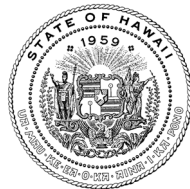


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1255, H.D. 1

February 23, 2023
1:30 P.M.
Room 308 and Videoconference

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

The Department of Budget and Finance offers the following comments on House Bill No. 1255, H.D. 1 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist West Maui Hospital Foundation, Inc., a Hawaii corporation, to finance the costs related to the design and construction of and equipment for the West Maui Hospital and Medical Center, including any necessary infrastructure improvements pursuant to Part II, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

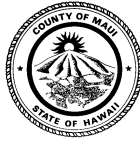
Thank you for your consideration of our comments.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



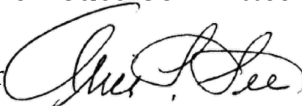
Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 22, 2023

TO: The Honorable Kyle T. Yamashita, Chair, and
Members of the House Committee on Finance

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 22, 2023; TESTIMONY IN SUPPORT OF
HB 1255, HD1, RELATING TO SPECIAL PURPOSE REVENUE BONDS**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for up to \$20 million to assist with the construction of the West Maui Hospital and Medical Center.

On December 16, 2022, the Maui County Council adopted Resolution 22-252, CD1, "URGING THE STATE LEGISLATURE AND THE GOVERNOR OF THE STATE OF HAWAII TO PROVIDE FOR THE ESTABLISHMENT OF THE PROPOSED WEST MAUI HOSPITAL AND MEDICAL CENTER" (attached). Therefore, I am providing this testimony on the Council's behalf.

The Maui County Council **supports** this measure for the following reasons:

1. This measure would provide the financial support necessary to continue the development of the West Maui Hospital and Medical Center, which will provide the region with its first acute care hospital.
2. An acute care hospital is needed because unprecedented projected rates of growth in residents and visitors will substantially increase healthcare demands for the already underserved West Maui population.
3. The West Maui Hospital and Medical Center will create significant job opportunities for local residents trained in health care.

For the foregoing reasons, the Maui County Council **supports** this measure.

Resolution

No. 22-252, CD1

URGING THE STATE LEGISLATURE AND THE GOVERNOR OF THE STATE OF HAWAII TO PROVIDE FOR THE ESTABLISHMENT OF THE PROPOSED WEST MAUI HOSPITAL AND MEDICAL CENTER

WHEREAS, West Maui is home to several of Maui County's largest residential communities and renowned as one of Hawai'i's premier visitor destinations but has no acute care hospital or related medical campus; and

WHEREAS, West Maui has an estimated population of 31,410 residents, with approximately 55,000 daily visitors; and

WHEREAS, unprecedented projected rates of growth will substantially increase healthcare demands for an already underserved West Maui population; and

WHEREAS, West Maui's distance from Maui Memorial Medical Center and challenging traffic conditions along Honoapi'ilani Highway have often resulted in injured and sick residents and visitors having to endure ambulance drive times of more than an hour, posing life-threatening dangers; and

WHEREAS, Newport Hospital Corporation acquired a 14.99-acre site on Kaka'alaneo Drive in the Kaanapali 2020 Development for a proposed West Maui Hospital and Medical Center; and

WHEREAS, Newport Hospital Corporation has obtained the required off-site infrastructure, water and sewer entitlements, and critical certificate of need for the facility; and

WHEREAS, the current land value of the West Maui Hospital and Medical Center site is in excess of \$30 million, including sites for an acute care hospital, one or more medical clinics, and assisted living facility, which to date have all been privately funded by Newport Hospital Corporation; and

WHEREAS, Newport Hospital Corporation will provide a 5.085-acre portion of the site on a long-term land lease to West Maui Hospital Foundation, Inc., a nonprofit foundation that will build, own, and operate

Resolution No. 22-252, CD1

the West Maui Hospital and Medical Center with a 24-hour emergency room, operating rooms, radiology, lab, pharmacy, and inpatient and outpatient services; and

WHEREAS, to provide needed construction funding to the West Maui Hospital Foundation for the West Maui Hospital and Medical Center, potential private and public financing entities have requested governmental financial participation in the construction phase—specifically, hospital building plans and infrastructure costs—of this project; and

WHEREAS, the Council has been informed that construction of this project can proceed upon receiving \$7 million from the State of Hawai'i's Capital Improvement Funds; and

WHEREAS, establishment of the West Maui Hospital and Medical Center would further a number of Maui County General Plan policies and objectives, including:

- “In cooperation with the Federal and State governments and nonprofit agencies, broaden access to social and healthcare services . . .” (*Countywide Policy Plan, page 54.*);
- “. . . facilitate the establishment of new healthcare facilities . . .” (*Countywide Policy Plan, page 54.*); and
- “Support the immediate development of a critical access hospital in West Maui.” (*Maui Island Plan, page 6-59*); now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it urges the State Legislature and the Governor of the State of Hawai'i to provide funding for the establishment of the proposed West Maui Hospital and Medical Center; and
2. That certified copies of this Resolution be transmitted to West Maui Hospital Foundation, Inc.; the Governor of the State of Hawai'i; the Hawai'i State Senate President, the Hawai'i State Speaker of the House, Maui County's delegation to the State Legislature; and the Mayor of the County of Maui.

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is **HEREBY CERTIFIED** that **RESOLUTION NO. 22-252, CD1**, was adopted by the Council of the County of Maui, State of Hawaii, on the 16th day of December, 2022, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS-FERNANDEZ Vice-Chair	Gabriel JOHNSON	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	Excused	Aye	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK

HB-1255-HD-1

Submitted on: 2/21/2023 12:55:28 PM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jo Anne J Winer	West Maui Hospital Foundation, Inc.	Support	Written Testimony Only

Comments:

Aloha Committee Chair Yamashita and members

Thank you so much for providing the opportunity to support our West Maui Hospital SPRB. My testimony today comes from a place that others may not understand. When I sat as Councilmember and also as Director of Transportation I always tried to find creative ways to accomplish the tasks put before me. I used the principle of looking forward 7 generations. How would my actions impact others in the future?

What I would ask you to do is use the same principle and creativity in helping this project become a reality. Please look at this facility as both a place of healing and a place of learning. While on the Maui County Council we helped to fund programs that are not always viewed as within our scope of responsibility. We have funded education, health care, agriculture, transportation, water, etc. and this is no different.

Can you envision Lahaina’s health care career path students working as nursing aides or candy strippers shadowing physicians at our West Maui Health facility or one day becoming the very physicians that will mentor other students? Can you see locals benefitting from new well paying job opportunities outside the tourism industry? Can you see lau lapaau being integrated with other holistic healing practices? Can you envision kupuna being cared for in a setting that does not involve the trauma of a lengthy and harrowing ambulance ride to Central Maui?

You have the tools and you have the power to do whatever it takes to ensure that West Maui’s people have a future that will enable them to live out their lives here – near family and friends – rather than be forced to move because jobs and opportunities never presented themselves. What will West Maui look like in Seven Generations?

This project is on my bucket list – I have watched my loved ones and friends pass away with no other options for care. I have listened to the sirens wailing across the Pali for too long. I made a promise to my husband Larry and to my husband Jim, both gone now, that I would not give up. I will not give up until this is done and even then I will do whatever it takes to insure that it survives – seven generations from now when people look back – they will remember what each of us did to make this a reality. Thank you for caring, Jo Anne Johnson Winer



Maui Hotel & Lodging
ASSOCIATION

Testimony of
Lisa H. Paulson
Executive Director
Maui Hotel & Lodging Association

House Committee on Finance
House Bill 1255 HD1: Relating to Special Purpose Revenue Bonds
February 23, 2023, 1:30 pm
Conference Room 308

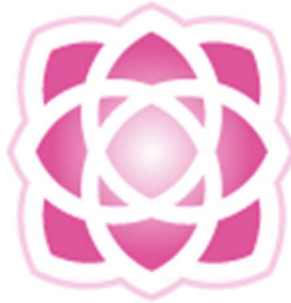
The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry for Maui County. We represent over 180 property and allied business members and 22,000 employees. **MHLA supports House Bill 1255 HD1**, which authorizes the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc. in the construction of West Maui Hospital and Medical Center in the county of Maui, including any necessary infrastructure. Requires the county of Maui to serve as guarantor of any debt service on the special purpose revenue bonds.

Mau has only one acute care hospital, Maui Memorial Medical Center, located in Central Maui. West Maui is one of Hawaii's premier visitor destinations and has a growing residential population but has no acute care hospital or 24-hour urgent care facilities. West Maui's distance from Maui Memorial Medical Center often requires residents and visitors to be transported by ambulance for close to an hour, which could result in delayed treatment or even the patient's death.

West Maui has been waiting for a hospital for decades. The island's west side can become isolated if the road in and out is blocked due to car accidents, fire, flooding, landslides, etc. This has and will continue to cause poor patient outcomes.

For the reasons stated above, **MHLA supports House Bill 1255 HD1**.

Thank you for the opportunity to provide this testimony.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, FEBRUARY 23, 2023 AT 1:30 P.M.

To The Honorable Kyle T. Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
Members of the committee on Finance

SUPPORT FOR HB1255 HD1 RELATING TO SPECIAL PURPOSE REVENUE BONDS

The Maui Chamber of Commerce **supports HB1255 HD1** which authorizes the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc. in the construction of West Maui Hospital and Medical Center in the County of Maui, including any necessary infrastructure. Also, the measure requires the County of Maui to serve as guarantor of any debt service on the special purpose revenue bonds.

The population of residents and visitors on the west side of Maui has greatly increased. With the increased population and traffic, along with the closing of Honoapi'ilani highway due to flooding, fire or vehicle wreck, additional medical services on the Westside are greatly needed.

The West Maui Hospital is a viable alternative to allow medical services be performed in a timely manner. The hospital is in need of funding from all stakeholders. This bill will add another avenue for that funding.

For these reasons we **support HB1255 HD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HB-1255-HD-1

Submitted on: 2/21/2023 11:07:19 AM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Hoyle	Individual	Support	Written Testimony Only

Comments:

I am Brian Hoyle, President of the West Maui Hospital Foundation and with my company, Newport Hospital Corporation, I have been working with the Community of West Maui for the development of this much needed West Maui Hospital for over 15 years. This project is Certificate of Need Approved with a fully graded and development entitled site in Kaanapali and approvals/permits for all the required offsite infrastructure construction. We are now seeking the Hawai'i State Approval for this SPRB with a Maui County Financial Guaranty that is critical in our efforts to obtain the financing to design the Hospital, complete construction of the infrastructure, and provide equipment for the West Maui Hospital as part of the total financing to build this 5 bed Critical Access Hospital with a 24 hour Emergency Room, 3 Operating Rooms, Radiology, Lab, Pharmacy, and Outpatient Services.

All previous attempts to finance the Hospital construction have failed due to lack of financial support by the Hawai'i State or Maui County government that will now be provided by this State SPRB with a Maui County Financial Guaranty.

I thank you for your consideration and support of this SPRB that will make the West Maui Hospital a reality - finally!

HB-1255-HD-1

Submitted on: 2/21/2023 11:46:58 AM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
michael willinsky	Individual	Support	Written Testimony Only

Comments:

I support the West Maui hospital plan. We are in desperate need of a nearby medical center. Many injuries and deaths will be avoided if this plan is pursued. The sooner the better. Thank you for helping make this happen.

HB-1255-HD-1

Submitted on: 2/21/2023 8:51:32 PM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB1255 HD1.

HB-1255-HD-1

Submitted on: 2/21/2023 9:55:44 PM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Judith Hougaz	Individual	Support	Written Testimony Only

Comments:

Aloha,

I fully support the building of the West Maui Hospital.

The population of the West Side is growing and more housing is being approved but services like hospitals are not available to residents and/or visitors. As the occupancy of West Maui expands, so should services, especially medical

Mahalo,

Judith Hougaz

HB-1255-HD-1

Submitted on: 2/22/2023 8:20:36 AM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
James Kimo Falconer	Individual	Support	Written Testimony Only

Comments:

Please support the passage of HB-1255. West Maui has been in need of this facility for many years.

The Lahaina community along with the thousands of hotel room occupants have always been at risk if an emergency situation requiring quick medical assistance and transport to a hospital happens. In 2023, it takes a minimum of 45 minutes to reach Maui Memorial Hospital without traffic point to point.

Thank you for the opportunity to testify.

HB-1255-HD-1

Submitted on: 2/22/2023 10:57:01 AM

Testimony for FIN on 2/23/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Howard Hanzawa	Individual	Support	Written Testimony Only

Comments:

I am a resident of Maui. Though I am now retired, I worked in West Mau for many years. It is a vibrant community which includes Lahaina Town, Kaanapali Resort, Honokowai and Napili, and Kapalua Resort. It has a rich history that is known throughout the world. Lahainaluna High School is the oldest school that is located west of the Mississippi.

There are thousands of residents that live and work in West Maui. In addition, there are thousands of tourists that flock to West Maui to enjoy the beaches and the beauty of the area.

The problem with West Maui is that it can become temporarily isolated due to the fact that there is only one accessible roadway in and out of the area. The roadway at times is blocked because of traffic accidents, fires, and storm activity. Thus people that need to access Kahului Airport, or Maui Memorial Hospital areunable to during critical times when the roadway is blocked. It is a situation that may invite further tragic incidents with the passage of time if an emergency facility is not built in West Maui. The dire need for an emergency hospital in the rea has been known for years.

Thus, I am fully in support of any and all measures to develop and operate the West Maui Hospital. Please kokua!

Mahalo Nui Loa, Howard Hanzawa