will collect by about \$40 million.)

2. Specific to Maui County

While my administration will be submitting individual bills for the 2016 Session, we have identified the following priorities:

- ❖ **HC&S closure** - As you know, it was a sad day on Maui when HC&S announced the closure of the last sugar plantation in the State of Hawaii. Over 650 long-time employees are facing layoffs. These are our family members, friends, and neighbors - who are now having to worry about how they're going to provide for themselves, their families and their children.

My administration is doing what it can, by setting-up a task force to bring our people together to help our brothers and sisters in a time of need. This is the way we do things in Hawaii - help each other in tough times.

But, we'll need your assistance, too.

- ❖ **Homelessness** - As it is on Oahu, there is a huge homeless problem on Maui that will only get worse if we don't do something about it right away. My administration has put together a multi-pronged plan to help these individuals, but we will need the state's help in "Funding for land and/or buildings and supporting wrap-around services."
- ❖ **Affordable Housing** - As a component of our comprehensive plan to address the homeless issue, and in order to help our hard-working residents of Maui County, we're asking for your support, and that we work together to provide affordable homes and rentals for our communities.
- ❖ **Alternative Route to West Maui** - Currently, there is only a single two-lane road connecting the airport in Kahului, and the resorts and communities in West Maui. As Roz and Angus know, there are far too many accidents and traffic backlogs on this road. The state has been dumping millions of dollars into repairing this road. But, the damage is being caused by rising tides and waves, so having to repair this road will be never-ending. Instead of endlessly pouring millions of dollars into this Sisyfus-ing problem, I urge this legislature to appropriate "Funding to create a secondary road over the Pali."

(FYI: If asked about Sisyphus. In Greek mythology Sisyphus was the king of Ephyra. The gods had condemned Sisyphus to endlessly rolling a boulder to the top of a mountain, where it would roll back down and he'd have to do it over and over again for eternity.)

❖ **International Airport – Support operations and required facility upgrades**

The closure of HC&S's sugar plantation will have a rippling affect throughout Maui County. In the very near future, our economy will be significantly more dependent on tourism than ever before.

It would be irresponsible for us to wake up on the day of the last sugarcane harvest – and to then start making plans. We must look ahead and start making plans for our future, today.

Accordingly, one of our goals is for the Kahului airport to be a fully operational International Airport with a U.S. Customs and Border Protection Port of Entry.

Travel publications such as Conde Naste Magazine and Travel & Leisure Magazine have consistently ranked Maui as one of the 10 best islands in the world, with Maui Island often being ranked No. 1.

Yet, about 85% of visitors to Maui come from the Domestic U.S. and Canada. An international airport on Maui would greatly increase our international visitor arrivals. Any economic benefit to Maui County would benefit the entire state.

Maui's visitor industry is vital to employment. In 2014, there were about 30,000 hospitality industry jobs on Maui. With HC&S's announced closure of its sugar plantation – over 650 individuals may lose their jobs. An international airport would help many with employment.

So the question is – what is needed for the Kahului airport to become an international one? What is holding this up?

- The primary hold-up is that the State Department of Transportation Airports Division needs to complete an EIS regarding the impacts of the existing airport becoming an international one. This was required by a 1993 court order.
- We are asking that the Legislature ask the DOT why an EIS has not be done yet; and, urge them to expedite this.
- We are also asking that this body urge the administration to expedite the projects necessary at the Kahului Airport to satisfy FAA and U.S. Customs and Boarder Protection requirements in order to be a fully operational International

Airport with a functioning Port of Entry. This includes re- doing the worn-out runway. A retrofit of the existing airport can be done relatively quickly in order to meet Custom's Port of Entry requirements, but this needs to happen as soon as possible.

□ **Food Security - Funding for land for Ag production, food safety facilities; and, Dept. of Ag/Health support**

We are also requesting assistance for our farmers and Ag producers.

1. As HC&S closes its sugar plantation and transitions to a "diversified agricultural model" for its 36,000 acres, the county will need to make adjustments as well. This includes the need for added "processing stations".
2. Furthermore, in October 2015, the U.S. Food & Drug Administration finalized its rules for the Food Safety Modernization Act. These rules will greatly impact a large number of farms throughout the State which rely upon surface water irrigation systems. This includes Maui's Kula Agricultural Park.
 - With the new rules, ditch water will not be allowed when washing your produce or for cleaning the hands of employees. Many farms will need to store potable water on their farms to address these issues.
 - Now, ditch water cannot be used to irrigate crops that can be eaten raw - such as head cabbage and broccoli. These farmers will need to purchase, and install drip pipes to irrigate their crops.
 - Any farm that makes at least \$25K will need to be audited by a professional food audit company. Additionally, supermarkets can now request an audit before they purchase produce from farmers. Most of these auditing companies are from out of state, which means that local farmers will have to cover the costs for visiting inspectors from the mainland.

So again, we strongly support whatever you can do to help our farmers to adjust to the new federal rules, as well as for your continued assistance with drought mitigation.

Conclusion:

Again, thank you for your time and attention.

Studies prove that supportive housing reduces taxpayer dollars

Homelessness is a complex topic that is occurring across the nation. It isn't going to go away today, tomorrow nor anytime in the near future, and Maui County's Department of Housing and Human Concerns (DHHC) considers homelessness as a significant human concern that will require county funds and a dedicated staff.

Maui County's financial contribution to address homeless services is an investment and a savings to taxpayers. The cost for Maui to provide supportive housing (housing with accompanying support services) is less than the cost for the homeless to remain on the streets.

In 2012, federal Housing and Urban Development Secretary Shaun Donovan explained the situation as, "The thing we finally figured out is that it's actually, not only better for people, but cheaper to solve homelessness than it is to put a Band-aid on it. . . . Because, at the end of the day, it costs, between shelters and emergency rooms and jails, it costs about \$40,000 a year for a homeless person to be on the streets (in New York)."

This approach has been proven successful in other parts of the nation, as placing people in supportive housing saves money because it targets the chronically homeless — those who have been homeless for a year or more and commonly suffer from addiction or mental illness. That segment of the homeless population uses expensive public services at very high rates — emer-

gency rooms, police and fire and courts.

There are numerous studies that prove that supportive housing actually reduces taxpayer dollars. A few notable studies include:

- The Economic Roundtable in Los Angeles looked at the costs of homelessness in a 2009 study, "Where We Sleep: The Costs of Housing and Homelessness in Los Angeles." They followed 10,193 homeless individuals and found that the typical public cost for services for residents in supportive housing was \$605 a month. For the homeless, the cost was \$2,897. The rate of \$2,897 per month totals about \$35,000 a year. "This remarkable finding demonstrates that practical, tangible public benefits result from providing supportive housing for vulnerable homeless individuals," the researchers wrote.

- Data from 65 cities: Philip Mangano, the former homelessness policy czar under President George W. Bush, helped expand supportive housing programs into cities around the country. As the programs became established, Mangano compiled data from 65 cities looking at all services affected by homelessness. Hospitals, police and courts top the list.

Using data from the 65 cities — of all different sizes and demographics — the cost of keeping people on the street added up to between \$35,000 and \$150,000 per person per year, Mangano said. Conversely, after the supportive housing had been established, the cost of keeping formerly homeless people housed ranged from \$13,000 to \$25,000 per person per year.

- A study of hospital admissions of homeless people in Hawaii revealed that 1,751 adults were responsible for 564 hospitalizations and \$4 million in admission costs. Their rate of psychiatric hospi-

talization was over 100 times higher than their non-homeless cohort. The researchers conducting the study estimate that the excess cost for treating these homeless individuals was \$3.5 million, or about \$2,000 per person (Martell J.V., Seitz R.S., Harada J.K., Kobayashi J., Sasaki V.K., Wong C. Hospitalization in an urban homeless population: the Honolulu Urban Homeless Project. *Annals of Internal Medicine* 1992; 116:299-303).

Supportive housing provides a healthy environment and eliminates risk factors related to sleeping on the street, such as exposure to harsh temperatures and unhealthy drug habits that go untreated. Support services also help people decrease their substance abuse. If they have mental health issues, they can be referred to a psychiatrist. Supportive housing provides for behavior modification.

By focusing our resources on the homeless situation and providing for supportive housing, we can make real progress toward treating the social problem while helping the county's most vulnerable population. Our proposal to deploy modular units in areas where supportive services are located fits this effective model that has been implemented successfully throughout the nation.

In summary, studies have shown that — in practice, and not just in theory — providing people experiencing chronic homelessness with supportive housing saves taxpayer money. Additionally, for Maui a dedicated staff is required to focus on this complex topic — as homelessness will never truly be eradicated.

■ Carol Reimann is the director of Housing and Human Concerns for Maui County.



VIEWPOINT
CAROL
REIMANN

Testimony of the
County of Kaua'i
Bernard P. Carvalho, Jr., Mayor
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Before a joint hearing of the
Senate Ways and Means Committee
and
House Finance Committee
January 25, 2016

Aloha from the Garden Isle!

It is a pleasure to join you once again as we move into 2016 ready to face the challenges and opportunities that lie ahead.

As I have often said, we are separated by an ocean yet we are connected by families and businesses, and we must always remember that it is our *kuleana* to work in concert toward our shared goals. This collaborative spirit enables the state and the county to strengthen our relationships and stretch our resources, and ensures that the people of Kaua'i and Ni'ihau benefit from our efforts.

COUNTY OF KAUA'I UPDATE

Although we continue to seek partnerships with every project we pursue, we still have to grapple with a deficit of approximately \$6 million in the coming fiscal year due largely to collective bargaining increases.

In preparing for FY 2017, Kaua'i County has taken a number of measures to address our budget shortfall. Fiscal restraint has been the central theme for all of our budgetary decisions.

- Eliminated positions and deferred maintenance, and made cuts in the last four years - \$4.1 million.
- Restructured our legal team to provide in-house services, rather than contracting special counsel - \$311,000.
- Reduced the Open Space Fund contribution from 1.5 to .5 percent, which resulted in \$1.1 million in the reprioritization of resources.
- Refinanced debt service - \$333,000.
- Increased property taxes across most categories.

- Created two new real property classes, residential investor and commercialized home use, and changed the assessment methodology for timeshare units, which resulted in a \$1.9 million increase in real property tax revenues.
- Increased user fees including trash collection and permitting fees.

Additionally, we created a Vacancy Review Committee that scrutinizes every vacancy within the county. We do not automatically fill vacant positions; instead, vacancies are used to either eliminate positions or re-engineer delivery of services to the public.

GET SURCHARGE

I would like to thank all of you for giving each county the authority to levy up to a 0.5 percent surcharge on the general excise tax (GET). This provides the counties with a tremendous tool and will enable us to address major concerns of our residents and visitors, who rank the “condition of roads” and “traffic congestion” at the top of their list of concerns.

The anticipated revenues of between \$240 and \$255 million over the course of 10 years that would be generated from the GET surcharge would allow Kaua’i County to cover the costs of sorely needed road and bridge repairs, other roadway improvements, heavy equipment, as well as transit improvements.

Since last summer, we have worked on a detailed proposal and rationale for the surcharge and identified the specific roads and bridges that could be repaired if the funding is approved. We have also reached out to numerous organizations, met with the County Council, and drafted a bill relating to the GET surcharge. The bill passed its first reading in December and a public hearing is scheduled this Wednesday.

TRANSIENT ACCOMMODATIONS TAX

However, the GET surcharge is limited in scope to transportation and transit projects. As we all know, visitors require the services of our public safety departments, use our roads, ride our buses, relax at our beach parks, attend festivals and events and even senior citizen classes ... all paid for by the County of Kaua’i.

On any given day, one out of every five people on Kaua’i is a visitor.

While the cost of these services and programs has increased, the county’s share of the transient accommodations tax (TAT) has decreased. The administration and the County Council therefore support the work of the State-County Functions Working Group, and thank you for passing the legislation that created the working group.

As you are aware, the working group recommends that the cap be lifted, and that each county be allocated an equitable amount that was determined by a formula. I, along with my fellow mayors of HCOM, would like to express our support for the working group's recommendations.

Based on the report, Kaua'i would receive between \$8 and \$9 million annually. These funds could go toward projects that enhance the visitor experience, including public safety, improved parks and restroom facilities, shuttles and festivals and events during shoulder seasons.

LEGISLATIVE REQUESTS

In Kaua'i County's legislative package for 2016, we are asking for your support of capital projects that would provide shared benefits for the state and the county:

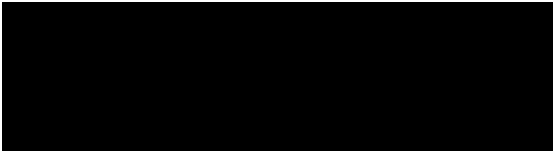
- **Adolescent Treatment and Healing Center (\$5 million)** – Building an adolescent treatment and healing center on Kaua'i is a top priority for us, and the county has made great strides on this project. We negotiated with Grove Farm Company for the dedication of approximately five acres of land in upper Hanamā'ulu. Additionally, we encumbered \$500,000 in consulting services for planning, permitting, environmental and design work. Now we are ready for the construction phase.
- **Kaua'i Fire Department Helicopter Hanger (\$500,000)** – Air 1, the Kaua'i Fire Department's helicopter, plays a major role in the county's emergency response. During 2015 alone, Air 1 with Rescue 3 aboard responded to 56 rescues and 18 brushfires. When not in use, Air 1 is parked in a dilapidated hanger at the Līhu'e Airport that needs to be replaced. The terms of a long-term lease where a permanent hanger can be built at the airport are being finalized. This funding would cover the infrastructure costs for a permanent hanger.
- **Salt Pond Master Plan (\$400,000)** – Preserving the precious natural resources in the Salt Pond area is very important. Located there are the Hanapēpē salt pans, the only remaining site in the world where local families continue the 2,000-year-old tradition of salt-making using an evaporation technique. Adjacent to the salt pans is Salt Pond Beach Park, a beach that is frequented by many residents and visitors. Other facilities nearby include Port Allen Airport and the old Kaua'i Humane Society facility. By developing a master plan, it would ensure that the Salt Pond area is preserved and protected, and provide cohesion for improvements.
- **Veterans Cemetery Facility Construction & Improvements (\$700,000)** – An assessment of the communal hall facility focusing on its structural integrity and compliance with current code requirements and standards has been completed. A consultant is currently finalizing design and construction documents for the recommended repairs and upgrades. This funding would allow us to move forward with the construction phase.

CONCLUSION

In closing, I want to express how much we value the positive and collaborative working relationship we enjoy with our State partners. We continue to face big challenges with limited resources; however, I am confident that we can work through them in the best interest of the people we serve.

We look forward to working with you during this legislative session as well as throughout the year in the spirit of *lokahi* and *aloha*.

Respectfully submitted,



Bernard P. Carvalho, Jr.
Mayor, County of Kaua'i

William P. Kenoi
Mayor



Walter K.M. Lau
Managing Director

Randall M. Kurohara
Deputy Managing Director

County of Hawai'i Office of the Mayor

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January 25, 2016

The Honorable Jill Tokuda, Chair
and Members of the Senate Committee on Ways and Means
The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance
415 South Beretania Street
Hawai'i State Capitol
Honolulu, Hawai'i 96813

Aloha, Chair Tokuda, Chair Luke, and distinguished members of the Senate Ways and Means and House Finance Committees. Thank you for this opportunity to appear before you to discuss issues of importance to Hawai'i Island for the 2016 legislative session.

We are thankful for the support of the Hawai'i State Legislature in addressing Hawai'i Island's challenges in the recent years. Through Tropical Storm Iselle, the Puna Lava Flow, and the current dengue outbreak, the county was able to serve our residents by working together with various state and federal partners. This spirit of cooperation, collaboration, and collective effort served our people well in these times of need, and will continue to serve our people as we address the challenges ahead.

We have a great deal more work to do to support our communities. On behalf of the people of Hawai'i Island, we respectfully request that the Legislature focus on fulfilling responsibilities and commitments already made to state projects and programs on Hawai'i Island.

TRANSIENT ACCOMMODATIONS TAX

The hospitality industry is critically important to our state, especially for the thousands of working families that rely on visitors both directly and indirectly for their livelihoods. We thank the Legislature for recognizing the importance of county facilities and services in supporting and enhancing the visitor experience.

When a visitor calls for law enforcement help, a county police officer responds. When a visitor gets into trouble in the ocean, county lifeguards or firefighters respond. When a visitor uses sewer and water service, those are county services. Visitors travel on county roads, and use county parks.

As the visitor count grows, their demands on county resources also grow. We now have more than one million tourists visiting the County of Hawai'i annually, and the cost of delivering services rises each year. This burden should be equitably distributed. In fairness to our residents who shoulder the majority of our operating expenses through property taxes, it is important that transient accommodations tax revenues to the counties increase as the visitor count increases.

The County of Hawai'i spent approximately \$31 million on visitor related expenses for fiscal year 2013-14. These expenses include services for public safety, sanitation, the upkeep of county park facilities, and many more. As visitors total approximately 13% of our island's daily population, it is important to support demand and provide a high quality visitor experience.

The State-County Functions Working Group, created by the 2014 Legislature, consisted of representatives from the state, counties, and visitor industry. They evaluated the division of responsibilities between the state and counties relating to the provision of public services, and recommended an appropriate allocation of transient accommodations tax revenue that properly reflects that division.

We thank the working group for their careful, detailed research and consideration of the issues, as well as their work in compiling their report. We defer to the working group's recommendations and urge the Legislature to consider the report's recommended county allocations of transient accommodations tax revenues.

TRANSPORTATION

We recognize the monumental responsibility of the Department of Transportation, maintaining the major highways that connect our Hawai'i Island communities, as well as operating the facilities that connect our island to our neighbor islands and points beyond.

The importance of Hawai'i Island's two major airports and two major harbors cannot be understated. Ground was recently broken on a new interisland cargo terminal at Hilo Harbor to alleviate congestion caused by sharing pier space between cargo and passenger ships. In recent years, Kona International Airport has received a new air traffic control tower and a new rescue and fire fighting facility. Work continues at Hilo International Airport on a new rescue and fire fighting facility and a cargo facility. We thank the state for these improvements.

We strongly urge the Legislature to approve the administration's proposal to construct a new \$50 million federal inspection station at Kona International Airport. This facility will comply with the U.S. Department of Homeland Security's requirements for Customs & Border Protection, enabling Kona to once again welcome direct international flights. Without a functioning inspection station at Kona, the steadily increasing number of international tourists must fly into Honolulu and take commuter flights to Hawai'i Island.

Beyond the inconvenience to Hawai'i Island-bound international visitors, Honolulu International Airport operates at its top capacity during busier times of the year. International arrivals to West Hawai'i will allow Kona to function as a reliever airport to ease congestion in Honolulu. Your attention to and support of this investment in Kona International Airport infrastructure will allow our state as a whole to continue to grow as an international visitor destination.

Work on the long-awaited \$90 million second phase of improvements to Queen Ka'ahumanu Highway in Kona is progressing, and Kona residents are eagerly anticipating the relief to traffic congestion that the improvements will bring. Commuters along the Hāmākua coast also look forward to a quicker, safer commute once projects to fortify aging bridges and mitigate rockfall hazards are complete.

While recent improvements to Highway 130 between Kea'au and Hawaiian Paradise Park have improved traffic flow on that segment of the roadway, much more work remains to provide adequate capacity to the thousands of working people who commute each day into and out of Lower Puna, the fastest growing region in Hawai'i.

We again ask your committees to press ahead with the larger plan to expand more than nine miles of the Kea'au-Pāhoa Highway to four lanes. State studies show that four intersections along this highway rank among the most dangerous in the state based on the numbers of serious accidents, and improvements to this thoroughfare are an urgent matter of public safety. In addition, we ask the Legislature begin substantive, meaningful exploration of an alternate access route. Growth in Lower Puna is showing no indication of slowing down. For public safety, for economic growth, and for quality of life, our residents deserve this consideration.

HOMELESSNESS

In the past five years the homeless population on Hawai'i Island has more than doubled, increasing from nearly 600 individuals to over 1,200. This growth far outpaces increases in other counties. But more than a statistic, each of those individuals is somebody's brother, sister, cousin, aunty, or uncle that has fallen onto difficult times. We are committed to approaching and treating each person with dignity and aloha, while also holding them to the same standards of community conduct that make our island a great place to live.

We have been working with our community and government partners to address homelessness on our island. Our community policing officers and paramedics partner with health care and outreach workers to connect the homeless with housing and services. The county has built emergency housing, transitional and affordable rental housing, and affordable workforce housing in West Hawai'i, where housing costs are the highest on our island. We are looking at creative ways to expand the inventory of

emergency shelter beds, and will soon be building micro-units. Sadly, this is not nearly enough.

To better serve our homeless population we need to expand mental health and substance abuse treatment services. We need to increase funding for programs that get people into housing. Given the size of our island and the scope of the work needed, more outreach workers are needed.

We recognize this is a complex and long-term issue. We accept this challenge and look forward to continuing the collaboration with our state, federal, and community partners.

PUBLIC HEALTH & SAFETY

Mosquito-borne illnesses are on the rise worldwide. As many as 400 million people worldwide are infected with dengue every year, and similar viruses like chikungunya and zika continue to spread around the world. As global travel increases and land use worldwide continues to change, the risk of rare or new vector-borne pathogens to emerge and cross borders increases.

Thankfully, no mosquito-borne illnesses have gained a permanent foothold in the Hawaiian islands despite frequent introductions from infected travelers, and despite the statewide presence of at least one of the most problematic species of mosquitos that spread illnesses such as dengue. A robust vector control capacity is essential to controlling the statewide spread of illnesses through mosquitos and other pests.

In November 2015, the Centers for Disease Control and Prevention assessed the state and county's response to the outbreak. While the assessment recognized the great coordination between state and county agencies, it also found critical deficiencies in the Department of Health's areas of epidemiology, entomology, and communications.

County staff has augmented Department of Health staff in the response to this outbreak, from incident command, to public communications and outreach, to on-the-ground vector control. County Public Works and Parks & Recreation workers have joined Department of Health vector control and sanitation. County paramedics have been assigned to multi-disciplinary outreach teams with public health nurses and social service providers to go into hard-to-reach populations to find potential cases and connect them with the care they need. The county has also deployed risk reduction teams to go into communities and address mosquito hazards.

The Department of Health's vector control and entomology capacity has been challenged in recent years. Despite these staffing and resource limitations, the hard-working men and women of the Department of Health have done an extraordinary job responding to the dengue outbreak on Hawai'i Island. We ask for your support of the Department of Health in expanding their personnel and resources to tackle the public health threats facing the people of Hawai'i.

AGRICULTURE & ENVIRONMENT

Hawai'i has been impacted by invasive species and threats to our native flora and fauna time after time. In the past two decades alone, the coqui frog, little fire ant, varroa mite, coffee berry borer, and banana bunchy top virus have all established themselves on Hawai'i Island, impacting agriculture and the quality of life of our residents. Now another threat is emerging that could have catastrophic impacts on the health of our forests.

Rapid 'Ōhi'a Death, also known as 'Ōhi'a Wilt, is a fungus that is spreading on Hawai'i Island. It was found on trees spread over 6,000 acres in Hilo and Puna in a 2014 survey. Since then, it has spread to Ka'ū and Kona with no evidence of stopping. The 'ōhi'a tree is fundamental to the Hawaiian forest. It is critical to maintaining a healthy watershed, is a source of food for many endangered Hawaiian forest birds, and is central to many cultural practices.

Scientists from the U.S. Department of Agriculture and the University of Hawai'i have been working with state agencies and private partners to research how the disease is spreading. Initially found in East Hawai'i as early as 2010, the disease has migrated to West Hawai'i and to higher elevations. Early findings indicate that people are a major carrier of the disease from place to place.

The University of Hawai'i, Department of Agriculture, and Department of Land and Natural Resources all have a stake in this effort and all have much to contribute. We encourage you to support efforts and provide resources requested in the fight against Rapid 'Ōhi'a Death.

STATE-COUNTY PARTNERSHIPS

Our administration has long advocated for partnerships with the state to more effectively manage state-owned assets on Hawai'i Island. While the state has a kuleana to care for public trust lands and assets, the county is in a position to provide responsive, locally-informed management and oversight of these lands and assets.

We have seen this kind of partnership between the state and county succeed. The former Mauna Kea State Recreation Area, with its years of deferred maintenance, has been improved for the benefit of residents and visitors alike traversing the 50-plus mile Daniel K. Inouye Highway across our island. We are happy to report that since assuming management in July 2014, the county has improved existing facilities, expanded parking, added more restrooms to keep up with demand, and built a playground for energetic young travelers.

The Honorable Jill Tokuda, Chair
The Honorable Sylvia Luke, Chair
January 25, 2016
Page 6

While Mauna Kea Recreation Area is a shining example of a revitalized state asset serving residents and visitors, other state assets are critical to the economy of Hawai'i Island and in need of more active management.

The resorts on Waiākea Peninsula have been critical components of East Hawai'i's economy since the rise of tourism in the 1960s and 70s, and through the tough economic times that followed. These resorts sit on Department of Land and Natural Resources-managed parcels along Banyan Drive. Over time, a lack of active oversight of many of these properties have left them underutilized or in disrepair.

East Hawai'i residents are commuting well over 100 miles daily to work at jobs in Kona and the Kohala Coast resort areas while once-proud properties sit empty and deteriorating in Hilo. When properly managed, these properties are an economic engine and a job creator that provides benefits to our working families.

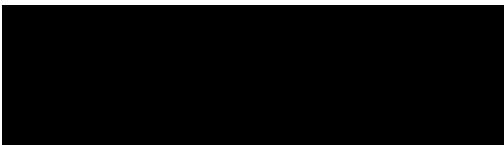
We support the Banyan Drive Working Group's efforts to address the future of Banyan Drive and to bring vibrancy back to the Waiākea Peninsula. The Department of Land and Natural Resources has commissioned various studies that provide a foundation upon which the county and state can initiate a master urban redevelopment plan. The county looks forward to partnering with the state to achieve this much needed revitalization of Banyan Drive.

CONCLUSION

We thank you for your consideration of these issues. We all share a great responsibility and duty to our constituents, and are prepared to work together with our legislators and the administration to address these concerns.

It has been an honor to serve the people of Hawai'i Island alongside you for the past eight years. In my final message to you as mayor of the County of Hawai'i, I would like to thank you for your past support and your continued commitment to Hawai'i Island.

Aloha,



William P. Kenoi
MAYOR

**OFFICE OF THE MAYOR
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**TESTIMONY OF KIRK CALDWELL, MAYOR
CITY AND COUNTY OF HONOLULU
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
AND THE HOUSE COMMITTEE ON FINANCE
Monday, January 25, 2016, 1:30 p.m.**

TO: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

The Honorable Sylvia J. Luke, Chair
and Members of the House Committee on Finance

First of all, thank you for the difficult work you accomplished in 2015 on extending the half-percent (0.5%) GET surcharge. We, at the City and County of Honolulu, expect that extension to be approved by the City Council on Wednesday. This will allow us to complete the 20-mile, 21 station minimum operating segment and begin rail operations. Again, with all sincerity, thank you.

The City and County of Honolulu is making solid progress. Property taxes are up, and our obligations are being met. Although one can always do better, accelerated schedules on road repaving, parks and bus improvements, and meeting the requirements of the federal consent decree on sewers remain on track. We continue to address the impacts of rail construction, and last year, we made progress in addressing homelessness by housing or sheltering nearly 500 individuals here on O'ahu. On rail, we appreciate the State's help at both the legislative and executive branch levels. The State Department of Transportation has been especially helpful, rolling up their sleeves and working hand in hand with our people at the Department of Transportation Services and the people at HART. On the issues of homelessness, we welcome the many opportunities we've had in the past year to partner with the State. The public may not see all of our successes, but in addition to the hundreds of homeless have helped, we have also assisted 520 veterans with finding better housing situations. This work continues in earnest and will likely demand our determined attention for years to come.

As has been the case for the last decade or so, the mayors of the four Counties come before you in unison. Our differences are only of size. We share the same responsibilities, the same resource shortages, and the same commitments to our respective constituents.

The two issues which make up this year's HCOM package concern beach liability and the Transient Accommodations Tax. You have seen the bills on eliminating the sunset provisions of the beach liability law before. We will make our case in committee and hope this time you will agree to its elimination.

As to the Transient Accommodations Tax, we all agree in our support of the findings and recommendations of the Working Group established by this Legislature. It was a two year effort that the County administration followed closely. No one was completely happy with the final recommendation – not the four counties, nor the four State departments that participated, nor the members of the Visitor Industry. Everyone had to give a little. But in the end, with the guidance of retired Hawai'i Supreme Court Associate Justice Simeon Acoba, they all supported the final recommendations unanimously. Let me repeat that; it was a unanimous decision.

We can live with it. It's fair. It also appears to be a long-term solution. It honors commitments of the past, yet allows for a fair sharing of the TAT revenues going forward. We look forward to the discussion on the merits of that proposal.

Thank you for the opportunity to present these brief comments. We, at the City and County of Honolulu, anticipate an exciting and productive year. I am available for any of your questions.