



RESOLUTION

ESTABLISHING A COUNCIL POSITION REGARDING EXTENSION OF THE COUNTY SURCHARGE ON THE STATE GENERAL EXCISE AND USE TAX AND ESTABLISHING A PERMITTED INTERACTION GROUP TO PRESENT, DISCUSS AND NEGOTIATE THE POSITION WITH STATE OFFICIALS.

WHEREAS, Section 92-2.5, Hawaii Revised Statutes (HRS), permits the Council to assign two or more, but fewer than five, Councilmembers to present, discuss and negotiate any position that the Council has adopted at a Council meeting, provided that the assignment is made and the scope of each Councilmember's authority is defined at a Council meeting held before the presentation, discussion and negotiation; and

WHEREAS, recent revenue and expenditure projections for the Minimum Operable Segment (MOS) of the Honolulu High Capacity Transit Corridor Project ("project") indicate that revenues will not be sufficient to cover the costs of completion of the MOS; and

WHEREAS, the MOS, as established in by Resolution 08-261, calls for a 21-mile alignment connecting East Kapolei with the Ala Moana Shopping Center, with a total of 20 transit stations; and

WHEREAS, recent discussions with officials of the Federal Transit Administration have indicated that the City must complete construction of MOS as agreed in the Full Funding Grant Agreement between the City and the federal government or it may be required to repay the federal government for its financial contributions to the project to date; and

WHEREAS, Ordinance 07-01 prohibits the use of City funds, including real property tax revenues, to fund completion of the MOS; and

WHEREAS, pursuant to Section 2 of Act 247, Session Laws of Hawaii, Regular Session of 2005, codified as HRS Section 46-16.8, the Hawaii State Legislature authorized the City to establish a one-half percent county surcharge on the general excise and use tax through December 31, 2022 to fund the costs of the project, and the Council established the surcharge by enactment of Ordinance 05-27; and

WHEREAS, by Act 240, Session Laws of Hawaii 2015, the Hawaii State Legislature amended HRS Section 46-16.8 to authorize the City to extend the county surcharge through December 31, 2027, and the Council extended the surcharge by enactment of Ordinance 16-1; and



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WHEREAS, certain Councilmembers wish to meet with members of the State Legislature and other state officials to urge an extension of the county surcharge on the State general excise and use tax; and

WHEREAS, the Council finds it necessary for the completion of the MOS that the county surcharge on the State general excise and use tax be extended; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Council hereby establishes a position in support of further extension of the county surcharge on the State general excise and use tax beyond December 31, 2027 as necessary to complete construction of the MOS of the project; and

BE IT FURTHER RESOLVED that a permitted interaction group composed of Councilmembers _____, _____, _____ and _____ is hereby established and authorized to present, discuss and negotiate the Council's position as established in this resolution or in any other resolution adopted by the Council prior to the convening of the 2017 legislative session establishing a Council position regarding funding for completion of construction of the Project; and

BE IT FURTHER RESOLVED that no member of the permitted interaction group may make any binding commitment or create any obligation on behalf of the group, the Council, or the City; and



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BE IT FINALLY RESOLVED that the permitted interaction group shall present a written report to the Council of its discussions and negotiations prior to December 31, 2016 and periodically thereafter.

INTRODUCED BY:



DATE OF INTRODUCTION:

SEP 19 2016

Honolulu, Hawaii

Councilmembers