



# OFFICE OF THE MAYOR

## Office of Economic Development

## Office of Culture & the Arts

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The close of the 2007 fiscal year marked the conclusion of the Hannemann administration's 30 months at City Hall, a period best described by the mayor as "reflecting" the consistency of our spending priorities, with a continuing focus on the basic services that place a premium on public safety; maintenance of roads, parks and public facilities; transportation and traffic; and sewage and solid waste."

The City's operating and capital improvement budgets for the 2007 fiscal year, which began on July 1, 2006, were \$1.5 billion for operations and \$680.7 million for capital improvements. Spending on sewers and sanitation accounted for more than half—\$356.6 million, or 52 percent—of the administration's total capital spending for the year.

The highlights of the Fiscal Year 2007 budget are listed below.

### Sewers

Beachwalk pump station force main.....	\$18 million
Sand Island treatment plant expansion .....	\$64 million
Sand Island treatment plant disinfection facility and effluent pump station .....	\$15 million
Fort DeRussy pump station and force main .....	\$2.2 million
Honouliuli treatment plant solids handling .....	\$22 million
Honouliuli treatment plant upgrades.....	\$10 million
Kalihi Valley sewers.....	\$23 million
Kalihi-Nuuanu sewers .....	\$21 million
Wilhelmina Rise sewers.....	\$20 million
Waimalu sewers .....	\$9.5 million
Houghtailing Street sewers .....	\$7.5 million

### Roadways

Island-wide street rehabilitation (\$10 million for storm damage repairs) .....	\$44 million
North-South Road construction .....	\$33.1 million
Kuaheha Street (Palolo Valley).....	\$5 million
Manana cane haul road construction.....	\$4 million
Waianae Coast alternate access route .....	\$1 million
Waimalu Stream dredging .....	\$3 million
Flood control for streams and ditches, island-wide.....	\$1.25 million
Bridge rehabilitation and improvements, island-wide.....	\$2.5 million

### Public Safety

15 uniformed police officers .....	\$0.77 million
10 permanent and 10 contract water safety officers (lifeguards).....	\$0.6 million
Crime laboratory expansion.....	\$9.95 million
Police station and facility improvements .....	\$1.65 million
Police patrol sedans and other equipment .....	\$2.9 million
Mobile data computers in patrol vehicles.....	\$1 million
Fire station building improvements.....	\$2 million
McCully fire station replacement.....	\$1 million
Two fire engines.....	\$1 million
Wahiawa ambulance facility construction.....	\$1 million
New lifeguard towers.....	\$0.4 million
Telecommunications facilities upgrades .....	\$2.9 million

## Public Facilities and Parks

Blaisdell Center Arena risers .....	\$2.32 million
Blaisdell Center Arena air-conditioner (addition to \$4 million from FY 2006) .....	\$1.5 million
Honolulu Municipal Building fire sprinklers .....	\$5 million
Kapolei corporation yard (includes FY 2006 funding) .....	\$9 million
Ala Moana Park improvements .....	\$1.8 million
Halona Blowhole reconstruction .....	\$1.15 million
Fire alarms for park buildings .....	\$1.7 million
Sunset Beach Recreation Center construction .....	\$3.1 million
Waipio Recreation Complex restroom construction .....	\$1.55 million
Waipahu District Park reconstruction .....	\$1.6 million
Honolulu Zoo improvements .....	\$1.5 million
Kalihi-Palama Satellite City Hall relocation .....	\$0.44 million
Pearlridge Satellite City Hall renovation .....	\$0.5 million

## Traffic and Transportation

Honolulu High-Capacity Transit Project .....	\$50.2 million
Computerized traffic control system .....	\$2.3 million
Traffic signals at various locations .....	\$2.3 million
Bus and paratransit van acquisition .....	\$13.5 million
Middle Street transit center construction .....	\$2.5 million
Intra-island ferry (includes \$3 million in federal funds) .....	\$3.3 million
Fuel for public transportation buses .....	\$25 million

## Other

Kulana Nani apartment renovations .....	\$1.4 million
Rental assistance (federal and City funds) .....	\$32.1 million
Waianae affordable housing (to Hawaii Housing Development Corporation) .....	\$0.66 million
Habitat for Humanity Leeward Oahu for low-income housing .....	\$0.9 million
Hui Kauhale, Inc., for affordable housing at Ewa Villages .....	\$2.1 million
Korean American Foundation senior care facilities .....	\$1.95 million
Gregory House and Life Foundation HIV/AIDS services .....	\$0.42 million
Six contract driver license examiners during summer and holiday .....	\$77,000
Four real property appraisers at Kapolei Hale .....	\$137,000

## Mass Transit

The City's year-long Alternatives Analysis study confirmed that a fixed guideway is the best way to address Oahu's future transportation needs. The study identified a 28-mile route from Kapolei to Waipahu and Pearl City, to the airport, Dillingham Boulevard, Nimitz Highway, and Halekauwila Street, to Ala Moana Center and the University of Hawaii, as the optimal choice. That would cost \$4.6 billion to build. The study also identified a segment within that alignment, from East Kapolei to Ala Moana, that would cost \$3.6 billion.

The City Council approved rail and a route by the end of 2006, as well as the environmental impact statement and application for federal funding. With thanks to lawmakers and the citizens who spoke out in favor of rail mass transit, Mayor Hannemann signed Bill 79 into law in a ceremony at Kapolei Hale on January 7, 2007.

He said at the time, "A mass transit solution for Oahu has eluded government leaders for over 40 years. The bill designates a fixed guideway as the mode of mass transit for Honolulu, and calls for an alignment from Kapolei to Manoa. This is the first step toward an integrated, multimodal transportation system for Oahu. This is the right thing to do, as it will improve our quality of life. Families for generations to come will be grateful for our taking this step forward."

Hannemann thanked the City Council members who voted 7-2 to approve the bill in a special meeting in December. He also thanked the state Legislature, which in 2005 authorized the excise tax surcharge that will fund the project, and most important, the Neighborhood Board members and other citizens who publicly supported the mass transit plan over the past two years. He plans for the City to break ground on the fixed guideway in 2009 and to have the first leg operating in 2012.

The Alternatives Analysis was performed by the Honolulu High-Capacity Transit Corridor Project team, working under the direction of the Department of Transportation Services. The federal government funded 80 percent of the \$10-million study, which was turned in to the Council ahead of schedule.

For more than a year, the project team evaluated four options intended to improve the mobility, reliability, and equity of Honolulu's transportation system in the fastest-growing corridor on Oahu, which runs from Kapolei to the University of Hawaii at Manoa and contains the majority of population, housing, and employment on Oahu. Over the next 25 years, Oahu's population is expected to grow by 250,000, with the majority of people living and working within that corridor.

The analysis report evaluated the alternatives based on cost, ridership, environmental and social impacts, and potential to slow the growth of traffic congestion. The four alternatives studied were:

**No Build** – Includes new highway facilities and committed transportation projects scheduled to be operational by 2030. This option maintains current levels of City bus service.

**Transportation System Management** – Improve the bus system, expand the zipper lane hours of operation, and make some capital improvements to roadways to give priority to buses.

**Managed Lane** – Build a two-lane highway viaduct as a toll road. The two-lane, grade-separated facility would be constructed between Waipahu and Iwilei. Multi-occupant vehicles would have priority, with excess capacity sold at variable toll costs to multi- and single-occupant vehicles. Construction would cost \$2.6 billion.

**Fixed Guideway** – Construct and operate a fixed guideway transit system. The Alternatives Analysis contains a recommendation on mode and alignment, but does not specify a technology. Two possible alignments are included: (a) a 20-mile alignment that would run from Kapolei to Ala Moana Center for \$3.6 billion and (b) a 28-mile alignment from Kapolei to the University of Hawaii at Manoa for \$4.6 billion.

In identifying the fixed guideway as the best choice for Honolulu's locally preferred transit alternative, the study determined it would cause the least pollution, consume the least energy, result in the highest increase in transit riders, and has the greatest potential to slow the growth of traffic congestion.

Upon the release of the Alternatives Analysis, the mayor said, "I know that the people of Oahu want traffic relief *now*, and they want more options for moving about our island. This study shows what I've been saying all along, that a fixed guideway represents our best and perhaps last chance to deal with traffic congestion and make a positive, dramatic improvement in the lives of Honolulu residents who are wasting far too much of their time stuck in traffic and away from their families. I'm committed to moving this project forward and am hopeful that working together with the City Council and the community, we can achieve the vision of making Honolulu the best place to live, work, play and raise our families. Traffic congestion is eroding our quality of life, and I urge the City Council to move quickly."

The mayor added, "Fourteen years ago, the City Council, on a 5-4 vote, rejected a rail transit system that would have been built in the same corridor that we're looking at today. In so doing, it turned away more than \$600 million in federal funds for the project. Fourteen years from now, I want people to say we had the courage and the will in 2006 to do the right thing for our families and future generations."

## Transit Symposium

One of the highlights of the year was the City's first Transit Symposium, held in October 2006 at the Hawaii Convention Center. The well-attended event yielded valuable lessons from elected and transit officials who either led the development of rail systems in their jurisdictions, or who now oversee their operation. The seasoned slate of speakers included former Phoenix Mayor Skip Rimsza; former Houston Mayor and now Oahu resident Kathy Whitmire; Todd Litman, executive director of the Victoria (British Columbia) Policy Institute; John English, head of the Utah Transit Authority; and Gary Thomas, president of Dallas Area Rapid Transit.

While each shared experiences unique to his or her jurisdiction, several major themes were gleaned from their talks:

**Don't delay.** The longer a municipality delays a decision on developing a mass transit system, the higher the eventual cost. Prolonging a decision also means more competition for a shrinking pot of federal transit money.

**Rail is just one solution.** The speakers said a fixed guideway system is just one part of a larger transportation network—"multimodal" in the parlance of transportation engineers—that includes buses, taxis, a ferry in Oahu's case, bicycle lanes, and even walking.

**Expect resistance.** Just about every transit proposal experienced initial resistance from the public. The result was that, in the interim, populations kept growing, developments kept sprawling, and traffic congestion kept worsening, until voters were convinced that a rail system was the only way to go. Former Phoenix Mayor Rimsza quipped that his administration dubbed the chronic opponents CAVE people, or Citizens Against Virtually Everything, because of their consistent opposition to just about any public initiative, without offering any meaningful or reasonable alternatives.

**Keep the public informed.** The speakers recommended that the public be apprised of all steps in the process and have opportunities to involve themselves. The Hannemann administration held numerous community meetings and public forums as a commitment to public communication and the free flow ideas and opinions.

**Development comes later.** The experts and numerous transit professionals advised that transit-oriented develop-



ment comes much later in the process. The most immediate need a mass transit system addresses, according to the experts, is providing choices to reduce commuting time.

Aside from the common themes, there were other points made by the speakers:

Kathy Whitmire, the former Houston mayor who now lives in Windward Oahu and is chairwoman of the board of the Outdoor Circle, said she wanted to see a transit system for Oahu, adding that the Texas experience indicated that the system should connect major activity centers, like an airport and stadium. She also recom-

mended grade separation to mitigate traffic accidents at street level.

Todd Litman pointed out air pollution will be reduced from a decline in personal automobile use. Phoenix's Rimsza mentioned that public transportation reduces the cost of travel by enabling households to manage on one less car, a cost that hovers around \$8,000 a year, according to one AAA estimate. Utah's John English was proud that Salt Lake City's system came in on budget and ahead of schedule.

**Buses:** In addition, the mayor announced the purchase of 40 new hybrid buses and 32 new Handi-vans. The buses cost \$500,000 apiece and are powered by electric and diesel motors to save fuel. The Handi-vans cost \$100,000 apiece. The federal government picked up 80 percent of the costs.

**Ferry:** Showcasing the City's commitment to provide residents with a variety of transit choices, the City received a \$3-million grant in June from the Federal Transit Administration for a commuter ferry service linking West Oahu to downtown Honolulu. Two vessels, the *Melissa Ann* and the *Rachel Marie*, will carry passengers from Kalaeloa Harbor to Honolulu Harbor in the morning and reverse the route in the afternoon. Unlike the previous ferry demonstration, a new City bus service will be integrated into the system when the year-long demonstration project starts in October.

## Sewers

Allocating more money for sewer work was accompanied by the construction of much-needed sewer pipelines. The Beachwalk emergency bypass project in Waikiki, in particular, continued into the new fiscal year. After weeks of intense rainfall, the existing 42-year-old force main broke on March 24, 2006, resulting in the discharge of 48 million gallons of wastewater into the Ala Wai Canal.

That led to the immediate construction of the Beachwalk emergency bypass. When the bypass project was announced in May 2006, the Hannemann administration imposed two key deadlines on the team building the project. The first phase involved the construction of a 5,000-foot-long bypass line from Ala Wai Canal to Ala Moana Park. That line floated down the canal and was submerged on July 17. It was hooked up to temporary pumps along both sides of the canal that were intended to intercept and divert wastewater flows from the existing pump station to the new bypass pipe. At the Ala Moana end, the wastewater was sent via existing lines to the Sand Island Wastewater Treatment Plant. By August 1, Mayor Hannemann announced that a contingency pumping system was in place and ready for emergency use in the Waikiki area.

Phase two included the construction of an underground pipe through a state-of-the-art microtunneling machine from a pit on the mauka side of the Ala Wai Canal. The machinery tunneled under the canal and Kaiolu Street, hooking up with the Beachwalk wastewater pump station makai of Kuhio Avenue.

The emergency bypass sewage system had its first successful test in November when it was placed into operation after a crack was discovered in the Beachwalk force main. Had the City not already installed the emergency pumps and pipes, it would have experienced another crisis.

**Laie:** In October, the mayor announced the City had reached agreement with Hawaii Reserves Inc., to acquire the Laie wastewater system from the private company, ending a decade of negotiations. The City will acquire and operate the wastewater system that serves more than 400 homes in Laie. The system includes the Laie Water Reclamation Fa-

cility, which treats wastewater from the community to stringent tertiary standards and was built by Hawaii Reserves for \$20 million. Hannemann cited it as another example of a successful public-private partnership negotiated by the administration.

By the time the transfer is done, Hawaii Reserves will have spent more than \$31 million and the City will have spent more than \$13 million on the Laie wastewater collection and treatment system. Because of Hawaii Reserves' involvement and investment, the City estimates that eventually over 600 homes in Laie will be sewerred, using a low-pressure collection system that is new to Hawaii. After the operational transfer of the existing system, Laie homeowners on the system will pay City sewer fees like all other City sewer users. The City's acquisition will take it a step closer toward the long-term goal of bringing municipal sewer service to all Oahu communities. The North Shore and most of Windward Oahu between Kahaluu and Laie are still served by cesspools.

**Niu Valley:** In February, workers began pulling 3,300 feet of 16-inch high-density polyethylene sewer pipe through a tunnel under Kalaniana'ole Highway, from Kawaikui Beach Park to the Niu Valley Wastewater Pump Station next to the Niu Valley Shopping Center. The City used the less obtrusive horizontal directional drilling method to minimize the project's impact on the community. Unlike the conventional method of open trenching and laying of pipe, which would result in major lane closures on Kalaniana'ole Highway, HDD involved drilling, boring a tunnel, and pulling a new pipe underground. Once the new pipe is installed and operational, the City can remove the temporary pipe on the Kalaniana'ole median, which was installed in 2005 after the existing underground main ruptured repeatedly.

**Construction Industry:** With plans for nearly \$1.5 billion in upgrades of Oahu's wastewater collection and treatment systems over the next six years, at year's end the City held an informational meeting for those who might be involved in the work. The meeting gave contractors, trade unions, suppliers, construction industry-related professions, and professional organizations an opportunity to receive comprehensive information about current and future public works projects.

## **Solid Waste**

In June, Mayor Hannemann unveiled a three-part program benefiting the Kapolei-to-Makaha area. It consisted of a \$2-million community benefits package to offset the impact of the City's Waimanalo Gulch landfill, the formation of two community-based advisory groups to provide oversight for the benefits and landfill operations, and a planned cleanup and facelift for beach parks in Maili, Nanakuli, and Keaau.

The mayor said, "Residents from Kapolei to Makaha have had to bear the burden of having the island's landfill located in their backyard for many years. With no feasible alternative site available elsewhere on Oahu, I pledged to them that we would offer a benefits package to help offset the impact of the landfill on the community. We're making good on that pledge and are pleased that the City Council shared our goal by approving our proposal."

The benefits include: (a) \$1 million to the Department of Parks and Recreation for parks improvements in Council District 1, the area most directly affected by the landfill; and (b) \$1 million to the Department of Community Services to provide grants and underwrite services that will address problems or concerns identified by residents.

"It's important to point out that the benefits program will be community-driven. This won't be a matter of the City telling residents what they should be doing. Rather, we fully expect residents to take an active leadership role in defining their goals and charting the course they want to take in achieving them, and those will be the responsibilities of two advisory groups we're forming to provide direction and oversight," said the mayor.

The first group, the Community Benefits Advisory Committee, will field and evaluate requests for funding from nonprofit organizations serving the Kapolei-to-Makaha area, as well as provide input to the two administering agencies—the departments of Parks and Recreation and Community Services—on the needs of the area.

Members and their neighborhoods include Kuulei Jolonino, Honokai Hale; Georgette Jordan, Waianae; John Kaopua, Nanakuli; Aimoku McClellan, Maili; Mark Suiso, Makaha; Patty Teruya, Nanakuli; Nettie Waiamau Nunuha, Nanakuli; and Roy Wickramaratna, Makakilo. Carolyn Golojuch of Makakilo is an alternate. Former Councilman John DeSoto, a Makaha resident, is an ex-officio member.

The second group, the Oversight Advisory Committee, will provide oversight for the Waimanalo landfill by working with the contractor, Waste Management, Inc., and the City to address complaints or concerns regarding operations at the site. Members and their neighborhoods are David Akina, Nanakuli; Polly Grace, Waianae; Pearl Lewis, Nanakuli; Lorraine Martinez, Honokai Hale; T. George Paris, Nanakuli; Allen Parker, Ko Olina; Alex Santiago, Makaha; and Albert Silva, Makaha. Jackie Spencer of Waianae and Kerin Paris of Nanakuli will serve as alternates. John DeSoto will be an ex-officio member of this group as well.

The members were selected with recommendations from Neighborhood Boards, community associations, the two area Councilmen, and individuals and groups that were invited to offer nominations.

The mayor also announced that Waianae District Park would receive a long-awaited, badly needed facelift. Work on

the park, which was to begin in August, involved repairs to the heavily used multipurpose building. A sum of \$350,000 was designated for this job. The parks staff will also complete in-house maintenance, including painting and minor construction repairs to the gymnasium and outdoor courts.

**Recycling Fair:** More than 8,000 people, including thousands of students and teachers, attended the City's second annual Discover Recycling Fair at the Neal S. Blaisdell Center in September to learn about recycling.

**Recycling Meetings:** The mayor held seven community meetings in April and May to gather residents' input and ideas for developing a sustainable recycling system. The information gathered through that process has been posted on [www.opala.org](http://www.opala.org).

**SWAC:** In April 2007, Mayor Hannemann established the City Solid Waste Advisory Committee, made up of 20 individuals, to advise him on refuse- and recycling-related matters. Ex officio members will be Eric Takamura, director of the Environmental Services Department; a member of the Honolulu City Council; and a representative of the state Department of Health. State law also requires that the committee review the City's integrated solid waste master plan.

"I've appointed a stellar group of individuals who represent environmental organizations, business, labor, the military and our youth," said Hannemann. "We appreciate the willingness of these individuals to get involved and help us address crucial issues involving our opala and recycling as we move toward a sustainable future for Oahu based on 21<sup>st</sup> Century Ahupua'a concepts."

The members of the Solid Waste Advisory Committee are: Christopher Ballesteros, Damien High School junior and vice president of his class; Paul Burns, vice president of Waste Management of Hawaii, which manages the City's Waimanalo Gulch Landfill; Aime'e Frisbee, Leeward Community College student and Mililani resident; Amanda Harrison, Kalaheo High School sophomore and honor roll student; Linda Henriques, secretary-treasurer, Rolloffs Hawaii; Lori Hoo, director of community relations, Hawaiian Electric Company; Dan Ikei, vice president, SD Systems Hawaii; Mike Irish, CEO of Halms Enterprises and Diamond Head Seafood; Tate Kaneshige, Iolani School junior and recipient of the Girl Scouts Gold Award; Col. Howard Killian, commander, U.S. Army Garrison Hawaii; Beau Mohr, Hawaii Restaurant Association president and co-owner of The Pearl; Dayton Nakanelua, state director, UPW; Harold Nakabayashi, vice president, Honolulu Disposal; Laura Robertson, president and CEO, Goodwill Industries of Hawaii; Brian Schatz, CEO, Helping Hands Hawaii and a former state legislator; Karen Shinmoto, business manager, Island Recycling; Rodney Smith, business manager, Covanta Energy, which operates the City's H-POWER waste-to-energy plant; Terry Telfer, president, Reynolds Recycling; Kevin Vacarello, Sustain Hawaii founder and co-facilitator; and Kathy Whitmire, president of the board of directors of the Outdoor Circle and former mayor of Houston, Texas.

## 21<sup>st</sup> Century Ahupua'a

In his February state-of-the-City address, Mayor Hannemann introduced his 21<sup>st</sup> Century Ahupua'a plan. He said, "There is no better way to honor our Polynesian heritage than to protect those very aspects of this island that were held sacred by the early settlers. I have always done my best in working with others to protect the essence of Oahu, from preserving Hanauma Bay and Waimea Valley, to Pupukea-Paumalu. These are the living treasures that provide us with the clean air, water, and unsurpassed beauty that make our quality of life unique.

"Hawaii's original inhabitants developed a sophisticated and successful resource management system based on the ahupua'a land division that supported a population more than half as large as it today, and there was not a car or bus among them. We must continue to learn from our Polynesian predecessors and renew our commitment to self-sufficiency and to the protection of our precious aina. The concept of the 21<sup>st</sup> Century Ahupua'a first emerged in 2005 when the City, working in conjunction with Kevin Vacarello and Ramsay Taum of Sustain Hawaii, sought to develop a culturally appropriate strategy for restoring balance and sustainability to our island home. We identified some specific initiatives as vital steps in marrying the idea of the 21<sup>st</sup> Century Ahupua'a to the scientific innovations that can produce the new and better way of life."

He tasked the Department of Budget and Fiscal Services with leading a working group to put the ideals of the 21<sup>st</sup> Century Ahupua'a into action. The department was charged with developing a 10-year plan with goals for alternative fuel usage, hybrid vehicles, cogeneration of electricity, conservation, and recycling.

The City has already upgraded the air-conditioning system at Kapolei Hale to shave \$50,000 from its electricity bill and is completing a major air-conditioning and lighting project for the Fasi Municipal Building and Honolulu Police Department headquarters that will save taxpayers \$500,000 a year. The City will continue to retrofit energy-efficient systems into existing City buildings and find new ways to conserve electricity through relamping, solar window tinting, use of Energy Star appliances, and ultra-efficient air-conditioning. It will be evaluating the efficacy of using rooftop photovoltaic systems at City corporation yards to use sunlight to produce electricity.

The City is a leading user of biodiesel in trucks and heavy equipment, now using more than 600,000 gallons of B20 a year. Use of biodiesel in the bus fleet will expand as local supplies become available, with a goal of total conversion within two years. The City is also replacing its bus fleet with new hybrid diesel-electric vehicles, a process advanced last year with the purchase of 40 new buses to add to the 10 hybrid articulated buses purchased in 2004. These vehicles cut fuel consumption by about 15 to 20 percent as compared to their diesel cousins.

Nobel Prize recipient and former Vice President Al Gore, in "An Inconvenient Truth," said that one of the ways to reduce global warming is to walk, bike, carpool, or use mass transit, because every mile driven generates one pound of carbon dioxide. On Oahu, traffic is not only an environmental concern, but congestion has become the number-one quality-of-life issue. The City's multi-modal transit system—encompassing a fixed guideway, buses, a ferry, bicycles and pedestrian paths—is underway and will go far in reducing driving, cutting consumption of imported oil, and curbing air pollution. Transit-oriented development will encourage pedestrian- and bicycle-friendly environments that complement, and become an integral part of, the City's new public transit system.

He also vowed to continue to improve ways to cogenerate electricity with the City's H-POWER plant using refuse-derived fuel. By processing municipal waste into this fuel, H-POWER now supplies electricity to more than 40,000 homes on Oahu and offsets the need for 560,000 barrels of imported oil annually. The City has issued a request for proposals to add another waste-to-energy facility with the ability to process 600,000 tons of waste each year, reducing the burden on our landfill and producing more non-oil-generated electricity. Honolulu has achieved an enviable 57 percent recycling and waste-to-energy diversion rate, which is the percentage of municipal waste that is sorted and recycled before conversion to refuse-derived fuel.

In April 2007, the mayor introduced a new public awareness campaign that sets the tone for the city's environmental and sustainability policies. Using public education and substantial adjustments to City facilities and operations, the mayor said he would focus on conservation, recycling, and alternative energy use. The new campaign features a symbolic connection to Hawaii's past and includes the newly proclaimed "official City bird," the indigenous manu-o-Ku (white tern).

The principles of the 21st Century Ahupua'a to be practiced by the City include honoring the host Hawaiian culture, developing alternative energy and biofuels, building efficient transportation systems, recycling solid waste, restoring productive agriculture, promoting "green" building, and protecting the forests and reefs.

## **Fiscal**

The mayor signed into law several measures passed by the City Council to provide relief to homeowners from skyrocketing real estate values. He said, "We recognized all along that the City needs to relieve the burden being placed on property tax payers by higher real property assessments. We were willing to work with the Council on how to provide that relief, and I think they have come up with some workable measures to ease the burden of higher assessments for many property taxpayers."

He approved these bills:

- Bill 1 (2005), CD1, FD1, doubles the basic homeowner's exemption from the current \$40,000 to \$80,000 for owner-occupants up to 64 years old. Owner-occupants 65 and older would be eligible for a homeowner's exemption of \$120,000. This bill would replace the current system, where the standard \$40,000 exemption increases in five-year steps beginning at \$60,000 for property owners age 55 and older, up to \$120,000 for those 70 and older.
- Bill 66 (2005), CD1, FD1, adjusts the filing requirement for persons 75 and older with low-income super-exemptions. Rather than reapply annually, the bill requires them to reapply every five years up to the age of 90. After age 90, they do not have to reapply.
- Bill 80 (2005), CD1, FD1, provides a tax credit for owners granted a home exemption where titleholders have an aggregate income of no more than \$50,000. Eligible owners would receive a tax credit for any amount that exceeds 4 percent of their income.

He noted, "I initially proposed \$40 million in tax relief, which amounts to \$300 for every homeowner. The Council said they wanted to focus on the low-income folks. In the spirit of cooperation, I was willing to support these measures, although it's not clear just how much relief these bills will provide.

"As a long-term solution, I will continue to press for creation of a homeowner classification for real property, as the three Neighbor Island counties have already done, to distinguish owner-occupants from speculators and other property owners. That would enable us to provide same-year tax relief to homeowners."

**Bond Rating:** Standard and Poor's upgraded Honolulu's bond rating from "AA minus" to "AA." That simple elevation will save the City up to \$300,000 for every \$100 million in bonds it sells. Savings aside, the reasons for the City's higher rating were equally noteworthy. First, the bond raters were impressed the City had been open and honest about its financial condition and capital improvement needs, and exercised the fiscal controls to cut unnecessary spending. Second, they were pleased the City had begun setting aside money--\$10 million so far--in a fiscal reserve fund. And third, they said the City's fixed guideway system represented continued economic growth for Honolulu.

**Awards:** The City again earned the prestigious Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA). This is the 20<sup>th</sup> time in 21 years that Honolulu has received the Certificate of Achievement for Excellence in Financial Reporting from the 16,000-member GFOA. This award represents the highest form of recognition in the area of governmental accounting and financial reporting.

Independent financial auditors designated the City a “low-risk auditee” for the first time in 10 years. The Honolulu firm of Nishihama & Kishida, CPAs, Inc., audited the City’s federally funded programs and internal controls in conjunction with the annual financial audit of the City for the fiscal year that ended June 30, 2006. The firm issued an “unqualified,” or clean, report on the audit, and found no material weaknesses or reportable conditions.

**Savings:** A review of long-outstanding financial obligations enabled the City to cancel purchase orders totaling \$3.1 million. The funds involved purchase orders from the prior administration, some of them more than 10 years old, that City departments were carrying on their books, but were not going to be used. Until those purchase orders were canceled, their unused amounts were encumbered, i.e., carried as liabilities on the City’s books.

**Collections:** In one of the City’s largest delinquent collections in recent years, the Delinquent Collections Section collected \$667,858 in delinquent property taxes from Halekua Development Corporation. The sum included back taxes, penalties, and interest on 161.36 acres of land in Waipahu from 2001 through March 31, 2007.

## **Public Safety**

The mayor established the Department of Emergency Management to replace the Oahu Civil Defense Agency. The change was approved in February. The new department’s primary role is to coordinate and facilitate emergency operations, training, information sharing, and federal Department of Homeland Security grant application and administration. This elevation from an agency to a department enhances the department’s role in the protection of the residents and visitors on Oahu. The director of the department will be a member of the mayor’s cabinet.

The City opened the Emergency Medical Services Division’s new dispatch center in January. The new center has an independent power source and back-up power, as well as direct hotlines to the Honolulu Fire Department, Honolulu Police Department, Ocean Safety and Lifeguard Services Division, Department of Emergency Management, and Airport Ramp Control.

The City’s Enhanced 911 emergency telephone system became operational with the participation of Oahu’s six wireless service providers. The E911 system allows 911 dispatchers to instantly pinpoint the location and phone number of any incoming cellular phone call on Oahu.

## **U.S. Conference of Mayors**

Mayor Hannemann played a key leadership role in the U.S. Conference of Mayors (USCM), the nationwide organization made up of the mayors of America’s 1,139 cities with populations of 30,000 or more. Hannemann is the first official from Hawaii to serve in a national leadership position with the conference since Mayor Neal Blaisdell served as its president in the 1960s.

Hannemann was elected by his peers to serve on the group’s 30-member advisory board and was also named chairman of the USCM’s Committee on Tourism, Arts, Parks, Entertainment, and Sports. He is also chairman of the Community Trees Task Force, which examines the benefits of community trees to identify ways that mayors can better promote community forestry programs in their cities and to share best practices.

In January 2007, he joined 260 of his colleagues in approving “Strong Cities, Strong Families for a Strong America,” a 10-point legislative agenda. It calls for the federal government to create a \$4-billion Energy and Environment Block Grant program to help cities combat global warming by reducing emissions, improving energy efficiency, and reducing dependence on imported oil. The plan creates opportunities for Honolulu to demonstrate its national leadership in several areas, including environmental and energy initiatives, interoperable communications, and crime and drug prevention programs.

In June 2007, Mayor Hannemann garnered national support for tourism and arts initiatives and accepted city awards. At the USCM’s 75th annual meeting in Los Angeles, he successfully secured the adoption of 11 resolutions he sponsored to bolster international tourism to the United States, support arts and culture and public broadcasting, and repeal the REAL ID Act of 2005. The resolutions introduced by the mayor and adopted by the conference called for increasing international travel to the United States through visa reforms, entry improvements, and a national promotional campaign; implementation of the Western Hemisphere Travel Initiative; urging the Bush administration to enter into a bilateral agreement to expand leisure group travel from China to the U.S.; supporting strategies to stimulate private contributions to the arts and arts education in America; encouraging congressional funding of \$430 million for the Corporation for Public Broadcasting; repealing the REAL ID Act and restoring the Intelligence Reform and Terrorism Prevention Act of 2004, which gives states more regulatory flexibility; supporting Chicago’s bid for the 2016 Olympic and Paralympic Games; and urging Congress to immediately develop a comprehensive plan for combating the crisis of domestic and international piracy and counterfeiting of goods.

Preceding the annual conference, Mayor Hannemann spoke on the importance of the visitor industry to economies of both cities and the nation at a one-day Travel Business Roundtable session chaired by Jonathan M. Tisch, chairman and CEO of Loews Hotels. Established in 1995 as an outgrowth of the White House Conference on Travel and Tourism, its membership includes about 70 CEOs and senior executives from the nation’s leading travel-related companies and is

headed by Jonathan M. Tisch, chairman and CEO of the Loews Hotels. Its goal is to educate and share ideas with elected officials on the importance of travel and tourism to the U.S.

He also accepted two awards on the City's behalf for the Tour de Trash program and its climate protection endeavors, a feat considering the number of cities in the U.S. vying for recognition. The Department of Environmental Services' Tour de Trash program earned an Outstanding Achievement Award for cities with populations of 100,000-plus. The award recognizes leadership in developing and implementing programs that improve the quality of life in America's cities. Tour de Trash gives residents an up-close look at the recycling and waste processing technology and a peek behind the typically closed doors of businesses that have instituted successful recycling programs. Honolulu earned an honorable mention for the 2007 Mayors' Climate Protection Award for outstanding and innovative practices that increase energy efficiency and help curb global warming.

## **MAYOR'S OFFICE OF CULTURE AND THE ARTS**

Michael Pili Pang, Executive Director

The mission of the Mayor's Office of Culture and the Arts (MOCA) is to promote the value of arts and culture in the City and County of Honolulu. As the liaison between the mayor and the Commission on Culture and the Arts, MOCA's objectives are to attain preeminence in culture and the arts; to perpetuate the artistic and cultural heritages of all people; to promote a community environment; to provide equal and abundant opportunity for exposure to culture and the arts in all its forms; and to encourage and provide for the development of culture and the artistic talents of the people of Honolulu.

Led by Mayor Mufi Hannemann, MOCA focuses its attention on arts and culture as an economic means to build and support the cultural and arts communities. MOCA regards culture and the arts as an integral part of establishing "a sense of place." To this end, MOCA initiates programs to empower organizations to create a voice within their communities to promote cultural, social, and economic stability. Through the City's partnership with organizations such as the Hawaii Alliance for Arts Education, Hawaii Jazz Festival, The ARTS at Marks Garage, Honolulu 100, Honolulu Symphony, Hawaii Youth Opera Chorus, Hawaii Theatre Center, and Alliance for Drama Education, MOCA's vision of highlighting a cultural economy is coming to fruition.

MOCA maintains artwork; manages and staffs the Mission Memorial Auditorium; produces art exhibits, festivals, and events at Honolulu Hale and Kapolei Hale; and administers the City's Cultural and Arts Grants Program. During Fiscal Year 2007, MOCA supported 215 events with an estimated attendance of 320,000.

Guided by the belief and affirmation of cultural self-determination, MOCA works as a partner and catalyst for increasing opportunities, awareness, and involvement in cultural activities for the benefit of all. In this capacity, MOCA administers the Art in City Buildings Program, Culture and Arts Programs, and a Collaborative Arts Program.

### **Art in City Buildings Program**

MOCA provided ongoing staffing and clerical support for the City's Commission on Culture and the Arts, including the staffing of its monthly meetings. The commission is an 11-member panel charged with reviewing and selecting artwork proposed for purchase and commission through the Art in City Buildings Program.

The Mayor's Office of Culture and the Arts continues to manage the Art in City Buildings Program. The Registrar completed the 2007 Annual Artwork Inventory on March 1, 2007, and submitted copies to the mayor, City Council, Commission on Culture and the Arts, City Archives and Library, and the Property Management and Disposal Section of the Department of Budget and Fiscal Services. As reported on the inventory, there are 876 objects in the collection. From 1974 to 2007, 32 objects have been deaccessioned and are no longer City property. The artwork collection database is continually being updated. Current records estimate a conservative value of \$9 million for the artwork collection.

New acquisitions for the year 2006-2007 are:

- A drawing, entitled "1870 'The Bell Tower,'" executed in 2006 and purchased from Menehune Fire for Hale Kinai Ahi, the new Honolulu Fire Department Headquarters.
- A drawing, entitled "1897 Central Fire Station," executed in 2006 and purchased from Menehune Fire for Hale Kinai Ahi.
- A painting, entitled "Current 2006," executed in 2006 and purchased from Menehune Fire for Hale Kinai Ahi.
- A drawing, entitled "Urban Memorial," executed in 2003 by Don Dugal and purchased from the artist for the Art in City Buildings Program.
- A drawing, entitled "Honolulu Bowling Club," executed in 1985 by Edith Crochel (gift of Thomas E. Mullenniex).
- A stone plaque, entitled "Shinyei Nakamine Gymnasium Complex," executed in 2007 for the Waianae District Park Gymnasium.

- A time capsule, entitled “Honolulu 100 Time Capsule,” executed in 2006 to commemorate the City and County of Honolulu Centennial and located on the Honolulu Civic Center grounds (gift of Honolulu 100).
- A bronze plaque, entitled “City and County of Honolulu Centennial Tree,” executed in 2007 and purchased from Erie Landmark Company for Ala Moana Beach Park.
- A bronze plaque, entitled “Filipino Sakada Centennial Tree,” executed in 2007 and purchased from Erie Landmark Company for Ala Moana Beach Park.

The Art Maintenance Program completed 69 maintenance treatments on outdoor sculptures. These works are on a regular conservation maintenance cycle. Relocatable artwork such as drawings, paintings, and prints received conservation treatments as needed and were installed or relocated as requested.

- A major restoration project was performed on the Torii Gate erected in 2001 and located at King and Beretania streets. Loose paint and fill material were removed and the entire metal structure was then primed and painted. The project was underwritten by the Honolulu Japanese Chamber of Commerce, with financial support from the Hiroshima Chamber of Commerce and Industry. Painter’s Warehouse and Devoe Paint donated the materials for this project. The work was completed in October 2006 by Raymond’s Painting, with additional support from Kaya Builders.
- A major treatment was performed on the 1939 mural, entitled “Ka Wai Ake Akua,” by Marguerite Louis Blasingame. It is located at the entrance to the Engineering Building of the Board of Water Supply. In an effort to conserve the stone mural, the Board of Water Supply removed all plants from the planter boxes and Design Stone Care removed mineral deposits and reduced sugaring and spalling on the first course of the stone mural and its planter boxes. The work was completed in June 2007.
- In July 2007, MOCA, with the approval of the Commission on Culture and the Arts, accepted a long-term loan of a life-size bronze statue of Elvis Presley, entitled “Elvis: Aloha from Hawaii,” from TV Land, a cable television network. The statue is located on the grounds of the Neal Blaisdell Center in commemoration of Elvis Presley’s 1973 concert, “Elvis: Aloha from Hawaii,” the first world-wide satellite television broadcast.
- The bronze surfboard markers of the Waikiki Historic Trail continue to receive biannual maintenance. This year the sealant between the porcelain and bronze was replaced on all 13 markers and the porcelain on the metal plaque of the marker, entitled “The Beaches of Waikiki,” was replaced. The work was performed by Waikiki Historic Trail facilitator Charles Palumbo and completed in June 2007.

The Artist Registry, with information on more than 700 artists, is maintained and utilized by the Commission on Culture and the Arts and local organizations for queries regarding artists or the commissioning of artwork.

### Cultural and Arts Programs

The Cultural and Arts Programs provide assistance to artists, performers, cultural organizations, and cultural practitioners. Community and cultural organizations from Waikiki to Waianae and Kakaako to Kahaluu have received support in the form of services, administrative assistance, and/or facilities for cultural events.

MOCA administered 14 grant awards to community and arts organizations in FY 2007. These grants ranged from the commission of new works of music and dance to the preservation of cultural practices; such as the



“Urban Memorial” by Don Dugal.





Ching Ming Festival, Hawaii Youth Symphony, and Aloha Festivals.

MOCA supported the second annual Honolulu 100 Family Festival at Magic Island. The event raised \$80,000 to aid in upgrading recreational facilities at Ala Moana Park. Through a continued partnership with Honolulu 100, MOCA coordinated the encasing of the Honolulu Centennial's Time Capsule at the Frank F. Fasi Municipal Building.

MOCA manages civic spaces such as Honolulu Hale, Kapolei Hale, and the Mission Memorial Auditorium. The common areas—the Honolulu Hale Courtyard, Lane Gallery, Third Floor walkway, and Kapolei atrium—are used to showcase the talents of visual artists from diverse communities. The Mission Memorial Auditorium is utilized during the day for meetings by various City departments; during the evenings and weekends, cultural performances are presented by community organizations.

In the spring of 2007, MOCA partnered with Ikebana International Honolulu Chapter 56 to present the second annual spring floral exhibit at Honolulu Hale. In the summer, MOCA presented the performing company Monkey and Waterfall, *Shrines to Paradise*, for a two-night run at Honolulu Hale. The courtyard was transformed into a carnival-like setting as part of this multi-media performance.

Partnerships with community organizations have enabled MOCA to grace the halls of City buildings with a wide range of artwork, displayed on a monthly basis. MOCA's City Employee Art Exhibit and Contest is the only one in the state that is part of the National Arts Program (NAP). The annual exhibit gives City employees and their family members a chance to exhibit their artistic talents. For the second year, MOCA worked with photographers Laurie Breeden Callies and Lisa Uesugi to display work from their project, *My Voice*, a portfolio of portraits of and by youth of Ohana Ola O Kahumana transitional housing in Waianae Valley. Programs such as this and the NAP exhibit are intended to go beyond art as the exhibits are the tangible results of programs intended to build self-esteem and broaden creative opportunities.



## Collaborative Programming

MOCA ensures that cultural activities are recognized, encouraged, and incorporated as an essential part of Honolulu's cultural fabric. MOCA works with organizations to plan and stage festivals and events and help fulfill the goal of establishing Honolulu as one of the most culturally enriched cities in the world.

The year marked the 100<sup>th</sup> anniversary of Filipino immigration to Hawaii. MOCA was charged with overseeing the opening reception of the Filipino Trade Expo that brought to the islands five sister-city mayors from the Philippines. This event also became one of the signature events to close the year-long celebration.

MOCA partners with various organizations to assist with celebrations. In August 2006, the Aloha Festivals conducted its annual investiture of the Aloha Court at Honolulu Hale. MOCA sponsored a stage at the Waikiki Hoolaulea and another at the Downtown Mele during the Aloha Festivals, creating venues for local artists to showcase their talents. Events such as these foster public-private partnerships between organizations and help to maintain the cultural traditions of the city.

Other examples of collaborative cultural partnership include Honolulu City Lights, Martin Luther King, Jr. Coalition Celebration, King David Kalakaua Birthday Celebration, Prince Kuhio Celebration, Na Hōkū Hanohano Concert, various Korean performing arts events, festivals, and the annual Night in Chinatown.

In addition, the following activities were completed: (a) publication of a monthly calendar of events distributed to individuals, Waikiki hotels, and City and state agencies; (b) a monthly update of the website, which provides information on events and exhibits related to the arts (<http://www.co.honolulu.hi.us/moca/index.htm>); and (c) the provision of entertainment and technical support for City and County of Honolulu events.

## Statistical Report of MOCA FY 2007 Programs

Distribution of Calendars ..... 564,000

### Art In City Buildings Program

Total Number of Pieces in the City Art Collection .....876  
 Objects on Loan in City Arts Collection..... 18  
 New Acquisitions.....9  
 Deaccession of City Art pieces..... 30  
 Artists Enrolled in City Artist Registry .....700  
 Preservation and Maintenance of City Art Collection..... 101 Objects  
 Value of City Art Collection..... \$9 Million\*

\*Amount reflects purchased records available and does not include the value of gifted items.

Cultural and Arts Programs	Fiscal Year 2006			Fiscal Year 2007		
	Number of Events	Participating Artist	Attendees	Number of Events	Participating Artist	Attendees
Art Exhibits in Public Spaces .....	17	150	11,900	32	215	33,998
Honolulu Hale - Public Events.....	9	36	2,430	55	45	85,460
Honolulu Hale – City-Sponsored Events .....	6	54	1,710	15	75	131,000
Kapolei Hale – Public Events .....	n/a	n/a	n/a	12	27	5,975
Mission Memorial Auditorium Events.....	53	509	1,225	100	625	8,634
Total Cultural and Arts Program .....	85	749	27,265	214	960	325,067

  

Grant Awards	Fiscal Year 2006			Fiscal Year 2007		
	Number of Awards	Amount of Awards	Attendees	Number of Awards	Amount of Awards	Attendees
Cultural Festival.....	3	\$ 15,000	n/a	4	\$ 25,000	2,635
Production of New Works.....	6	\$ 30,000	n/a	6	\$ 30,000	10,855
Performing Arts.....	5	\$220,000	n/a	3	\$135,000	75,202
Community Cultural & Arts Organizations.....	7	\$247,500	n/a	5	\$135,000	55,000
Total Awards and Amount.....	21	\$512,500	n/a	14	\$325,000	141,057

  

Collaborative Programming	Fiscal Year 2006			Fiscal Year 2007		
	Number of Events	Participating Artists	Attendees	Number of Events	Participating Artists	Attendees
Events Initiated by Community Organizations.....	8	496	120,000	12	602	120,980
MOCA Initiated Events.....	6	72	3,060	5	125	7,288
Honolulu 100 (2007 Family Festival).....	6	450	79,250	1	30	65,000
Total Collaborative Programming.....	20	1,018	202,310	17	727	193,268

Commission on Culture and the Arts, as of June 30, 2007:

- Roy L. Benham
- Peter-Rockford Espiritu
- William Feltz
- Helen H. Hamada
- Grant Kagimoto, Chair
- Betty Lou Kam
- Sharon McPhee
- Marlene Sai
- Carlyn Tani
- Margo Vitarelli
- Lynne C. Waihee

## OFFICE OF ECONOMIC DEVELOPMENT

The Mayor's Office of Economic Development (OED) works in partnership with Oahu's businesses and community organizations to support economic growth and enhance the quality of life in the City and County of Honolulu.

As the level of government closest to the people, the City's role in economic development is at the community level and OED's programs are driven by the needs expressed by Oahu's communities. The office works to provide a more nurturing, business-friendly environment for businesses and community organizations. The office also coordinates with City agencies and programs on the economic development implications of their activities and works with City organizations, community groups, and other government entities to stimulate economic development opportunities. OED focuses in areas where the City can build effective public-private partnerships to address a need and make a positive difference for communities and businesses.

Economic development is a shared responsibility and not solely a State government function. The importance of county-led economic development is clearly seen by the significant support given to the economic development offices of each of our Neighbor Island counties. Each office advocates for its county and works to promote the county as a place to do business.

The Mayor's Office of Economic Development includes the Honolulu Film Office and Sister-Cities Program, Rediscover Oahu events, and Targeted Community Economic Revitalization. OED implements and administers the Hawaii Tourism Authority's County Product Enrichment Program, Oahu Strategic Tourism Plan, and State-funded drug grants. OED supports Oahu's diverse businesses and communities in areas such as small business, tourism, diversified agriculture, entertainment, sports, and international relations. OED also helps support the mayor's participation in the U.S. Conference of Mayors (USCM).

### Targeted Community Economic Revitalization

Targeted Community Economic Revitalization is an initiative that is about City-community partnerships and turning community ideas into practical and achievable actions. The goal is to stimulate economic opportunities, strengthen the unique character of Oahu's diverse communities, and improve the quality of life. OED works directly with businesses and communities to focus efforts on concrete actions and foster the partnerships that will implement these actions. OED provides the essential coordination and support needed to bring the community together and works in partnership with the community to convene a community economic summit to share progress and spur more to get involved. Revitalization is not a one time event but an ongoing process where OED continues to help sustain and build momentum – steadily strengthening economic growth in that community.

OED's ultimate goal is to take this successful model — community-by-community — to all of Oahu's neighborhoods.

### Chinatown Economic Revitalization

In June 2006, OED coordinated a very successful Mayor's Chinatown Economic Summit, bringing together more than 300 stakeholders and stimulating numerous public-private partnerships. The City's leadership has strengthened community relationships, spurred collaborations and activities, and visibly accelerated Chinatown's renaissance into a vibrant center for commerce and culture and the arts.

Key Chinatown initiatives supported by OED during the fiscal year are described below.

**Bright Ideas Mini Awards:** Mini-grant competition for grassroots-generated ideas to revitalize Chinatown was sponsored by the City in partnership with the Ford Foundation and our five largest banks — First Hawaiian, Bank of Hawaii, Central Pacific, American Savings, and Hawaii National. Among the 10 winning ideas was the "Movie Night in Aala Park" which was held on February 23-24 as part of the City and County of Honolulu's Month in Chinatown festivities. OED has maintained an active partnership with the Ford Foundation and is currently working on additional revitalization efforts and funding opportunities.

**Free WiFi Access:** To attract more people to the area, OED worked with the City's Department of Information Technology to offer free broadband Internet access in Chinatown for a year in partnership with Tri-Net Solutions. Service will begin in October 2007.

**Homelessness:** The City is seeking a partner and funding to develop a City-owned parcel on River Street into transitional housing to ease Chinatown's homeless problem.

**Arts:** The Hawaii Arts Alliance was awarded a \$125,000 grant from the U.S. Economic Development Administration to develop a business plan for a second arts incubator in Chinatown.

**Evening Activities:** To encourage more First Friday-type events, OED provided a \$5,000 grant to the Honolulu Culture and Arts District (HCAD) for a pilot film event at Fort Street Mall. The September 22 event was such a success that organizers purchased the equipment and plan to hold more film events in the future.

**City's Month in Chinatown:** Under the mayor's leadership, OED brought Chinatown's distinct groups together in partnership with the City to produce a more unified and coordinated month of events celebrating Chinese New Year 2007. This multi-party private-public collaboration generated mutually beneficial results for all parties including more effective marketing, maximized use of City resources, and the most successful event to date. Partnership efforts included a single calendar of events, a 32-page color guidebook, a successful business discount promotion, a parade along Hotel Street, and a two-day Movie Night in Aala Park. In addition, with support from Hawaiian Electric, HCAD, and the Japan Travel Bureau, the City gave Chinatown a more festive atmosphere by stringing colorful red Chinese lanterns along Maunakea and Hotel streets during the month.

**Federal Funding:** To maximize Chinatown's designation as a Preserve America Neighborhood, which was announced last May 2006 by First Lady Laura Bush, OED applied and was awarded a \$150,000 grant from the National Park Service to develop a heritage tourism program that will attract more residents and visitors to Chinatown. The City is providing matching funds.

**Sister Cities:** OED has been working with Chinatown's Chinese groups to commemorate the 10<sup>th</sup> anniversary of Honolulu's sister-city relationship with Zhongshan, China — the birthplace of Dr. Sun Yat-sen, known as the father of modern China. Planned activities include official sister-city exchanges and the dedication of a statue of Dr. Sun Yat-sen at age 13. A gift to the City from the Dr. Sun Yat-sen Foundation, the statue will be placed in Chinatown's Gateway Park and the park renamed the Dr. Sun Yat-sen Memorial Park on November 12, 2007, in honor of Sun's birthdate.

**Sports and Culture:** In celebration of a unique Chinese cultural tradition, the City helped support the 2007 Dragon Boat Festival, held August 11-12 at Ala Moana Beach Park. Drawing over 30 business and Chinese teams and hundreds of attendees, the races also supported the Mayor's Healthy Honolulu initiative.

## City and County Projects in Chinatown

**Public Safety:** The City made anti-crime street lighting improvements along River, Hotel, and Pauahi streets and upgraded eight street lights on Pauahi Street between River and Maunakea streets.

**Pedestrian Safety:** City crews restored the crosswalk on the Diamond Head side of Nuuanu and Pauahi streets in the month following the summit and will continue to examine methods to improve pedestrian safety along the narrow, busy streets of Chinatown.

**Parking:** The City implemented "Project Park Safe" in the Chinatown Gateway parking garage to improve safety in this municipal lot. As a first step, all stairwells have been painted with bright white paint. New and brighter lighting fixtures have replaced old fluorescents and exit signs were replaced with LEDs. To help residents and visitors find public parking in Chinatown, OED created a parking map using the innovative Z-Card folded system. Included on the back side is a reprint of the City's Downtown Chinatown historic walking tour.

**Sanitation:** The City's Clean Team — 23 members strong — keeps Chinatown and downtown areas looking great with regular water pressure blasting of the sidewalks. The Department of Environmental Services provides special garbage pick up for commercial establishments, a service not offered in other areas.

**Landowner Issues:** OED is working with the Department of Planning and Permitting and the State Historic Preservation Office to explore ways to balance historic preservation with project feasibility to make adaptive reuse of Chinatown's buildings a reality. A key challenge is to maintain the basis for designation while allowing economically viable adaptive reuse.

The City has provided technical assistance to landowners and the HCAD on a façade restoration project for Hotel Street that received a \$250,000 grant-in-aid from the 2006 State Legislature.

In the week following the summit, HCAD, in partnership with the Historic Hawaii Foundation, sponsored a two-day forum showcasing the innovative ways that the Downtown Denver Partnership has helped nonprofit organizations, area businesses, landowners, and the public sector work together. Many of the landowners who attended the forum have joined together in a landowners group to continue dialogue and plan. In November, the City's Director of Planning and Permitting met with this landowner group to provide information and offer assistance.

## Kalihi Economic Revitalization

While still continuing efforts in Chinatown, OED initiated revitalization efforts through talks with community organizations in Kalihi, one of Oahu's oldest communities. On February 12, OED held a well-attended scoping session that produced valuable discussion and ideas.

Throughout the following two months, the City worked in partnership with various Kalihi groups and businesses — to flesh out these ideas — and turn them into actions that are meaningful and realistic. Coordinated by OED, the partnerships involved the participation and support of numerous City departments.

On April 26, the mayor convened the Kalihi Economic Summit, attended by hundreds of residents and business owners to share the actions being worked on, gain more input, and encourage more to get involved. The summit reinforced the partnerships created between Kalihi's diverse groups and the City. All efforts were focused on turning ideas into practical and concrete actions that will steadily build economic growth in Kalihi. The summit focused on community priorities and shared how City-community partnerships are supporting Kalihi's needs.

Some of the key initiatives that resulted from the summit are described below.

**Pedestrian Safety:** The City selected Kalihi as the first stop for its pedestrian safety campaign. Ugraded restriping of all faded/outdated crosswalks in Kalihi has already begun. New pedestrian traffic signals were installed on North School Street in Lanakila fronting St. Theresa's School. A new traffic signal was installed and began operation on July 24 at the intersection of North School and Leilani streets. Still to come is a North King Street involving an in-ground, illuminated crosswalk. The City has launched a five-year program to upgrade 525 walk/don't walk signs with more effective "countdown" signals at a rate of 105 signals a year and \$4,000 per intersection. These improvements combined with a planned project to install pedestrian countdown signals and embedded lights, as well as continued public education (in partnership with the AARP and State) and enforcement, the City expects to make headway in making Kalihi streets that much safer for everyone.

**Reinforcing Kalihi Pride and Promoting Kalihi's Businesses:** The Kalihi Business Association and the City cosponsored the second annual Sunset in Kalihi in May at Kalakaua District Park, featuring free movies, resource booths, food, games, and entertainment for the entire family.

**Business Assistance:** The City is working with Kalihi organizations and other small business resources to support and promote business assistance programs for Kalihi's entrepreneurs such as Empower Oahu's Micro-Enterprise workshops that were held in Kalihi in July and KoAloha Ukulele's "A Day in Kalihi," where the City assisted them with their efforts to facilitate a trolley stop in Kalihi.

**Redevelopment Opportunities:** The City will hold a public forum in Kalihi to ensure community involvement in plans for transit-oriented development. The City is also working with Kamehameha Schools and the community on long-term planning for lands in Kapalama.

**Workforce Development:** The City's Work Hawaii/Oahu WorkLinks is teaming with Kalihi businesses on programs such as 50-percent subsidized salaries for program hires. The City is working with Honolulu Community College and the Building Industry Association to support apprenticeships, bolstered by Honolulu's distinction as the first and only city in the nation to sponsor an Apprenticeship Awareness Week last year.

**Empowering Youth:** The City is collaborating with organizations creating economic opportunities for Kalihi's youth, like Hope Through Music and Farrington's Kalihi-opoly, to facilitate valuable business connections that will help them grow.

**Emergency Preparedness:** The Department of Emergency Management is working with the Kalihi-Palama Community Council to coordinate resources with the community, including participation in community emergency response team training.

**Replace Graffiti with Kalihi Pride:** Groups working with the Honolulu Police Department's Adopt a Wall program will be provided paint and brushes, as well as stencils of the Kalihi Pride logo, as a community symbol to deter graffiti.

Additional City-led initiatives include:

**Infrastructure:** Repaving North King Street and Alewa Drive, repairing Lanakila Park Gym, installing new playground equipment at Peter Buck and Kanoa Street mini-parks, and making more than \$90 million in planned sewer repairs.

**Community Services:** For the first time, for-profit organizations will be eligible to apply for selected training programs.

**Free Wifi:** Partnering with the Hawaii Open Source Education Foundation to deploy free wireless access at Kalakaua Park.

**Economic Opportunities:** Submitted and was awarded a \$150,000 planning grant from the U.S. Economic Development Administration to develop a technology incubator facility with Kalihi as a priority for location assessment. The City will provide matching funds.

**Drug Abuse:** The Mayor's Task Force on Drug abuse has awarded \$104,600 in grant monies this year to Kalihi organizations in an effort to educate and promote a drug free environment in the community.

**HFD:** New fire truck and improvements for Kalihi fire stations.

**Kalihi Pride Logo:** One of the immediate results of the Mayor's revitalization efforts was a genuine resurgence of Kalihi pride, reinforced by the unifying theme and symbol, Kalihi Pride, and the website [www.kalihisummit.org](http://www.kalihisummit.org).



## Rediscover Oahu Community Events

Amount	Organization	Event
\$20,000	D.B. Productions, Inc.	Sunset at Aala Park
\$15,000	AYSO Leeward Region 269	Kapolei Sunset on the Plain
\$15,000	Kalihi Business Association	Sunset in Kalihi
\$12,000	Making Dreams Come True, Valley of Rainbows	Waianae Coast Sunset on the Beach
\$15,000	HWB Foundation	Catch a Dream in Waipahu
\$12,000	Waimanalo Construction Coalition	Rediscover the Waimanalo Country Fair

## Small Business Advocacy

One of ways that OED helps promote and nurture business is through its advocacy role. The position of the Small Business Advocate (SBA) was created in 2001 to serve as a liaison between the City and County of Honolulu and the business community. The SBA assists

small businesses in investigating and resolving complaints and addressing barriers to growth. The advocate helps reduce red tape and clarify complex government procurement practices.

The Small Business Advocate is the City's primary representative at the City-sponsored Small Business Resource Center (SBRC) in Chinatown and cooperates with non-profit partners to ensure the continued sustainability of the service. At the SBRC, individuals interested in starting a business can get training and guidance not only from the City's representative, but from the staff of the Hawaii Women's Business Center, the Small Business Development Center, and the U.S. Small Business Administration.

The City's SBA is also playing a key role in promoting the economic revitalization and growth of Chinatown, a major OED goal. By networking and interacting with local businesses, community groups, cultural organizations, and the City's Department of Planning and Permitting, the SBA helps target key areas for economic growth.

## Honolulu Film Office

The Honolulu Film Office provides leadership in the planning and development of the film industry in the county with the goal the film industry becoming a vital, vibrant part of a diversified and sustainable economy.

The HFO works with federal, state, and county agencies and boards, film unions and associations, community groups, and strategic partners in the private sector to develop the television-film industry in Honolulu, build local film industry infrastructure, and market, attract, and facilitate all levels of productions.

The film office does this by working jointly with other state and private entities to nurture the growth of local filmmakers and resources, by developing and implement marketing and promotional plans that promote Oahu as a premiere on-location filming destination to attract out-of-state productions and resources to come to the county, and by providing guidance, facilitation, and processing of permits and filming permissions for all levels of local, national, and international production, including feature films, television series and special episodes, national commercial spot production, print media and campaigns, cable access production, and student/amateur photography (film, video, stills, new media).

Oahu is the hub of production for the state and typically generates 50-75 percent of statewide production expenditures, usually equaling or outpacing the combined totals of the Neighbor Islands. The estimate statewide direct expenditures generated by film and media production is \$100M annually. This number is anticipated to increase to \$150M statewide and by extension, to \$75M to \$112M (up from \$50-\$75M) on Oahu due to the passage of a the new tax incentive, Act 88 (data pending input from DBEDT).

The incentive applies to a broad range of projects and the HFO embraces supporting a diversified portfolio of projects. The wide variety is necessary to further develop Oahu's infrastructure into a viable, self-sustaining production center. To this end, the HFO works to support a wide range of filming projects of various scope, scale and economic impact. Larger imported projects often bring much needed resources and training while smaller modestly-budgeted projects often hire less seasoned workers or give those with new training experiences an opportunity to manage a department and establish a stronger foundation for their developing skill-set.

The anticipated increase in spending is also expected to create hundreds of man-hours of work and significant economic spending to the county. Preliminary statistics for a major feature film project that shot on Oahu in Spring 2007, the Universal Studios project FORGETTING SARAH MARSHALL generated over 75,000 man-hours of local labor and contributed to more than 6,000 hotel room nights.

As part of its strategic partnerships with the visitor industry, the HFO played a key role in promoting tourism with worldwide exposure as seen in movies, print advertising, and television shows and commercials that are produced on the island. The office works closely with the Oahu Visitors Bureau and others to maximize Oahu's exposure and branding

through film. As a member of OVB's Marketing Committee the film office works to build opportunities for, coordinate and assist OVB with destination branding through various media outlets. This includes leveraging the relationships developed through the physical production process with Universal Studios and the FORGETTING SARAH MARSHALL production team to explore and exploit marketing opportunities that may arise through the film shot on Oahu's North Shore as well as capitalizing on the strong visitor interest seen in LOST fans traveling to the island.

The HFO participates jointly and individually in various marketing and promotional projects including joint advertising and trade show exhibition with the state and other county film offices under the banner of Film Offices of the Hawaiian Islands. Additionally, the HFO conducts specific business development meetings in key filming centers such as Los Angeles and New York with decision-makers whenever possible to generate opportunities to bid for current and future film production work.

### **Hawaii Tourism Authority-County Product Enrichment Program**

From its inception in 2002, the Hawaii Tourism Authority-County Product Enrichment Program (HTA-CPEP) has helped diversify and enrich Hawaii's tourism product. The program develops new and enhances existing community-based tourism events, experiences, attractions, and projects related to agriculture, culture, education, health and wellness, and nature or technology. The program complements Hawaii's traditional resort product and assists in Honolulu's economic diversification.

In addition, OED is working with community and business leaders in Oahu's visitor industry to ensure that efforts are coordinated and reflect the strategy outlined in the Oahu Strategic Tourism Plan, a comprehensive vision of Oahu that is attractive to visitors, residents, and businesses. OED also continues to work with travel organizations to support marketing Oahu as a visitor destination.

#### **HTA-CPEP Events Funded in 2006**

<u>Amount</u>	<u>Organization</u>	<u>Event</u>
\$15,000.....	AT Marketing .....	4 <sup>th</sup> Annual Waikiki Spam Jam
\$40,000.....	Department of Parks and Recreation .....	Lei Day Celebration
\$15,000.....	Chinese Chamber of Commerce .....	Narcissus Festival
\$5,000 .....	Chinese Chamber of Commerce .....	Splendor of China, A Cultural Festival
\$15,000.....	Cinema Paradise.....	5 <sup>th</sup> Annual Film Festival 2006
\$15,000.....	The Filipino Community Center .....	14th Annual Filipino Fiesta & Parade
\$5,000 .....	Forward Foundation.....	Hawaii The Healing Garden
\$12,000.....	Haleiwa Arts Festival .....	Ninth Annual Summer Event
\$75,000.....	Hawaii Alliance for Arts Education .....	Downtown-Chinatown Gallery
\$15,000.....	Hawaii Korean Chamber of Commerce .....	5th Annual Korean Festival
\$10,000.....	Hawaii Pacific University .....	Hawaii Pacific University Intercultural Day
\$15,000.....	Hawaii United Okinawa Association.....	24th Okinawan Festival
\$65,000.....	Hawaiian Plantation Village .....	Living Village - Continuation of Phase II
\$55,000.....	Honolulu Culture & Arts .....	The Culture & Arts District
\$5,000 .....	Life Foundation .....	AIDS Walk for Life
\$14,000.....	Making Dreams Come True-Valley of Rainbows.....	Waianae Coast Sunset on the Beach
\$30,000.....	Moanalua Garden Foundation.....	Cultural Tourism - Prince Lot Hula Festival
\$6,000 .....	Moilili Community Center .....	Discover Moilili Festival - 11th Annual Event
\$20,000.....	Native Books.....	Na Mea Hawaii Cultural Programming
\$10,000.....	Nova Arts Foundation dba Iona Contemporary.....	IONA's Premiere of Electric Blue
\$5,000 .....	The Safe Zone Foundation .....	3rd Annual Girl Fest Hawaii
\$14,000.....	Waialua Community Association.....	North Shore Sunset on the Beach 2006
\$5,000 .....	Waikiki Community Center .....	Ala Wai Challenge 2006
\$14,000.....	Waimanalo Construction Coalition.....	Rediscover Waimanalo Sunset on the Beach
\$36,700.....	Waimea Valley Audubon.....	National Audubon Society

## HTA-CPEP Events Funded in 2007:

Amount	Organization	Event
\$40,000	Department of Parks and Recreation	Lei Day Celebration
\$12,000	Chinese Chamber of Commerce	58th Narcissus Festival
\$12,000	DB Productions	2007 Night in Chinatown
\$50,000	Friends of Waipahu Cultural Garden Park dba Hawaii's Plantation Village	Marketing the "Living Village"
\$15,000	Haleiwa Arts Festival	Tenth Annual Summer Event
\$10,000	Haleiwa Main Street dba North Shore Chamber of Commerce	North Shore Symphony on the Beach
\$20,000	Hawaii Alliance for Arts Education, dba Hawaii Arts Alliance	The Secrets of Chinatown Walking Tour
\$25,000	Hawaii Book and Music Festival	Hawaii Book and Music Festival
\$15,000	Hawaii Korean Chamber of Commerce	6th Annual Korean Festival
\$5,000	Hawaii Maoli (Koolaupoko Hawaiian Civic Club Celebrate Kaneohe)	Celebrate Kaneohe
\$5,000	Hawaii Pacific University	Hawaii Pacific Univ. Intercultural Day
\$10,000	Hawaii Theatre Center	Chinatown Cultural Showcase
\$15,000	Hawaii Theatre Center	Chinatown/Arts District Tours
\$15,000	Hawaii United Okinawa Association	25th Okinawan Festival
\$30,000	Honolulu Cultural & Arts District Association	The Arts District's Special Event Program
\$25,000	Japanese Cultural Center of Hawaii	Multicultural Matsuri
\$5,000	Life Foundation	Aids Walk for Life
\$6,000	Moilili Community Center	Discover Moilili Festival - 12th Annual Event
\$25,000	National Audubon Society	Waimea Valley Enrichment Program
\$10,000	Royal Hawaiian Band	A Musical Tour of Hawaii's Diverse Cultures
\$25,000	TEMARI, dba Temari Center for Asian & Pacific Arts	Bamboo & Coconut-Flora, Food, Traditions
\$15,000	Filipino Community Center	15th Annual Filipino Fiesta & Parade
\$25,000	Pacific War Memorial Association	The Pacific War Memorial Association Interactive Display
\$5,000	Safe Zone Foundation	The 4th Annual Girl Fest Hawaii
\$5,000	Waikiki Community Center	22nd Annual Waikiki Community Center Ala Wai Challenge

## Sustainable Agriculture

The agriculture industry in the City and County of Honolulu continues to evolve — transitioning from large-scale corporate farms to a mixture of corporate farms and small specialty crop farming. Diversified agriculture continues to be an important industry for Honolulu, accounting for 70 percent of Hawaii's agricultural farm revenues and playing a major role in preserving Honolulu's precious green space.

**Conservation Planning:** Conservation planning is a comprehensive land management plan that recommends site-specific best practices to farmers and ranchers to protect natural resources such as soil, water, and air quality. Since 2006, the City has provided a \$40,000 grant annually to the Oahu Resource Conservation and Development Council to work with Oahu farmers, ranchers, community leaders, and school children to protect Oahu's water, soil, plants, and animals. Conservation planning and the use of conservation technology by farmers, prevent soil runoff into Oahu's streams, bays, and our ocean. As part of the City's environmental stewardship, supporting conservation planning protects the City from environmental erosion and flooding and minimizes the adverse economic impacts resulting from water and soil problems.

**Ag in the City: Grown on Oahu:** To raise awareness and understanding of Oahu's agriculture industry, the City presented the "Ag in the City: Grown on Oahu" event at Honolulu Hale in May 2007 in partnership with the Hawaii Farm

Bureau and the Oahu Resource Conservation and Development Council. "Ag Day" was an interactive exhibit about Oahu's agriculture industry, showcasing products from virtually every sector of agriculture on Oahu.

### **International Relations and Sister Cities**

On July 19, 2006, the City Council adopted a resolution that established Rabat, Morocco, as Honolulu's newest sister city. March 8-15 was proclaimed by Mayor Hannemann as Aloha Morocco Week. Top Moroccan chefs flew in to participate at a festive banquet called "Moroccan Nights, Hawaii Skies." His Majesty King Mohamed VI of Morocco also donated a fountain at Kapiolani Community College to the people of Hawaii.

From reception of courtesy calls by Hiroshima student groups to the signing of intercollegiate agreements between the University of Hawaii and Mohammed V. Agdal University, Honolulu's sister-city program continues to promote beneficial exchanges in various fields including commerce, education, and culture and the arts. Cultural and historical ties to her local community, in addition to economic opportunities, remain the guiding principles for the establishment of Honolulu's sister-city relationships.

### **The City's Sister-City Relationships:**

<b>No.</b>	<b>Sister-City</b>	<b>Date of Council Resolution</b>
1.....	Baguio, Philippines .....	November 3, 1995
2.....	Baku, Ajerbaijan .....	August 5, 1998
3.....	Bombay, India .....	January 20, 1970
4.....	Bruyeres, France .....	November 1, 1960
5.....	Caracas, Venezuela.....	January 27, 1999
6.....	Cebu, Philippines .....	December 6, 1990
7.....	Funchal, Madeira, Portugal .....	September 19, 1979
8.....	Hainan Island, China .....	February 27, 1985
9.....	Hiroshima, Japan .....	May 19, 1959
10.....	Hue, Vietnam .....	November 3, 1995
11.....	Incheon, Republic of Korea.....	October 15, 2003
12.....	Kaoshiung, Taiwan .....	September 4, 1962
13.....	Laoag City , Philippines .....	July 15, 1969
14.....	Manila, Philippines .....	March 19, 1980
15.....	Mombasa, Kenya .....	August 9, 2000
16.....	Naha, Okinawa .....	March 18, 1960
17.....	Rabat, Morocco .....	March 9, 2007
18.....	San Juan, Puerto Rico*.....	November 20, 1985
19.....	Seoul, Korea.....	May 20, 1973
20.....	Sintra, Portugal .....	August 5, 1998
21.....	Tokyo, Japan .....	December 8, 1960
22.....	Uwajima, Japan .....	February 18, 2004
23.....	Vigan, Philippines.....	March 19, 2003
24.....	Zhongshan, China .....	June 18, 1997