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# A BILL FOR AN ACT

RELATING TO CAPITAL IMPROVEMENT PROJECTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the Ala Wai canal  
2 and the surrounding watersheds must be fortified in order to  
3 prevent major flooding in Honolulu's urban core. According to  
4 the United States Army Corps of Engineers, a major flood could  
5 damage three thousand structures, require more than  
6 \$1,000,000,000 in repairs, and severely impact Hawaii's economy.  
7 The 2003 *Economic Contribution of Waikiki Report* indicated that  
8 in 2002, Waikiki-based visitor activity accounted for  
9 \$3,600,000,000, or forty-six per cent, of the tourism industry's  
10 total contribution to the gross state product. Due to the  
11 potential impact that flooding could have on the economy, the  
12 legislature finds that the Ala Wai flood risk management project  
13 is in the public interest and is necessary for the health,  
14 safety, and general welfare of the State.

15           The legislature further finds that the project will cost  
16 \$345,000,000, and the United States Congress has appropriated  
17 \$345,000,000 for the project but requires a thirty-five per cent



1 match by a local entity. Although this project is under county  
2 jurisdiction, the legislature has been requested to allocate  
3 matching funds to ensure the health, safety, and general welfare  
4 of the State.

5 The purpose of this Act is to establish a financing  
6 mechanism to satisfy the federal requirement that thirty-five  
7 percent of the Ala Wai flood risk management project costs be  
8 funded by a local entity through:

9 (1) Authorizing the department of budget and finance to  
10 enter into a financing agreement in an amount not to  
11 exceed \$125,000,000 to fund the local match for the  
12 Ala Wai Flood Risk Management Project; and

13 (2) Appropriating funds to the department of budget and  
14 finance, based upon the United States Army Corps of  
15 Engineers' cost payment plan, for the Ala Wai flood  
16 risk management project.

17 SECTION 2. The department of budget and finance is  
18 authorized to enter into a financing agreement pursuant to  
19 chapter 37D, Hawaii Revised Statutes, in an amount not to exceed  
20 \$125,000,000 for the purpose of funding the local match for the  
21 Ala Wai flood risk management project.



1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2019-2020 and the  
4 same sum or so much thereof as may be necessary for fiscal year  
5 2020-2021 for the Ala Wai flood risk management project.

6 The sums appropriated shall be expended by the department  
7 of budget and finance for the purposes of this Act.

8 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Capital Improvement Projects; Ala Wai Canal; Financing Agreement; Appropriation

**Description:**

Authorizes the Department of Budget and Finance to enter into a financing agreement in an amount not to exceed \$125,000,000 to fund the local match for the Ala Wai Flood Risk Management Project. Appropriates funds for fiscal biennium 2019-2021 for the Ala Wai Flood Risk Management Project. (SB77 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

