



# SCR127

**Measure Title:** REQUESTING THE CITY AND COUNTY OF HONOLULU TO ESTABLISH A BUSINESS MITIGATION RELIEF PROGRAM TO ASSIST BUSINESSES NEGATIVELY IMPACTED BY THE CONSTRUCTION OF THE RAIL PROJECT.

**Report Title:** Business Mitigation Relief Program; Rail Construction

**Description:**

**Companion:**

**Package:** None

**Current Referral:** PSM/HOU, TRE/WLA

**Introducer(s):** HARIMOTO, CHUN OAKLAND, Dela Cruz, Espero, Kim, Nishihara, Taniguchi, Wakai

We are the owners of Kristen's Kitchen in Waipahu. We were forced to close our restaurant down in November of 2015, due to the disruption of business caused by the RAIL Construction, directly fronting our restaurant. The construction began in January of 2015 and slowly undermined our ability to do business due to 24-HOUR road closures, lane shutdowns, utility relocations, flagmen, and the permanent closure of the left-turn lane into the parking lot for our business. Traffic congestion on Farrington Highway has been at a near standstill for the past year. Heavy equipment parked in the median strip totally obliterated visual access to the property.

From January, 2015 until October of 2015, our revenue dropped 80%. During that same time frame, we had 21 employees, then down to 3 and finally all were laid off. Many of them were or are still unemployed, adding to taxpayers losses. We operated four lunch wagons with military contracts at Pearl Harbor, Hickam, Ford Island and COMPAC Fleet. Those contracts were all lost when the restaurant failed. We also had a "Request For Proposal" (RFP) from the Navy Exchange to bid for an on-base, 7,000 sq. foot restaurant that would have added 25 more employees to our payroll and remove them from the unemployment rolls. This bid process was lost when we closed our restaurant.

Because of the disruptive construction, we were unable to consider selling the business as a package. Had the construction not been underway, the estimated selling price for the restaurant, the four lunch wagons with the military contracts was \$250,000. In contrast, in order to pay the final bills, we were forced to sell the furniture, fixtures and equipment at 10-cents on the dollar for a total of \$5,830. The total received for the four lunch wagons was \$20,000 (\$5,000 each at 20-cents on the dollar). The total with both: \$25,830, almost enough to pay our final costs. The remainder is being paid on monthly installments from my Social Security check.

We just received notice that our Landlord, Watamul Bros. is demanding payment of rent for the remainder of our lease on the premises (April, 2017), for a total due of \$66,840.59 (plus attorney fees), stating we have broken the terms of our lease. Other tenants have also close down at this location.

Without help from the City and County and from HART, we will not be able to pay this Demand Notice to the Landlord. We do not want to lose our family home because of the failure of the City and HART to include funds for the small businesses impacted directly by the Rail construction. We ask each of you to pass the resolutions proposed to help the many businesses that have failed or WILL FAIL, due to the disruption caused by this massive project. As an employer, we are legally obligated to provide medical provisions for our employees. THE CITY SHOULD BE LEGALLY OBLIGATED TO BUDGET/PLAN FOR FINANCIAL RELIEF TO THOSE OF US WHO ARE SUFFERING THE CONSEQUENCES OF THE RAIL PROJECT!!

Mahalo, Lynn Elisala (255-5030) and Russell Elisala (343-8900)

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