



**Mufi Hannemann
Mayor of Honolulu**

State-of-the-City Address
February 22, 2007
10:00 a.m.
Honolulu Hale Courtyard

Aloha and good morning, Chair Marshall ... members of the Honolulu City Council ... distinguished guests ... ladies and gentlemen.

This past year, the City and County of Honolulu observed the 100th anniversary of its founding. We celebrated this milestone with fanfare befitting a century of achievement, with due respect for those who championed our progress and prosperity, and with deep appreciation for the legacy we inherited from those who devoted themselves to the greater good during the past 100 years.

As we enter our second century, let us be mindful of our island legacy and what inspired our forebears. We can't know for sure what brought the earliest Polynesian voyagers to these shores. Anthropologists theorize that those brave souls may have been influenced by a culture of discovery. Surely, they were selected for the journey because of their courage and skill, and driven by a desire to serve their people. The immigrants who followed, to work from dawn to dusk in the plantations, were seeking better lives, if not for themselves, then at least for their children. The gallant soldiers who returned home after the terrible battles of World War II vowed that they would bring equality and justice to all citizens. And those who worked for the cause of statehood, and who then built modern Hawaii, were emboldened by the idea of bringing opportunity to those for whom it had long been denied. These are the men and women who built modern Hawaii and our home, our Honolulu.

I learned a long time ago while growing up in Kalihi, as the second youngest in a working-class immigrant family, that we had to share and sacrifice, to contribute, to help our parents, our brothers and sisters, our friends and neighbors. My upbringing by my parents, Gustav and Faiaso Hannemann, gave me lessons I have never forgotten, lessons that have guided me throughout my life and led me to public service.

The history of Hawaii, if not our nation, and the experiences of my formative years, which are much like yours, have told me that there are more noble goals in life than personal enrichment, that the bigger house or the shinier car do not matter as much as how we contribute to our community. The men and women who shaped Hawaii, who made the lasting contributions, pledged themselves to work for the greater good. They cooperated in the spirit of aloha to build bridges. They came not to make a quick killing and move on, but to make these islands their home.

They left this a better place than they found it. I imparted this principle with my hard-working City co-leaders—the members of my cabinet—when I shared my maxims on leadership and service at a gathering last year. I continue to uphold that same promise to you, and I invite you to join me in this quest.

This is our home, our Honolulu, our responsibility. Let us rise to this challenge, if not for us, then for our families, our children, for everyone who calls this home.

Accomplishments

In my 2004 campaign for this job, I said that the three themes of a Hannemann administration would be fiscal accountability, a focus on basic City services, and making this the best place to live, work, and raise our families. I believe we're fulfilling those promises, and in so doing, the state of our City is stronger than it was just 25 months ago.

Fiscal Achievements

You will recall that shortly after I took office, we convened a Mayor's Review that revealed the alarming condition of our treasury and obligations, and made a number of recommendations to correct our course.

Two years later, I'm happy to report we're making significant progress in the oversight of our City coffers. In early December, we learned that Standard and Poor's had upgraded Honolulu's bond rating from double-A minus to double-A. That simple elevation will save the City up to \$300,000 for every \$100 million in bonds we sell, a sum that will buy us a lot of asphalt and sewer pipe.

Savings aside, the reasons for our higher rating were equally noteworthy. First, the bond-raters were impressed that we have been open and honest about our financial condition and capital improvement needs, and exercised the fiscal controls to cut unnecessary spending. Second, they were pleased we had begun setting aside money—\$10 million so far—in a fiscal reserve fund. And third, they said our fixed guideway system represented continued economic growth for Honolulu.

And as a further validation of our fiscal course, the annual audit of our finances, under the direction of the City Auditor, resulted in "clean" marks, confirming the integrity of our fiscal policies.

In keeping with this theme of being accountable for your money, the City's top-notch legal team from the Department of the Corporation Counsel won outright seven of nine trials last year, with a favorable result in another. Out-of-court settlements or judgments against the City could have cost taxpayers at least \$1.5 million, but terrific trial work by our City attorneys resulted in hard-fought victories for our City ohana.

Telecommunications

Let's move on to basic City services, where we're making strides in catching up on upgrades to our public safety facilities and operations. Our first-responders—police, fire, and emergency medical personnel—and the Department of Information Technology have brought Enhanced 911 to Oahu. E911 enables emergency personnel to pinpoint the location of mobile phone users. Four out of six carriers are on board and we expect all to be on the network soon.

The Legislature is considering our funding request to develop a plan for a 311 call center. Calls to 911 exceed a million a year and more than half are non-emergencies, anything from a parking violation to a barking dog. This places a tremendous burden on the telecommunications system, and can sometimes result in delays in responding to true life-or-death emergencies. The 311 Call Center will field non-emergency calls and leave 911 exclusively for real emergencies.

We've completed evaluations of our 24 telecommunications towers, which are the backbone of our emergency system. Eight will have to be replaced and 14 must be repaired, following many years of neglect. We awarded contracts for two replacements and will award two more soon. Our goal is to replace at least eight towers and repair 14 so all can withstand Category 4 hurricanes.

Emergency Medical Services

The Department of Emergency Services recently moved its dispatch crew from tiny, cramped quarters in the tower at Honolulu Airport to roomier new digs at the agency's offices on Koapaka Street. At long last, we'll begin construction of a home for the Wahiawa ambulance unit this spring and will complete the Kapolei station within months.

With the support of the City Council, we have 10 more full-time lifeguards to protect the millions of residents and visitors who enjoy our beaches throughout the year. Despite the yeoman efforts of our dedicated water safety officers, people continue to underestimate the power of the sea and put themselves, and our rescue personnel, in jeopardy. That's why our Ocean Safety and Lifeguard Division and the University of Hawaii have teamed to develop a website, which they plan to encourage the visitor industry to use, that provides up-to-the-minute information on beach conditions across the island. As people get familiar with this service, we hope they'll keep out of harm's way.

The Department of the Medical Examiner has an educational program as well, providing tours for high school students, counselors, and teachers, with an emphasis on preventable deaths from substance abuse, traffic accidents, and other causes.

Police

The Honolulu Police Department put 61 new patrol vehicles on the road and will buy 48 more cars and five motorcycles this fiscal year. We're asking to purchase 89 more cars and 30 motorcycles next year.

The Waikiki and East Honolulu burglary-and-theft detectives and other HPD units will be opening an office at Fort Ruger this year, giving the police a permanent and visible operation in East Honolulu. We're also moving forward with the expansion of the crime laboratory and plans for a replacement for the Waianae substation with a full station to serve the Leeward Coast.

Recruitment and retention challenges continue to plague HPD. The department is exploring new strategies to hire and keep police officers, but I stand with HPD and SHOPO in our conviction that we cannot lower our standards just to fill our ranks. Given HPD's standing as the first metropolitan police department to receive triple accreditation from the Commission on Accreditation for Law Enforcement Agencies and the fact that Honolulu is the second-safest big city in America, I don't think anyone could argue with the wisdom of that policy.

HPD is not alone. Our civil service ranks across the board are facing the loss of retiring baby boomers and the City has difficulty in attracting and retaining skilled professionals. The Department of Human Resources is proactively looking for solutions.

Fire

A return to basic City services means devoting more money to repair our fire houses, and we're making good on that promise. We opened the new Honolulu Fire Department headquarters last year and continue to make repairs and renovations to our fire stations. We completed the Makiki station and made improvements to the Moanalua, Manoa, Kaneohe, Palolo, and Waimanalo fire houses. We're now rebuilding the McCully station and will commence improvements for the Mililani, Waianae, Kapolei, and Nanakuli stations with 2006 CIP money. For Fiscal Year 2008, we're requesting money for fixes to at least a dozen more fire houses.

We put three new fire engines into service in 2006 and will take delivery of one more this year. Our budget proposal calls for six more apparatuses for 2008.

Emergency Management

The last item affecting public safety is my proposal to elevate the Oahu Civil Defense Agency into a full-fledged City department, to be called the Department of Emergency

Management. Let me publicly thank the members of the Council for their resounding vote yesterday on the wisdom of this change in policy.

The reorganization reflects the increased responsibilities and larger role that this agency plays in protecting the public. The new Department of Emergency Management will be responsible for coordinating all disaster mitigation, preparedness, response, and recovery activity on Oahu. It'll be a cabinet-level body that replaces the Oahu Civil Defense Agency to help lead what's being called the "Long War" against terrorism, as well as pandemics and natural and man-made disasters in the post-9/11 world. Since 1999, I might add, the OCDA has administered \$44 million in Justice and Homeland Security department grants, \$20.6 million of that in the last two years alone. As my colleagues in the U.S. Conference of Mayors have so aptly pointed out: Before we can have homeland security, we must have hometown security.

We overhauled our Emergency Operations Plan, the document that spells out the who, what, when, where, and how of emergency responses, for the first time since 1992. It is now being reviewed by the state civil defense director for approval.

Roads

Since we declared a "war on potholes" two years ago, we've enjoyed considerable progress in our road maintenance and rehabilitation efforts. Our road crews filled 47,000 potholes the first year and nearly 70,000 last year. We've had setbacks, like last year's rainstorms that diverted crews to stream cleaning and debris removal for weeks and a prolonged asphalt shortage. Despite those unforeseen problems, we're completing road projects large and small, thanks to the departments of Design and Construction and Facility Maintenance.

South King Street in Moiliili has been repaved, as have streets in Aina Haina, Kailua, and Mililani, to name a few. We have or soon will begin rehabilitation projects we announced last year, with Beretania Street coming to mind. But we'll also commence work on Kilauea Avenue, Keeaumoku Street, University Avenue, Ala Wai Boulevard, and Alewa Drive this year. We'll be seeking bids for the rehabilitation of Lusitana Street within the next two months. Projects we had planned in Enchanted Lake and for North King Street may be delayed because we'll be doing sewer work there.

We're revising construction plans for Paakea Road to acquire land from several private landowners. Once completed, this section will provide an emergency route to Farrington Highway, between Mailili Road and Lualualei Naval Road, by the summer of 2008. This is something I know my friends on the Waianae Coast have been wanting for years.

We're preparing plans to extend Kamokila Boulevard in Kapolei to Roosevelt Avenue in Kalaeloa to give Ewa residents an alternate access to Kapolei and relieve traffic on Fort Barrette Road, which should come as good news for West Oahu residents.

As long as we're on the subject of roads, pedestrian safety is top-of-mind among residents. As I said when I joined HPD earlier this month to kick off the pedestrian safety campaign, one pedestrian death is one too many. So I've asked my managing director to convene the Department of Facility Maintenance, Department of Transportation Services, and the Police Department to come up with recommendations in 45 days.

Public Facilities

We have begun the long-awaited replacement of the 40-year-old air-conditioner for the Blaisdell Center Arena, a project that will be completed by this summer. Also planned for this summer is the replacement of the arena's rickety risers, so old they must have been in place when I was playing high school basketball. And given our emphasis on the importance of culture and the arts, the concert hall will be recarpeted and the exterior painted.

At the Honolulu Zoo, the well-received Keiki Zoo will be complemented by a new classroom to teach our young people about the animals. We're collaborating with the Honolulu Zoo Society on expanding the tiger habitat to make room for the cubs we hope to breed, and we want to get back on track on a new entrance for the zoo. By the way, despite an increase in admission fees, zoo attendance rose nearly 11 percent to 569,000 visitors last fiscal year and will reach about 600,000 by the end of this fiscal year, an increase of another 9 percent.

Windward Oahu motorists welcomed with big smiles and open arms the full-service Koolau Driver Licensing Center, which we opened in December after a four-year absence. Our Department of Customer Services is transferring our driver license renewals from the Pearl City police station to Pearlridge and we're looking to move the road test operation from Pearl City to a location in Waipio Gentry. We're renovating the Pearlridge Satellite City Hall and will reopen it by May. Among the improvements is adding point-of-sale stations so customers can pay their fees at the same time, rather than wait in another line.

Parks

Our heavily used parks require constant maintenance and repairs. The Department of Parks and Recreation has devised a program, called "Just In Time Maintenance," that bridges daily cleaning and major reconstruction. This addresses basic maintenance needs before a facility needs extensive repairs. It includes regular power washing, makeover renovations, the application of modern sealants, and other tasks. Parks has pooled the many skills of its employees to do complete makeovers of park facilities, as we saw at Ala Moana last April. The parks staff will even take this a step further by more frequently repairing and maintaining parking lots and roads and tennis and play courts, as well as increasing the frequency of in-house makeovers of comfort stations.

Despite some criticism about our decision to close Ala Moana, we see families, swimmers and surfers, and picnickers returning to the park in droves. Nothing makes me happier than to see families happy, and we're glad we were able to restore the luster to this crown jewel of our park system. Given our success, we're returning this April for a day and a half for a second major overhaul. We applied this practice along the Waianae Coast with outstanding results and we won't rest until all of our parks are cleaned up.

This park cleanup program had the added effect of catalyzing the state government into taking steps to build shelters for the homeless, who continue to be encamped on our public beaches. The City contributed \$500,000 to the state's shelter efforts and has awarded \$39 million over the past five years to groups aiding the homeless. The state's coordinator, Kaulana Park, who's a Pacific Century alum, is doing a terrific job in collaborating with the City's directors of Community Services and Parks and Recreation. As I've said throughout this process, the City will always do its part in a strong supporting role, but state leadership and the commitment of its considerable financial resources in particular, are necessary to transition beach dwellers off public lands and into homes and shelters.

Affordable Housing

The high cost of housing is a problem that's dogged us for decades. Every time there's a boom in construction, a run-up in home and condo prices, we hear the same calls for more affordable housing. However, state and City duplication and the Ewa Villages scandal led voters to abolish the City's housing department almost a decade ago. Likewise, the members of the City Council have made their feelings known that they want the City to divest itself of these vestiges of an earlier time.

As announced just days ago, we have begun this process and will test the waters with a phased approach in which we will attempt to sell the Kulana Nani apartment complex in Kaneohe. We will only proceed with the sale if the tenants are allowed to remain and the rents stay affordable. We are confident a sale will mean the tenants would benefit from a new private sector owner who has the capital and experience to better maintain these facilities. Taxpayers would benefit as we remove these financial burdens on the City, which now amount to \$3.5 million a year, not counting major repairs.

While we hope to extricate ourselves from the actual development and management of affordable housing, that does not mean the City has no role. The Affordable Housing Advisory Committee, the City's blue-ribbon group of experts from the private and public sectors and led by Craig Watase, spelled out a number of recommendations which would tap the City's existing strengths and resources to support housing development.

Among its recommendations, the group's top priority called for the City to hire a full-time housing advisor to oversee our activities. Despite a prolonged search, I have not been successful in finding a dollar-a-year volunteer to serve in this capacity, a la Paul Yonamine who spearheaded my Mayor's Review, so I'll be looking to hire a special assistant on housing in the mayor's office who will assist in the sale of our properties and

look for opportunities for the City to partner with the private sector to facilitate the development of affordable housing.

Before I leave the subject, our budget will call for tax relief for homeowners. I will again urge the City Council to establish a homeowners class, as our sister counties have done. In our upcoming budget, we will offer tax relief in the form of tax credits for homeowners and a \$150 subsidy for renters.

Transportation

With transit still fresh in our minds and many more steps to take, I commend the members of the City Council who worked with my administration in bringing us closer than ever before in only two years. Credit must go to the Council members who are staying the course in supporting a transit system that will go from Kapolei to the University of Hawaii at Manoa. We cannot forget the members of the Legislature who gave us the local funding mechanism, and we thank the business and labor groups, the news media, community organizations, and citizens from across Oahu who rose to say the time is now to bring this idea to fruition. As I continue to garner support from Congressional leaders on both sides of the aisle, federal transit officials, and the private sector, our objective remains clear and consistent: We will break ground in 2009.

As I have said from the outset of my administration, a rail system will be just one part, albeit an important part, of a multi-modal transportation system that includes buses, a ferry, and bicycle and pedestrian pathways. Three transit centers, which will provide hubs for TheBus, are under construction in Mililani, Waianae, and Middle Street. We're also negotiating with the state for a Wahiawa Transit Center.

We will be updating the Honolulu Bikeway Master Plan in Fiscal Year 2008. The existing plan is confined to the area from Pearl City to Kahala. We'll be working with the Hawaii Bicycling League to evaluate the bicycling potential of the entire island, look at existing routes, and begin planning for the incorporation of bicycling and walking as part of our rail stations and transit centers. I've charged the Department of Transportation Services with targeting more bike paths to and from the University of Hawaii's Manoa campus.

Our long-awaited ferry will begin in early July with service from Kalaehoa Harbor to Aloha Tower. For the first time in the history of ferry service on Oahu, the ferry will be combined with dedicated feeder bus service to offer seamless inter-modal connectivity, just like you see in such cities as Vancouver and Sydney. We will ask the Council to approve a single-fare for this service.

Sewers

From day one, it's been my style to be open and frank with you. And nowhere has that been more evident in the condition of City coffers and our aging infrastructure. Before taking office, I knew we had a big job ahead of us. I'm afraid I just didn't know *how* big.

We have 1,478 miles of City sewer mains. Of those, 318 miles are 50 years or older. Twenty-seven miles of those were constructed at the turn of the century—and I'm talking about the 1900s, not Y2K. This fact doesn't mean they're in imminent danger of collapse. Our Department of Environmental Services staff does a marvelous job of keeping things flowing, if you will. But these statistics do point to our obligations and challenges—challenges that are being faced by cities and states across the nation.

In my first budget, for fiscal year 2006, we raised sewer fees 25 percent and 10 percent this past July, the first time fees had been raised since 1994. We vowed that the fees would go exclusively for sewer work, and we've kept that promise. We budgeted a record \$240 million for sewer projects in my first budget, the highest figure in at least a dozen years, and \$354 million for this fiscal year. Next fiscal year, we're proposing to spend \$350 million on sewer and wastewater projects. Our projected three-year total of \$944 million will nearly equal the amount committed to wastewater improvements and repairs in the previous 10 fiscal years *combined*.

You'll recall that a major force main in Waikiki ruptured during last spring's deluge, which left us no choice but to divert 48 million gallons of sewage into the Ala Wai Canal. We don't want Oahu's people to ever have to face something like that again. Once that pipe was repaired, we immediately began working on an emergency bypass. That's just one part of an accelerated program of improvements to crucial points in our sewer system that will require many millions of dollars more than we initially planned when I came before you two years ago. After intense negotiations with the Environmental Protection Agency and Hawaii Department of Health, we at the City are committing to a program to address critical sewer force mains, including Beachwalk.

When we present our Fiscal Year 2008 budget next week, we will include a proposal for a new schedule of sewer fee increases to fund these vital projects, which include condition assessments of six crucial force mains and providing backups for three of them. As costly as all of this might be, we don't want another Beachwalk spill, and we must allocate significant sums of money to restore the integrity of our sewer infrastructure.

No less important are the many other sewer projects already in the pipeline. Work in Saint Louis Heights will commence this year. The Kalaheo sewer reconstruction in Kailua will be completed next month, at long last, and then we'll be able to continue the cleanup and road repaving. You've no doubt seen the water and sewer work along the length of Kapiolani Boulevard. Two weeks ago, contractors successfully inserted a new pipeline 90 feet below Kalaniana'ole Highway. That will soon allow us to finally get rid of that temporary black plastic pipe on the highway median, much to the delight of East Honolulu residents.

We will break ground for projects in Kailua, Kaneohe, and Kuliouou. We'll be putting out to bid work in Kalihi, Nuuanu, Waimalu, Wilhelmina Rise, Waialae Iki, and Waimanalo. Our budget for next fiscal year includes money for work on waste water treatment plants at Kailua, Honouliuli, and Sand Island and pipelines on School Street,

Ala Moana, and in Mililani. We thank the community in advance for being patient with the disruptions from these construction projects.

Whether or not the regulators choose to believe this, we are investing City dollars in basic City services. There will be no pretty parks or neighborhood signs to show for this commitment to our largely unseen sewage infrastructure, but there can be no doubt about this: We are doing the responsible thing for our home, our Honolulu. I am determined that a repeat of last year's Waikiki spill will never happen under any future mayor's watch.

Business Development

An element that goes to the core of our quality-of-life is the economy, in the kinds of industries we have, the jobs we provide, the future we offer our children. This is why my administration believes fervently in the importance of a City role in stimulating business and private sector job creation, which we do primarily through our Office of Economic Development, Mayor's Office of Culture and the Arts, and Department of Enterprise Services.

Last June, we sponsored a well-attended Chinatown Summit at the Hawaii Theatre, in which stakeholders offered their ideas on how we can revitalize this bustling and historic part of downtown Honolulu. The ideas weren't costly, grand, time-consuming projects to change the face of Chinatown. Rather, these were pragmatic projects to stimulate business, preserve the character of the area, and create the foundation for Chinatown's rebirth as a center for commerce and culture and the arts.

We've made requested lighting improvements along River, Hotel, and Pauahi streets. On the crime front, we just provided \$250,000 to the YMCA to partially fund its highly successful Weed and Seed in the area, another suggestion from the summiteers. We're examining methods to improve pedestrian safety along the narrow and busy streets in Chinatown. Longer-term activities include creating another arts incubator like the Arts at Marks Garage, in partnership with the Hawaii Arts Alliance, which received a \$125,000 planning grant from the EDA following the summit. We want to promote more First Friday-type events in cooperation with the Honolulu Culture and Arts District as a way of bolstering business activity and bringing life back to a part of town that is dark after work.

We just signed a contract with Earthlink, thanks to our Department of Information Technology, to begin the provision of free broadband Internet access to Chinatown for a year. We'll be doing more of this in the coming months in other neighborhoods.

We have taken advantage of our Preserve America Neighborhood designation, which was announced last year by First Lady Laura Bush, and have applied for a Preserve America grant to promote Chinatown.

We've partnered with the Ford Foundation and five of our largest banks—First Hawaiian, Bank of Hawaii, Central Pacific, American Savings, and Hawaii National—to create the Bright Ideas cash awards to small groups to bring about a positive difference in Chinatown. One of those Bright Ideas is the “Movie Night in Aala Park,” which will be held tomorrow and Saturday as part of the City and County of Honolulu’s Month in Chinatown festivities. The Ford Foundation was so impressed with the City’s revitalization efforts that we’ve been invited to apply for additional funding, which we definitely plan to do.

It’s worth mentioning that the Month in Chinatown, coinciding with the Chinese New Year, has been a rip-roaring success, thanks to our work in combining previously separate events into a single celebration. This public-private collaboration led to better coordination among the sponsoring organizations, a single calendar of events for all the participating groups, more effective marketing, maximized use of City manpower, and, ultimately, a much stronger event.

We applied this blueprint to Waianae, where we organized community representatives, chaired by Aimoku McClellan, to decide how to spend the City’s \$2 million community benefits package for the Leeward Coast. The exercise was so successful that we’ll be asking the Council for another \$2 million this year.

We’re now turning to Kalihi, another community with a rich heritage that is facing myriad challenges to its quality of life. We just held a scoping session, during which many excellent ideas were offered by residents and business people to prepare us for a Kalihi summit in April.

I mentioned that we’re working on the 40-year-old NBC Arena. The adjacent exhibition hall is just as old and in need of a make-over. But rather than commit City money, we’re hoping to find a private sector partner to expand the exhibition hall, build more parking, and attract more business and culture and arts activities to the facility. We’ve had some preliminary talks with potential developers, who are interested in renovating the hall with an eye toward creating a center with a Pacific-Asian theme. This could serve as a physical symbol of our Honolulu’s leadership in the dynamic Pacific-Asian basin. It’s an idea worth pursuing because it would give us an improved public building without a significant investment on our part, as well as create opportunities for commerce and culture.

We take sports for granted. With the nearly year-round schedule of University of Hawaii, Hawaii Pacific University, BYU Hawaii, and prep athletics, combined with signature events like the Honolulu Marathon, Sony Open, and NFL Pro Bowl, it’s easy to overlook the fact that it takes quite a bit of effort to establish an event.

The City helped local businessman Duane Kurisu bring back Hawaii Winter Baseball to the islands. We worked with him to refurbish Hans L’Orange Baseball Field in time for the season. We’d like to rejuvenate that historic site for family entertainment and Sunset-

in-the-Park type events, and will be planning some capital improvements to accomplish that goal in a true public-private partnership.

We helped bring the Grand Sumo Tournament back to Blaisdell Arena after a 14-year absence and we've invited Nike to hold a national women's basketball tournament here in July. We expect these events to not only delight spectators, but help boost our visitor numbers.

Speaking of tourism, Waikiki, our economic engine, has never looked better or more promising. Public-private partnerships, involving the Hawaii Tourism Authority, abound in many of the City's tourism-related activities. For instance, Tesoro has replaced Hawaiian Telcom as the presenting sponsor for our very popular Sunset on the Beach/Rediscover Oahu events. Thanks to a substantial investment by private industry, and with the City ensuring public safety, investing in the infrastructure and landscaping, and assisting with planning and permitting, a new Waikiki is emerging with a focus on retail, dining, and entertainment that will not only lure more visitors but attract local folks.

The City and Waikiki Improvement Association played instrumental roles in sponsoring the Pro Bowl Block Party on Kalakaua Avenue for the first time. The City's cash outlay was nil. I can tell you that the new NFL Commissioner, Roger Goodell, was delighted with the overwhelming public response to the event and wants to help us repeat it next year. Events like this enhance Honolulu's reputation as a major sports tourism venue.

Quality of Life

In my inaugural address, I invoked the name of my friend, Nainoa Thompson, master navigator of the voyaging canoe *Hokule'a*. I said that in ancient times, the launching of voyaging canoes required the kokua of entire communities: canoe builders, farmers and fishermen to provide food for the long journeys, weavers to craft sails, navigators and sailors to guide the ship.

Contemporary times demand the same collaboration and commitment so that the Honolulu we build is truly the destination we seek for ourselves and our children. 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 "21st Century Ahupua'a" first emerged in 2005 when the City, working in conjunction with Kevin

Vaccarello 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 21st Century Ahupua‘a to the scientific innovations that can produce the new and better way of life.

We have found strong allies in other cities and from other nations as well. A few months after I took office in 2005, I was among the first to sign the U.S. Mayors’ Climate Protection Agreement, to move the fight against greenhouse gas emissions and global warming to the local level. At our recent winter meeting, the U.S. Conference of Mayors called on the federal government to fund an Energy and Environmental Block Grant for cities to use to improve energy efficiency, reduce carbon emissions, and decrease our dependence on foreign oil. Nowhere in the United States is the need for addressing these issues more critical than here in Hawaii, where we rely on imported fossil fuels, meaning oil and coal, for 95 percent of our energy and spend more than \$4 billion for it.

I tasked the Department of Budget and Fiscal Services to lead a working group to put the ideals of the “21st Century Ahupua‘a” into action. Specifically, I asked them to develop a 10-year plan with goals for alternative fuel usage, hybrid vehicles, cogeneration of electricity, conservation, and recycling. Already, we have upgraded the air-conditioning system at Kapolei Hale to shave \$50,000 from our electricity bill. This year, we’ll be completing a major air-conditioning and lighting project for the Fasi Municipal Building and Honolulu Police Department headquarters that will save us a cool \$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. We’ll be evaluating the efficacy of using rooftop photovoltaic systems at City corporation yards to use sunlight to produce electricity.

The City must lead by example when it comes to conserving energy and promoting the use of biofuels. We are already a leading user of biodiesel in our City trucks and heavy equipment, now using more than 600,000 gallons of B20 a year. We will expand our use of biodiesel in our bus fleet as local supplies become available, with a goal of total conversion within two years. We are replacing our 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 we purchased in 2004. We’re putting in for 20 more for the coming year. These vehicles cut fuel consumption by about 15 to 20 percent as compared to their diesel cousins.

Nothing the City can do will impact our quality of life and reduce our dependence on fossil fuels more than the development of alternative transportation options. Former Vice President Al Gore, in “An Inconvenient Truth,” said that one of the ways to reduce global warming is to walk, drive, 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 our number-one quality-of-life issue. Our 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 our 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, our new public transit system.

We will 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.

The City has now taken no-call bulky-item pickup island-wide. We introduced curbside greenwaste pickup in Windward Oahu. During the past year, collection has increased to 35,700 tons of yard waste that will be recycled into mulch to be used by the City landscapers and given to the public.

Honolulu has already 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. We've been huddling with our consultant, R.W. Beck, on developing the City's integrated solid waste management plan, the main goal of which is to reduce the amount of waste going to the landfill. I'll also be naming in March a Solid Waste Advisory Committee, consisting of community members, who will be charged with advising the City on issues and solutions to deal with our solid waste challenges.

But voters made it clear in November that we should be doing even more with recycling. I am therefore proposing that we try to introduce curbside pickup of recyclables this year. Community input is a requisite first step, so we'll be holding a series of public meetings in April and May to garner input on where and how to launch this new service. The final program is far from definite, but for the sake of discussion, we are proposing once-a-week curbside pickup of regular trash and once-a-week curbside pickup of greenwaste and mixed recyclables, the latter on an every other week basis. If once-a-week trash collection isn't enough, a homeowner could add a second pickup for a monthly fee of \$10, subject to Council approval. Bulky-item pickup would be unchanged.

We are looking to launch the program in Windward Oahu, where homeowners have the blue bins; in Mililani, which tested the program in the past; or Hawaii Kai, whose Councilmember has been an outspoken advocate of once-a-week pickup.

I'm an advocate of recycling. But I have cautioned repeatedly that trash collection comes at a price. The culture on Oahu, unlike the Neighbor Islands or mainland municipalities, is free receptacles, free twice-a-week trash pickup, free twice-a-month greenwaste pickup, and free monthly bulky-item pickup. Yes, we can do curbside pickup of mixed recyclables, but it'll cost, in dollars as well as time. Curbside recycling will require a

personal commitment from each of us to reduce the volume of waste that goes into the bins for regular trash pickup. The result will be a stronger conservation ethic and a cleaner environment.

We'll also be expanding voluntary community recycling to bring more money to schools and add more locations for the white recycling bins to encourage apartment and condo dwellers to recycle.

We must continue to encourage the production and distribution of locally grown food products and explore the promise of large-scale biofuel crops in the future. As a former employee of one of Hawaii's oldest agribusinesses, I know that we can never recover our limited agricultural lands once they are lost. To help protect our farm land and operations I am proposing a reduction in the property tax for agricultural-zoned land, reducing the rate from \$8.57 to \$5.70 per \$1,000 net assessed value. By adopting a land use policy that promotes higher density development in conjunction with expanded public transportation, we can embrace a lifestyle that reduces the incursion onto agricultural zoned land for more automobile-oriented sprawl.

I have asked the Department of Planning and Permitting to create incentives for "green" buildings and LEED (Leadership in Energy and Environmental Design) standard construction, or buildings constructed with energy conservation, reuse of recycled materials, and other environmentally appropriate considerations.

As the Board of Water Supply can attest, Hawaii is blessed with abundant, but not unlimited, water. In addition to implementing aggressive conservation strategies, the City will expand the production and use of gray water, recycled water for irrigation, and other uses. Most of our rainfall still runs through our storm drains to the sea, so we must remain vigilant to ocean pollution caused by contaminated runoff.

The 21st Century Ahupua'a is more than a metaphor. It is a goal of self-sufficiency and advancement for our island society that promises much more than simple maintenance of the status quo, but an even more rewarding quality of life for all of us and future generations. As a keiki o ka aina, I am committed to leaving this a better place than I found it.

Closing

As members of the City Council, as state legislators, as community leaders, I know you come across people every day who are giving of themselves to the greater good.

Throughout the year, I honor individuals and organizations who contribute in immeasurable ways. Some have performed heroic deeds. Some devote themselves to our health and welfare. Others teach. Many are our fellow employees in City government. Some are serving our nation in the armed forces or civil defense volunteers who turn out for every emergency, without question. And there are so many who perform good deeds simply because they want to help others.

We have hundreds of young people from our public schools and the Boys and Girls Clubs who spend time throughout the year cleaning our streams. There are Boy and Girl Scouts and hundreds of volunteers who sew and place lei on the graves at Punchbowl and the Hawaii State Veterans Memorial Cemetery each Memorial Day observance. I just signed a thank-you letter to two children, Dayna and Cara, who collected \$70.40 from their friends and relatives to help the animals at the zoo. They wrote, "It's not much, but we love our animals and would like to help you save them." Like Dayna and Cara, the builders of Hawaii, our leaders of the past, our forebears, these indefatigable individuals labor selflessly for the good of all.

In the words of George Bernard Shaw, "We are made wise not by the recollection of our past, but by the responsibility for our future." Abraham Lincoln said, "You can't escape the responsibility of tomorrow by evading it today."

And so, my friends, I believe it is only appropriate to pose these questions to ourselves: What are we doing to make our city, our home, a better place to live, work, and raise our families? What are we doing to leave this a better place than we found it?

This is our home, our Honolulu, our responsibility. It is a responsibility I know we all accept willingly as members of an island community. It is a responsibility that guides us in our thoughts and deeds. And it's a responsibility that will ensure we leave this a better place than we found it.

Aloha and mahalo.

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