

# Legislative Update 2012

A newsletter from State Representative Joey Manahan

29th District - Kalihi Kai, Kapalama, Mokauea, Sand Island

*Aloha Friends and Neighbors,*

*Thank you once again for allowing me the opportunity to serve you as your State Representative.*

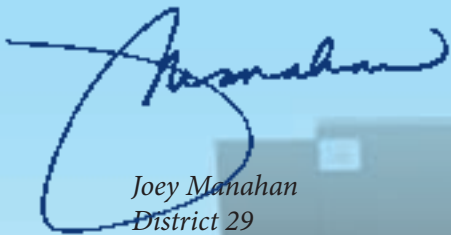
*This update contains a comprehensive report of the progress made in the 29<sup>th</sup> District during my tenure. Projects, such as the much-needed re-modernization of Farrington High School as well as the re-modernization of the Towers of Kuhio Park Terrace are two of the most visible examples of how hard work, tenacity, and collaboration with the community, are improving our quality of life not just for now, but for generations to come.*

*This newsletter will also highlight the collective accomplishments of the House of Representatives from a leadership standpoint, since last year, I was elected to the position of Vice Speaker of the House of Representatives by my colleagues.*

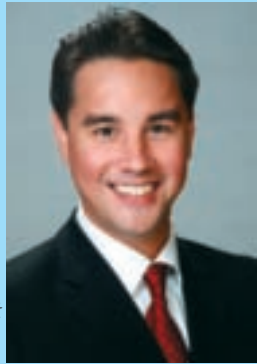
*This has been an amazing journey, and I hope to share the experience with you through this newsletter. You will find that Kalihi has become a better place for our families to live, work, and play, and with continuity in service, the 29th District shall remain on the path of progress.*

*Thank you again for your faith and confidence, and I will continue to serve you with strength and honor while fighting for a better future for all of us in the State of Hawaii.*

*Mahalo and best wishes,*



Joey Manahan  
District 29  
Kalihi Kai, Kapalama,  
Mokauea, Sand Island



## New Role as Vice Speaker

After completing only two terms of service (four years) Rep. Joey Manahan was unanimously elected to the position of Vice Speaker by his colleagues in the House of Representatives.

“I am grateful to my peers who have entrusted me with this position,” Vice Speaker Manahan said. “I look forward to serving our district and the State in this capacity.”

The position of Vice Speaker is an elected position by all the members of the House of Representatives and was voted by the members by resolution in HR5.



# Hundreds of Jobs Created while Saving Millions of Dollars by Much Needed District 29 Projects

The most significant and notable projects in the State are happening in District 29 namely, the Farrington High School and Kuhio Park Terrace (KPT) re-modernization projects as well as the much needed modernization of the Kapalama Container Facility in Sand Island as a result of Representative Manahan's hard work and advocacy of these projects.

The **Farrington High School Re-modernization** is the first of its kind in the State that will ambitiously rehabilitate the old facilities to create an optimum learning environment for the students. The project will serve as a model for all the older campuses in the Department of Education (DOE) System.

The **Kuhio Park Terrace Re-modernization** is a public private partnership between the State of Hawaii Public Housing Authority (HPHA) and the Michael's Development Corporation that has created hundreds of jobs while saving millions of tax payer dollars, not to mention eliminating the need of constant supervision over the repairs and maintenance back log of KPT.

Finally the **Harbors Modernization** of the **Kapalama Container Facility** will create much needed space as the demand for shipped goods to the islands continues to grow. This is a vital project not only to the residents of District 29 but for the livelihood of the entire State of Hawaii.

## Farrington High School Re-modernization

"This project is long overdue," said Rep. Manahan, "Farrington will finally see progress in its quest for a renovated campus to provide the optimum learning environment for the 2,600 students it serves. Farrington has not received an appropriation since the 1980s."

Representative Manahan secured \$8 million in funding for the vital first phase of the Farrington High School Re-modernization project through fiscal year 2013. The initial first phase is crucial to getting this ambitious project off the ground.

## Star Advertiser

DECEMBER 16, 2011

### Improving Upon History Farrington High Moves Closer to its Dream of Renovating its 75-year-old Campus

By Sarah Zoellick

State officials broke ground Thursday at Farrington High School for the first of many phases of renovations that the school's principal described as "critically needed" and "a dream come true for many."

"One, two, three, here's history!" 10th-grade Vice Principal Ronald Oyama called out just before a group of school administrators and legislators punctured a short pile of freshly laid dirt on the lawn.

The first phase of work at the aging, 26-acre campus is expected to take roughly a year and cost about \$2.5 million.

It will focus on the 14-classroom "A" wing of the school, transforming it into a "law and justice" learning community complete with forensics lab, faculty meeting room, a counseling area so staff can meet with students and classrooms with moveable dividers so the space can be expanded, Principal Alfredo Carganilla said.

The estimated \$100 million overall project, which could take 10 or more years to complete, will bring the state's second-largest high school -- and one of its most run-down -- up to speed with modern technology.

When the project is completed, Farrington will have a college-like teaching atmosphere in which students are taught and grouped by occupational interest, Carganilla said.

State funding to cover the first phase has been allocated, but the rest of the \$100 million has yet to be secured.

At the groundbreaking, state Sen. Donna Mercado Kim and Rep. Joey Manahan assured the crowd that the project is a priority.

"F-H-S, G-O-V, Farrington Governors, rah-rah-rah!" Kim, a Farrington graduate, shouted when she took the podium.

"Farrington just brings back so many memories for all of us," she said. "You cannot help but root for Farrington ... so here we are, finally getting the money and getting all the vision together."

Manahan said he hopes Farrington's new design will serve as a model for schools throughout Hawaii and that the project is not just an investment for kids in Kalihi, but for the state as a whole.

Rather than chip away at the school's \$40 million repair backlog or demolish the 75-year-old school and build a new one, school officials have decided on a complete overhaul.

Most of the current buildings and facilities will remain standing. About a third of the 250,000 square feet of proposed physical improvements will be new construction, which includes a parking structure and fitness and student centers.

Farrington has not had any major renovations in decades -- and it shows.

At Thursday's ceremony, former Principal Catherine Payne remembered Farrington as "grim" back in 1995, when she took a tour of the school before becoming principal. She said she told the students then, "The buildings you're asked to learn in are not worthy of you."

Senior class Council Treasurer Drazen Rafael said he is excited that future generations will live out his dream, and that he realized the renovation is not about him, but about the school.

"I just can't wait for the future," he said. "When they said that they were going to do a groundbreaking, I was like, 'Oh, I can't wait!'"

Rafael also said he hopes a revamped, cutting-edge campus will motivate students to show more pride and respect for their school, that they might become more involved and avoid spraying graffiti and fighting in the new space.



CSA Nomiya, Rep. Manahan, Sen. Mercado Kim, Principal Carganilla, Principal Catherine Payne, and Sen. Chun Oakland at FHS groundbreaking ceremony.

# KPT Re-modernization

Broken elevators and fire alarms, no hot or clean water, vandalized trash chutes, broken sewer pipes, flooded stairwells, insect infestations are a thing of the past for KPT residents. The nagging phone calls made for years, the audits proposed, the press conferences, community policing and clean-ups, even supporting a class action law suit filed by the residents of Kuhio Park Terrace against the State in order to get the substandard living conditions at KPT addressed by the State of Hawaii Public Housing Authority (HPHA) have finally paid off in a big way!

HPHA along with development partners, The Michaels Development Company, have begun construction and major renovations at KPT. This \$135 million rehabilitation effort is the centerpiece and first phase of a multi-year revitalization program for Kuhio Park Terrace and Kuhio Homes, the largest existing public housing complex in the state of Hawaii.

Built in 1963, the Towers at Kuhio Park Terrace have provided much needed affordable housing to Hawaii's families for more than 45 years. The renovation of the Towers marks the first public-private partnership between a private developer and the State of Hawaii to transform public housing. "The newly renovated towers and units, at Kuhio Park Terrace will serve as an attractive, affordable housing resource for future



KPT Tower A.

generations and will be a source of pride for the community," said ...

Local firms are providing design and construction services and this project is helping to provide more than 100 jobs for local construction workers, as well as high-quality, affordable housing for the current and future residents of KPT.

The renovations are being funded primarily through a combination of \$66 million in tax-exempt bonds and close to \$45 million in low-income housing tax credits (LIHTC) equity. The LIHTC program is widely considered one of the nation's most successful housing programs, generating private capital investment to support the development and the rehabilitation of affordable rental housing for America's low-income families. Corporate investors receive tax benefits in exchange for their equity investment in affordable housing. In the case of KPT, a team of corporate partners, led by the insurance giant, AEGON have committed \$44.7 million dollars of low-income housing tax credit equity.

The Hawaii Housing Finance and Development Corporation (HHFDC) as both the state agency that allocates tax credits and as the issuer of tax-



KPT Tower A front entry.

exempt debt has played a key role in funding the improvements at KPT. Citibank, using the proceeds of bonds issued by HHFDC, sold through a public offering by the investment firm of Piper Jaffrey, and credit enhanced by the Federal Home Loan Mortgage Corporation (Freddie Mac) is providing construction and permanent loans so that development may proceed.

Rounding out the financial team is the Hawaii Public Housing Authority. The HPHA has provided seller financing for the acquisition of the improvements (the underlying land will continue to be owned by the State of Hawaii) and a subordinate loan to fund major system renovations.

*In simple terms, the Michael's Development Company, is leasing*



## **KPT Re-modernization** *continued from page 3*

*the land and the buildings from the State. The Michael's Development Corporation owns the buildings for the duration of their lease, while the State maintains ownership of the land. As a result, The Michael's Development Company becomes responsible for the repairs and maintenance of the buildings and their upkeep for the duration of their lease.*

*This public private partnership saves taxpayers millions of dollars in revenues, which would normally go towards the maintenance of KPT. The savings on the costs maintaining KPT can now go to fund other key government services.*

The HPHA will also be providing on-going rental assistance and operating subsidies assuring that the Towers will remain affordable housing for many years into the future. More than \$48 million in improvements are programmed. Updates to the Towers' exteriors will include such key elements as island inspired decorative screening, a vibrant paint scheme for the façade and a redesigned entrance to provide a bright and welcoming experience at each Tower.

Reconfigured ground floors will create new space for resident activities, social services, management offices and enlarged laundry facilities. The design team has focused on creating areas that both residents and visitors will enjoy.

Individual apartments will also undergo substantial renovation, including expanded kitchens and enclosed lanais. Each unit will be modernized, receiving brand new interior finishes, flooring, windows, doors, plumbing and electrical fixtures, and energy efficient appliances. Thirty-three apartments will be reconfigured for handicap accessibility and 12 visual/hearing-impaired units will be created as part of the renovations.

"All of the residents I have spoken with are excited about



*KPT new kitchen.*

the renovation plans and look forward to moving into their new homes," remarked June Talia, vice president, Kuhio Park Terrace Resident Association.

In order to accommodate current KPT residents during the renovation process, The Michaels Development Company and HPHA have developed a relocation plan that minimizes the need for long-term displacement. The top three floors of one of the Towers have been designated as a 54-unit in-house "hotel" in which residents will reside for 6 to 12 weeks while their units are being renovated. Residents will continue to move in and out of the hotel until all of the units in both Towers have been rehabilitated and reoccupied.

The Tower renovations in building A have been completed, and expected completion of building B is scheduled for Dec. 31, 2012.



*APEC CEO's from the Philippines Tony Tan of Jollibee and Jaime Zobel of Ayala Land with Rep. Manahan and guests.*



*Bishop Museum's Native Hawaiian Garden groundbreaking ceremony .*

## Japan Tsunami Hits Hawaii

March 11, 2011--Hawaii beaches were swamped while piers and waterways sustained damage after a series of tsunami swept through the Hawaiian islands.

The ocean waves, triggered by an 8.9-magnitude quake off the coast of Japan and reached as far as Oregon and California, also raised alerts as far as Australia and the western coast of South America.

A warning issued for Hawaii has since been downgraded to an advisory. The state had earlier called for mass evacuation of coastal areas.

“Please continue to exercise caution — stay out of the waterways and shoreline areas,” said Gov. Neil Abercrombie, “Tidal activity around our islands remains unpredictable.”

The first waves reached Hawaii just after 3 a.m. local time. Local television stations’ live broadcasts showed areas near Waikiki and Hanalei incurring only a small surge of water that covered the beaches before receding.

At one point the famous reef at Diamond Head was exposed by receding water, a telltale sign of a tsunami’s arrival, according to a Hawaii News Now televised report.

The U.S. Navy Pacific Fleet reported a half-meter surge at Pearl Harbor, saying it had passed without incident. But the surges did cause millions of dollars in damage to commercial piers and boats.

In the days following the tsunami, Rep. Manahan led a group of his colleagues to survey the damage at Ke’ehi lagoon and was successful in lobbying for funds totaling over \$7,000,000 to assist with damages statewide.

Rep. Manahan was also responsible for the initial response by the State to assist area residents of Ke’ehi Lagoon. The series of meetings held with boat owners and residents of resulted in much needed food, water, and medical relief that was provided after the ‘all clear’ was given by State Civil Defense.



*Damaged boat at Ke’ehi after the March 11 tsunami.*



*Pu'uhale Elementary rallies to save their school.*

## Puuhale and Kalihi Elementary Schools Saved from Closure

The Board of Education (BOE) unanimously voted to keep Pu’uhale and Kalihi Elementary Schools open, thanks to the united effort of the Friends of Pu’uhale (a group of students, parents, and advocates from the school) and Representative Manahan who rallied to save both schools.

“It is really the 100 percent participation of the kids and parents in rallying for this cause that grabbed the attention of BOE,” said Rep. Joey Manahan. “Thank you and good job in saving the school.”

“While we respect the BOE and its diligence for investigating all options, I also hope that the board will have the tenacity and vision to rise above the current economics and use the successes of Pu’uhale Elementary as a blueprint that other schools can build from,” said Clint Schroeder of the Friends of Pu’uhale.

Rep. Manahan had earlier questioned the fairness of the BOE’s consolidation process during the hearings and questioned the Board’s motives in closing the schools.

“This is the only complex with two elementary schools being considered as a cost-cutting measure. I was hopeful that none of our schools would be consolidated or closed,” said Rep. Manahan.

Pu’uhale opened in 1929 and presently serves 234 students. Kalihi Kai Elementary has 605 students. The consolidation would have meant transferring the Pu’uhale students to Kalihi Kai, which would have made it the largest elementary school in the state.

Kalihi Elementary students would have been disbursed between Kalihi Uka and Kaewai Elementary Schools causing a major upheaval in the lives of students and parents of all schools involved. Rep. Manahan also cited safety concerns for the students who would have had to cross the Likelike Highway in order to get to school.

# How the Budget was Balanced

**HB200 State budget bill** - Covers the next two years and appropriates \$5.4 billion in General Funds (\$11 billion in All Means of Financing) for FY2012, and \$5.5 billion (\$10.9 billion in All MOF) for FY2013. In order to solve a projected deficit of about \$1.0 billion over the next biennium, the legislature made over \$600 million in cuts and passed revenue generating or transfers bills totaling over \$600 million (the financial plan leaves a healthy projected surplus in case revenue projections fall again).

Included in the cuts are labor savings of \$88.2 million in each year of the biennium on the assumption that most state workers will take a 5% pay cut. In addition, the legislature passed **HB575 Extension of salary cuts**, which extended a 5% pay cut for state legislators, judges, the governor, lieutenant governor, and department heads and deputies.

Revenue generation bills include:

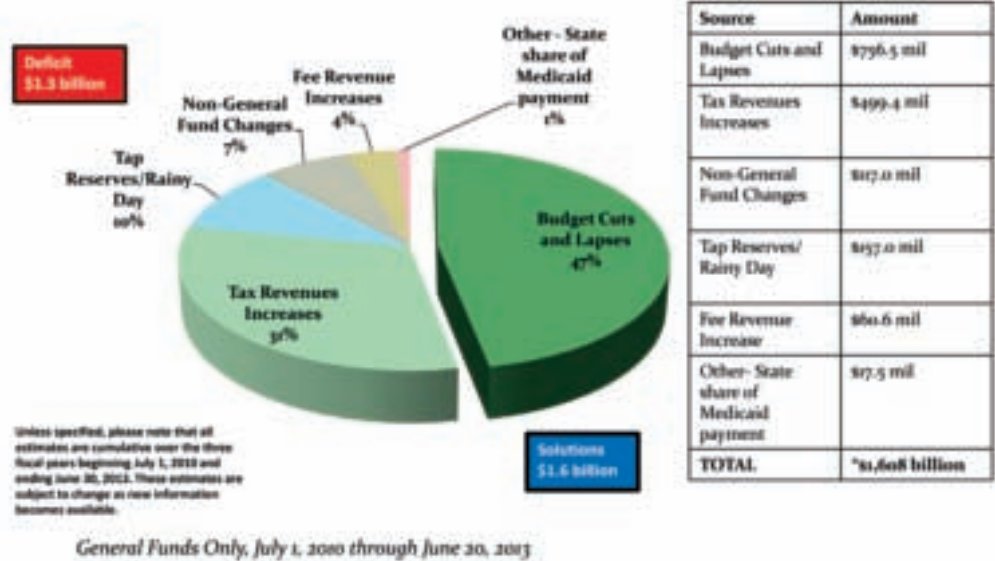
- **Eliminating tax deductions for high-income individuals**
- **Repealing GET business exemptions for 2 years**
- **Capping the counties' and HTA's share of the TAT**
- **Transferring of \$38 million from special funds**
- **Increasing the rental vehicle surcharge**

Revenue enhancements accounts for only one-third of the overall budget.

## Supplemental Budget

During the 2012 Legislative Session, the Legislature will consider Governor Abercrombie's proposed supplemental budget. The Council on Revenues most recent forecast projects growth to be at 11.5% down from their previous forecast 14.5%. This means the Legislature has to find an additional \$130 million to balance the supplemental budget.

Further adjustments will be necessary, which means more cuts and revenue enhancements will have to be considered. I will make a final report on this budget once the Legislature adjourns in May.



## CIP Highlights for District 29

**\$5,000,000 Farrington High School Re-modernization.** (In addition to \$3 million already appropriated and released for this project.)

**\$16,200,000 Kuhio Park Terrace Site improvements** including raised crosswalks

**\$2,500,000 Bishop Museum renovations** for Polynesian Hall and Planetarium

**\$15,000,000 Rental Housing Trust Fund** infusion of funds to finance additional affordable rental housings statewide

**\$1,000,000 Ke'ehi Resource Center/Pacific Gateway Center**

**\$7,800,000 Tsunami Damage Response** for DLNR facilities at Ke'ehi Small Boat Harbor and statewide

**\$1,200,000 Ke'ehi Small Boat Harbor pier 300 replacement**

**\$1,250,000 OCCC** replace refrigerated food storage facilities

**\$1,000,000 Sand Island State Recreation Area Park** improvements

**\$2,500,000 Harbors Modernization** construction management support and services

**\$700,000 Harbor terminal facilities** plans, designs, studies and master plan update

## DISTRICT REPAIRS AND MAINTENANCE FUNDING

**\$24,521 Farrington High School Library** replace A/C

**\$1,150,000 Farrington High School** renovation of science labs

**\$ 2,956 Kalihi Waena Elementary** re-roof

**\$? Kalihi Waena** fire alarms



*Aloha Aina Day at St. John the Baptist School.*



*Student interns of Hoopono program.*



*Supporting robotics at Kalakaua Intermediate School.*



*House recognizes New Hope for community service.*

## Harbors Modernization of Kapalama Military Reservation

DOT-Harbors is proposing to redevelop the former Kapalama Military Reservation (KMR) property at Honolulu Harbor into a new shipping container terminal to handle current and projected cargo volumes. Formerly owned by the U.S. government, the land was acquired by the State in 1993 for future harbor expansion and improvements.

The approximately 90-acre Kapalama site is bounded on the west by Sand Island Access Road, on the north by Auiki Street, on the east by Young Brothers' inter-island barge terminal, and on the south by the harbor waters of Kapalama Basin. Existing vehicular access is via Sand Island Access Road and Auiki Street.

The Draft Environmental Impact Study (DEIS) will evaluate direct impacts associated with the proposed action and its alternative actions, as well as indirect and cumulative impacts associated with the construction and long-term operation of the project.

### ***Purpose and Need for the Project:***

Hawai'i is the only state in the nation that is completely surrounded by ocean and, as a result, its residents are heavily dependent on ocean surface transportation for their sustenance.

Approximately 80 percent of Hawai'i's goods—including food, consumer products, vehicles, fuel, and construction materials—are imported into the state. Of that amount, 98 percent comes through its commercial harbors. Ocean transportation and commercial harbors are Hawai'i's lifeline to the world, supporting every facet of the islands' economy.

As the resident population in the islands continues to grow, and to ensure continued and unimpeded movement of cargo in and out of the state, as well as between the islands, the commercial harbors in Hawai'i must undergo major expansion and improvements. Through the years, transported cargo has been increasingly containerized. Containerized cargo throughput at the existing Sand Island container terminals is projected to increase at an annual compounded rate of three percent, based on the direct line-haul (service between Honolulu and the mainland) growth in containerized cargo between 1994 and 2005. Although recent throughput has slowed as a result of current economic conditions, long-term growth trends continue to push for increased terminal capacity at Honolulu Harbor.

Existing terminal capacity in Honolulu Harbor, the hub of the state commercial harbor system, has not been recently expanded. If no new capacity is developed in the current projection timeframe, major reductions in service time and increases in cost at the Sand Island terminals are expected. By 2020, the movement and handling of cargo will effectively be constrained with significant impacts on Hawai'i's economy, including lost jobs and income, foregone business revenue and taxes, and potential shortages of goods.

By 2030, the loss of real gross state product could amount to \$50 million, and consumers could be subject to 18 percent higher shipping costs. Expansion of container terminal capacity in Honolulu Harbor is a high priority to assure that continuing growth in cargo volumes entering the state is accommodated.

# Representative Manahan is Hawaii Medical Association's Legislator of the Year

Hawaii Medical Association (HMA) is pleased to announce Rep. Manahan as its Legislator of the Year for 2011, who was honored at the 10th annual "Ola Pono Ike" medical gala. Ola Pono Ike, means "Health is Knowledge, and the event, presented by HMA and the Honolulu County Medical Society, is held each year to raise awareness of critical health care issues, raise funds to support medically-related causes, and recognize extraordinary physicians and community leaders who strive to improve the health of Hawaii residents.

"These outstanding individuals exemplify the spirit of service and advocacy," says Dr. Jeffrey Akaka. "We are honored to recognize them for their dedication to making Hawaii a healthier, safer place to live."

Joining Rep. Manahan were Physician of the Year Dr. Gary Okamoto, MD (HCMS) and Lifetime Achievement Award recipient Dr. Steve Wallach, MD. The Media Award recipients were Jim Mendoza and Mike Perry, and the President's Award went to Dr. D. Thomas Rogers, MD (MCMS)

A portion of the proceeds were donated to the HMA Auxiliary Endowment for the John A. Burns School of Medicine, which supports medical student scholarships.

## Representative **JOEY MANAHAN**

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*View from Nimitz/Sand Island Access Road intersection.*

## PBS Hawaii Receives \$2M Grant to Relocate to Sand Island

Representative Manahan worked with PBS Hawaii last session towards a \$2 million grant-in-aid to build a new broadcast center in Sand Island.

The public television station said the funds from the Hawaii State Legislature will help it move from the grounds of the University of Hawaii at Manoa to a new home along Nimitz Highway.

PBS plans to build its new facility on the former site of KFVE on Sand Island Access Road.

The grant means PBS Hawaii has secured \$17 million to build the new center -- more than half of the \$30 million total it aims to raise.

PBS Hawaii has been at UH Manoa for more than 40 years, but it is losing its lease there because the university needs the space to house academic programs.



*Rep. Manahan with Leslie Wilcox and student volunteer at PBS.*



*Rep. Manahan and Richard Lane Citizen's Patrol celebrate the completion of the mural along Richard Lane Stream.*