

January 12, 2010

RE: Please reinstate the 2% Land Fund; More than Half % is needed to preserve Hawaii Island's great places

Aloha Chairman Haitsuka and Charter Commissioners,

We respectfully request that the charter commission, who are appointed to represent the citizens of Hawaii County, reinstate the 2% amount of yearly property taxes to be deposited in the Land Fund.

In 2006, in order to conserve Hawaii Island's great places, citizens took the very difficult and time-consuming step of gathering signatures for a petition initiative drive to get the question on the ballot. This onerous step was necessary, because the county council had failed twice to pass a bill to set aside 2% of property taxes. Please honor over 200 of your friends and neighbors who volunteered and collected almost 10,000 signatures to get this measure on the ballot. Please honor 63% of voters who approved this measure at the polls in 2006.

PLEASE PUT THIS MEASURE ON THE BALLOT as the 2% Land Fund AND ONCE AGAIN, LET THE PEOPLE DECIDE!

This charter amendment was proposed to get these funds out of the yearly budget wrangling and to provide certainty to citizens that Hawaii Island's great places will be preserved for future generations. During the last year's budget debates, we spent over 3 months in council meetings with over 150 people testifying to leave the fund alone and the council still voted to suspend the deposits to the fund. Even if there is a "tandem" bill in the County code stipulating 2%, along with this charter amendment of not less than half percent, this means citizens will be fighting with the administration each year to retain the additional 1.5% of funding. The Director of Finance has testified before you that they don't like to tie up money in special funds.

The great benefit of the land fund is to establish a dependable funding source to attract matching grants from the State Legacy Lands Fund, National Oceanic and Atmospheric Administration and the US Fish and Wildlife Service for endangered species. Two percent of property taxes are approximately \$4 million per year, which can be leveraged to \$8 million with matching fund grants. Half percent would mean only \$1 million per year or at the most \$2 million per year with matching funds.

The Council voted this year to prioritize 5 properties for preservation. If they were all to be purchased the cost would be \$26.75 million. The properties listed for acquisition are: Kawa Bay in Ka'u (valued at \$3.75 million), Pao'o in North Kohala (\$2 million), Kaiholena (valued at approximately \$13 million for both parcels) and Puapua'a (approximately \$ 8 million). As you can see, even with full matching funds, we need to have at least 2% of property taxes per year or \$4 million (or more), to acquire any of these properties. The county has used the 2% funds to acquire Waipio Lookout, Kawa Bay (partial) and the Reisch property in North Kohala.

The ordinance and the proposed charter amendment both describe lands to be preserved as: land for public recreation and education, including access to beaches and mountains; to preserve historic or culturally important land areas and sites; to protect our natural resources, including buffer zones and watershed lands to preserve water quality and water supply; and to preserve the forests, beaches, coastal areas, natural beauty and agricultural lands. In addition, the county could use the Land Fund to buy conservation easements on ranch land and important Agricultural lands and "extinguish" the development rights on these lands, so they could be kept in AG uses forever and not developed.

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Kauai and Maui set aside 1% of their property taxes each year and Oahu sets aside ½ percent per year. Because the property tax base for the other counties is larger, because of larger populations and more properties, a smaller percentage still results in significant amounts for their land funds. For example, property taxes for Oahu were \$791 million for 2007 to 2008. Half percent would be \$3.95 million. Most of Oahu is developed or in Federal land for military bases. Kauai has little remaining open land, is 40% government land, so they do not need as much funding. This charter amendment was submitted to replace this part of the code.

Besides stipulating the percentage of property taxes to be set aside, other important elements in CA-15- The 2% Land Fund include:

1. The provision that 2% of property taxes be placed in the Land Fund twice per year after property taxes are collected and that the account be an interest bearing account.
2. Provisions for how the charter commission members are selected when a vacancy occurs. This is one of the few commissions that are responsible for recommending how large amounts of money are spent. Council members should choose commissioners who live in that district, so that the commission may have a balanced, countywide perspective and not just be the Mayor's appointees. If this provision was only part of the County Code, the council could change this provision about how vacancies would be filled.
3. Provisions for what lands are to be acquired. It is necessary to include a list of lands to be acquired to understand what land can be acquired with Land Fund money. For example, I had recently heard that a group wanted to use 2% funds to buy land across from a park for a parking lot. This is not an intended use of the fund.
4. A provision stating that this money is to be maximized by searching for matching funds, not just by paying cash for land.
5. This also guarantees that the Open Lands and Public Access Commission shall be given staff support and provides for a commission website with specific information so that the public can monitor the deposits and expenditures to the fund, read the yearly report to the Mayor and the prioritized list of land for acquisition.
6. This charter amendment provides for the duties and responsibilities of the commission. This is important so that the duties and responsibilities cannot be "gutted" or changed by the council, as they could be if this was part of the code.
7. It describes the prioritized land list that is to be generated each year and the report to the Mayor. These documents are the major duties of this commission in its advisory capacity to the Mayor and council.
8. It clearly states that these funds are to be used for acquisition only and not maintenance or development of parklands, which is a Parks and Recreation responsibility. Mayor Kim had asked the Commission to recommend to the council to use the 2% funds for park maintenance. This suggestion failed, but we expect the same issue to come up again and again.

We respectfully request that you submit this charter amendment to voters to set aside 2% of our property taxes to save land on Hawaii Island. The charter amendment was submitted as 2% and we request that you **LET THE PEOPLE DECIDE (once again) at the POLLS!**

Mahalo!

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