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CITY AND COUNTY OF HONOLULU**

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**STATE OF THE CITY ADDRESS**

**Mayor Peter B. Carlisle**

Thursday, February 23, 2012, 10:00 a.m.

Mission Memorial Auditorium

In December 1941 in Honolulu Hawai'i at a harbor called Pearl, a surprise attack launched America into the fiery inferno of the Second World War. Out of the ashes of tyranny and the Holocaust rose America's greatest generation.

**The Greatest Generation** describes Americans who lived through the Great Depression and then went on to fight in World War II or aid the war effort from home.

These people fought and labored not for fame and recognition, but because it was the right thing to do. Through their struggles, they rebuilt America into a superpower.

Judy and I are children of the greatest generation.

Judy's father was a metallurgist and made aircraft parts. Her mother worked in an emergency room as a nurse. Her family was very frugal. Nothing was wasted or thrown away. To this day, my 92 year-old mother-in-law washes out plastic bags and folds tin foil for reuse.

My father suffered from yellow fever, malaria and dysentery as he fought in Italy; and returned with a Bronze Star and field commission as a warrant officer. My mother worked as civilian observer spotting planes. After the war, they too, lived modestly. My father worked at a local newspaper for 40 years, making little money, while my mother raised us and handled our finances.

Our parents were typical of the greatest generation. They knew the debt they owed to friends, classmates, neighbors, and relatives, who sacrificed their lives in the war. There were so many that never returned home. The greatest generation honored

that debt by building a country with the hope that it would last for generations to come. Put simply, they looked to the future.

And that is what we need to do right now.

Good morning, honored guests, friends, family and fellow city employees. Thank you for being here for the 2012 State of the City address.

Today, the city and county of Honolulu stands at a crossroads between being stuck in the paralysis and gridlock of the past, and taking assertive, responsible steps to propel this great city into the future.

We are now the 10<sup>th</sup> largest municipality in the United States with a population of over nine hundred and fifty thousand in 2010. At current growth rates, by 2020 Honolulu will pass the 1 million mark, and ten years after that we will pass the 1.1 million mark. That means roughly fifty thousand more people by 2020, and one hundred and fifty thousand more people by 2030.

I am going to tell you what we have done and will be doing to meet these challenges, but first I would like to showcase (actually, *brag about*) just some of the achievements of the dedicated workers of the city and county of Honolulu in the last year.

- Honolulu weathered a tsunami scare after a catastrophic earthquake in Japan.
- Honolulu successfully hosted the APEC summit under budget and without a single event-related arrest.
- When Hawai'i Medical Center closed its doors, we added extra ambulances to help during the crisis.
- Due to the sound financial position of the city resulting from the hard work and difficult decisions of all departments, we have retained our coveted double-A-plus bond rating.
- The city and county of Honolulu was named one of the healthiest employers in the state.
- Honolulu was recognized as the number one Digital City in America, recognizing cities that best show how technology is used to save governments money and meet higher demands for service in an age of budget setbacks.

- Honolulu is one of eight cities to receive a Code for America grant to develop mobile applications to make our city more open, efficient and user-friendly.
- Two of our directors were featured on the covers of prestigious trade magazines. The title, 'Protecting Paradise' is accurate; it is what our city employees do, and do exceptionally well.
- Businessweek.com ranked Honolulu as one of America's top three cities for overall quality of life.
- For the first time, the city earned a much coveted accreditation award for demonstrated excellence in public procurement.

I salute every member of the city team who contributed to this success.

This morning, I will be discussing 3 things happening now in the city that will leave Honolulu a better place for the next generation:

One: We are preparing Honolulu for the future,

Two: We are investing in infrastructure,

And Three: We are ending politics as usual and increasing citizen engagement.

'Sustainability' is the capacity to continue and keep going.

As your Mayor, I believe it is my duty and obligation to prepare Honolulu for the future by tackling her challenges with common sense and old-fashioned financial planning.

To leave a better world for our children, we must save more and pay down debt, keep a close eye on expenditures, and invest prudently in core infrastructure.

Simple and straight forward. I know many of you from all generations agree with these principles.

Right now in this time we have a unique opportunity to transform Honolulu into an even greater place – a model for cities across the nation and even across the globe.

This means executing a plan that repairs our neglected infrastructure, provides decent housing, helps people move around, keeps people safe and secure, and maintains Oahu's unique natural strengths, just to name a few.

Before I took office in October of 2010, the city's borrowing for capital improvement projects was, in a word, unsustainable, and had to stop. For every one

dollar we borrow, we have to pay back a dollar and seventy cents over time; this debt service pretty much doubles the cost. Together with then budget chair Ernie Martin and the city council's support last year, we reduced the non-essential capital improvement projects funded with general borrowing by sixty-five million dollars.

Next year, thanks to our budget and fiscal services department taking advantage of low interest rates and debt re-funding opportunities, the city's debt service, for the first time in eight years will be lower than the year before by about 7 million dollars. It is a start. We need to keep our borrowing low and bend the debt curve downward.

Colbert Matsumoto, the chairman of the state employees retirement system, a few weeks ago said that the state and counties had to make a better effort to set aside some level of funding to begin to chip away at the problem of unfunded liabilities, and "it has to begin with a resolution and commitment today to begin to prefund the liability over time."

The city made that commitment last year.

In fiscal year 2012, we added forty million dollars toward pre-funding the liability, nearly doubling the fund balance.

In my 2013 budget, I will propose adding more than forty million additional dollars toward pre-funding the city's liability. At this rate, after ten years we will have over one half-billion dollars in the post-employment health care fund.

We will also propose to add twenty million dollars to our fiscal stability or 'rainy day fund'.

The most important measure of financial stability is the city bond rating. There is a lot in the news these days about governmental entities across the nation, indeed around the globe, receiving ratings downgrades. In contrast, just six months ago the city went to the bond market and the independent bond rating companies, Moody's Investor Services and Fitch Ratings, affirmed the city's excellent rating of double-A-plus.

Fitch Ratings said, "Unlike many of its mainland peers, Honolulu remains financially strong due to its diversified economy, stable revenue base and proven conservative management. The City's continued success at controlling costs and its considerable financial flexibility underlie these strengths."

You should be aware that Moody's and Fitch had been briefed on Honolulu's commitment to the rail project and infrastructure obligations when they assigned these

strong ratings.

Thanks to Honolulu's strong credit rating, in October the city obtained one of its lowest interest rates ever on a wastewater bond. At a time when other cities for the first time in history are declaring bankruptcy, there are positive signs that Honolulu is moving in the right direction.

In November, when Secretary of State Hillary Clinton spoke at the APEC summit hosted by President Obama in Honolulu, she said:

“It is becoming increasingly clear that the world's strategic and economic center of gravity will be the Asia-Pacific, from the Indian subcontinent to the western shores of the Americas [.]”

Honolulu is smack dab in the middle of this strategic and economic center of gravity. It should be and could be playing a pivotal role as a convention city, a tourist destination city, and a center of commerce, technology, culture and diplomacy in the Pacific theater.

APEC demonstrated Honolulu's ability to secure and host huge international events.

I applaud the APEC host committee, in particular Lieutenant Governor Brian Schatz who's here today, and thousands of local volunteers. This includes the Waikiki Business Community, Totally Against Graffiti, or TAG, HPD's Project C.L.E.A.N., the Council of Pastors, New Hope Church and many other groups, along with the employees of the city and county of Honolulu and the state of Hawai'i who cleaned and polished Honolulu in advance of this momentous occasion.

Shortly after President Obama met with the twenty other world economies during APEC, he signed an executive order shortening the process of visa applications from China and Brazil from 4 months to 3 weeks, and according to the U.S. Travel Association the resulting increase in U.S. tourism could create one point three million jobs and add eight hundred and fifty billion dollars to the U.S. economy within 8 years.

Honolulu is uniquely poised to share in this Asia-Pacific windfall. To this end, we are nurturing and expanding our sister-city partnerships.

In a partnership with the Honolulu city council, the private sector, and the other counties, Honolulu played host city to our first Sister Cities Summit in September 2011. There we welcomed delegates from fourteen international cities to share information on

available economic opportunities and technology.

I would like to extend particular recognition and thanks to council member Nestor Garcia who convinced me of the value of this Summit and to all the council staff who helped with the sister city summit last year.

Honolulu was also honored to host the third annual Asia Pacific Clean Energy Summit and Expo last September, which brought eleven hundred people from fourteen different countries together to discuss and share technology for the development of clean energy.

The benefits Honolulu may derive from tourism and business development are substantial. If we do not share our knowledge with and get to know our neighbors, our opportunity to participate in the present and future expansion of Asian-Pacific commerce and technology will be lost. It is the right thing to do as global citizens who share many of the same cultures, geography and ocean.

Increasing our commitment to renewable energy resources is another way we are positioning the city for the future. Energy initiatives being proposed by the federal and state governments, as well as the military, the neighbor island counties and the private sector are an inspiration.

For the first time in several years in the Mayor's office we have an energy coordinator, giving us a voice in a field greatly affecting our island where we previously had none.

The good news is that with the vast majority of alternative energy projects we can leverage city funds with significant federal funds to maximize our resources.

The Honolulu Star Advertiser recently pointed out that oil prices in Honolulu have risen nineteen percent and electricity rates have risen thirty four percent – just in the last 6 months of 2011. With the skyrocketing cost of fuel and electricity, the city has increased and must continue to increase our use of alternative energy resources. To this end:

- The city has retrofitted parking structures and buildings with energy efficient fixtures. We have also installed photo-voltaic systems on city buildings. Together the total savings in energy costs is projected to be about a half million dollars a year. In 2012 we will be moving forward with additional energy efficient lighting, air conditioning, cloud computing, and photo-voltaic projects;

- This past year, the city implemented a consolidated motor pool. It is designed to reduce the number of vehicles the city must own and maintain;
- The city also introduced electric vehicles to the city fleet. One of those is sitting outside;
- We also released a request for proposals to recapture the methane gas from the Kailua Regional Wastewater Treatment Plant and turn it into electricity to help run the plant. Requests for proposals for the Honouliuli and Sand Island wastewater treatment plants will follow later this year.
- The city is making it easier for people who invest in energy efficient electric cars by putting applications for home charging stations online and installing electric charging stations in some city parking structures.
- Most significantly, we are eagerly awaiting the H-POWER third boiler going online this year. It will be our most significant new alternative energy source. H-POWER will incinerate approximately three hundred thousand additional tons of trash per year for a total of nine hundred thousand. Each ton of trash burned at H-POWER is one less barrel of oil Honolulu has to import.

Clean energy projects are a priority for the city because they are a priority for our future.

Preparing for the future also means preserving our agricultural lands. Thanks to city council member Ann Kobayashi and the council, I am delighted to have a newly appointed agricultural liaison in my office. This liaison has connected with local farmers and is a key advocate in city government regarding their special issues.

Through a partnership this year between government, military, private donors and the Trust for Public Lands, we anticipate seeing almost three-quarters of the Galbraith Estate Lands, or over twelve hundred acres in upper central O'ahu, dedicated to a new park managed by the state Agribusiness Development Corporation. City funds will provide for an easement over the property to guarantee it will only be used for agriculture. I thank Lea Hong and the Trust for Public Lands (in the audience) and the Clean Water and Natural Lands Fund committee for their assistance, as well as the city council for their support of this important dedication.

After 34 years, since the 1978 Constitutional convention in fact, we are finally

going to identify and map the important agricultural lands on our Island. We are also currently upgrading the Wahiawa Wastewater Treatment Plant to produce the highest quality of recycled water, which will allow for expanded agricultural use.

We can also turn Honolulu into a model city by increasing our recycling efforts. Honolulu produces more than one point five million tons of trash a year. Between H-POWER boilers One and Two, and other recycling programs such as curbside recycling, composting and pelletization, more than seventy two percent of our trash is currently being diverted from the landfill.

The H-POWER third boiler is important to recycling as well as to alternative energy. It will keep additional trash out of the landfill and bring us close to an eighty percent diversion rate.

O'ahu recycling rates are above the national average and we rank fourth among the top cities in the country in landfill diversion. Our goal is 'zero-waste'. While we aren't there yet, that is the direction we are going.

Preparing for the future also means increasing efficiency in the city. As a follow-up to a consultant's report evaluating a possible merger of the fire and emergency services department, I am working with the city council to put together a working group of key stakeholders to decide whether and how a merger could work. 2 key questions for me will be, first, will it improve patient care, and second, will it be cost-effective? I look forward to collaborating with this group to find the best solution for Honolulu.

No model city of the future should have roads in the condition of ours. However, the roads did not get into this shape overnight and bringing them back up to a level worthy of Honolulu will take time and funding.

To give you a progress report to date on road rehabilitation and reconstruction projects, I can tell you that between October 2010 and January 2012:

- Two hundred and sixty three lane miles were paved;
- Pavement of two hundred and sixty one lane miles is on-going;
- Contracts to pave ninety seven lane miles have been awarded; and
- Five hundred and four lane miles are pending bidding.

In order to fix roads with a modern approach geared toward longevity, the department of facility maintenance has turned to science and technology. They are developing the 'Pavement Management System.' This system will allow us to prioritize

the improvement of all of our roads systematically while maintaining the ones already rehabilitated. This is an approach that is long overdue.

Necessary data for the pavement management system was visually gathered from Hawai'i Kai to Salt Lake. In partnership with the University of Hawai'i, new digital imaging technology is being used to collect data from the Ewa/Kapolei area. The information collected will be used to run MicroPaver, a computer application developed by the U.S. Army Corps of Engineers. 2012 will see the utilization of this new approach to re-prioritize roadwork, set us on a path to significant long-term improvement, and a future with roads that we can actually enjoy driving on.

We are working closely with our community partners such as the AARP and Hawaii Bicycling League and council member Breene Harimoto on an ordinance that will implement a 'Complete Streets' policy for the city and county of Honolulu. This policy will improve our quality of life by setting up a framework where cars, bicycles, and pedestrians share in the use of our streets.

Honolulu can hardly be poised for the future unless we get our infrastructure up to par and keep it that way.

Since 2010, the wastewater collection system has been governed by a global consent decree that is ninety nine pages long.

There are one hundred and twenty two projects currently underway and over a hundred million dollars in collection system construction has been completed in the last year alone. The city is on schedule, in some areas ahead of schedule, and we are in compliance with the consent decree. In January, the parties met with the federal judge for the first yearly review hearing. I am happy to report no issues or concerns were raised.

This rehabilitation work is paid for from wastewater user fees, not property tax dollars, which makes wastewater user fee increases necessary. Under the global consent decree, both the project and the payments will be stretched out for twenty five years. That allows us to keep rate increases relatively low.

The good news, as I mentioned, is the city's low interest rate on the recently issued wastewater system revenue bonds will result in millions of dollars in interest saved because of the city's strong financial position.

Honolulu needs affordable housing. I thank groups like Faith Action for

Community Equity, or FACE, as well as the city council and voters for creating the mayor's office of housing in July of 2011. Today, the housing office is a one-stop-shop whose mission is to facilitate the development and preservation of affordable housing in our community.

We recently released a Honolulu Affordable Housing Preservation Initiative Request for Proposals to turn over operations and maintenance of our twelve affordable housing projects to the private sector while retaining affordability of the one thousand and thirty nine units now restricted based on income-eligibility.

To date, more than thirty organizations have paid for access to the request for proposals. The execution of this long-term lease will result in capital improvements and operational efficiencies for the benefit of the residents. The payments we receive will first be used to replenish our community development block grant and HOME accounts and next to pay down existing debt in the housing development special fund.

We continue to use federal funds to increase the inventory of affordable housing on Oahu. We partnered with community organizations to complete construction of two hundred and seventy five units last year, have two hundred and ninety eight units currently under construction, and expect another two hundred and forty three units to begin construction this year.

We are also working with our partners to preserve an additional one hundred and nineteen affordable rental units through substantial renovation.

Investment and public-private partnerships in affordable housing and homelessness make sure there are sustainable options that encourage the next generation to stay on Oahu and not move away.

In the coming weeks we will unveil our 'Pathways Project'. The office of housing will be partnering with a nonprofit agency selected through a request for proposals to plan, develop, and manage a new transitional housing project designed to help some of Honolulu's most vulnerable homeless individuals. This includes those with disabilities and chronic conditions that prevent them from participating in conventional shelter programs.

As promised, the office of housing has launched its website devoted to information and services for people needing assistance with shelter and transitional housing opportunities.

There are ongoing innovations in the permitting area as well. We have connected our building construction inspectors with our real property tax assessors. This means the increased value of new construction, renovations, and additions can be captured during construction rather than after the building is complete and the permit is closed.

Building code revisions are upcoming to streamline the plans review processes and final inspections and, as I mentioned earlier, to eliminate certain agricultural structures from the permit process altogether.

In a public/private partnership, the city received a corporate gift to establish an electronic plans review pilot program. The equipment should be arriving this month; training and testing will begin next month, with an expected public rollout in June.

On-line permitting and electronic plans submittal for residential subdivisions are also streamlining operations.

We cannot talk about infrastructure and the future of Honolulu without me speaking about transportation, and more specifically, the rail project. This much I know. Honolulu has some of the nation's worst traffic. Every artery entering the urban core already experiences traffic bottlenecks – at the H-1 H-2 interchange, near the Middle Street exit, and the University area on H-1. It is only getting worse. We are on a path of more cars, more roads and more traffic congestion.

The future depends on a better approach. Rail transit will finally bring relief to our residents who face, morning after morning and night after night, nothing but the brake lights of the car in front of them.

And, by reducing the amount of cars on the road that run on fossil fuel and replacing them with a rail system, we can reduce our pollution and dependence on foreign oil.

It's about the future, not the past.

If you live outside the route, you might think rail does nothing for you. I suggest to you that it does. With the growth of O'ahu's population come more personal vehicles. Without significant traffic alternatives for the West side, people will look for and demand other places to live.

Rail will 'keep the country, country'. It will 'keep Kailua, Kailua'. It will 'keep East Honolulu, East Honolulu'. It will preserve a way of life for smaller communities on the

North Shore or the Windward side. These can see less growth in their areas because the rail system is designed to allow the areas from Kapolei to the urban core to accommodate our island's expected population growth. Unless we want more growth everywhere else on the island, we must provide rail transit for people along the corridor.

This is a city publication called the 'Honolulu Rapid Transit Project'. It talks about the need for a rail line as an alternative to passenger vehicles. The proposed line extends from Kapolei to Waikiki across the southern spine of the island. This did not come out in 2012. It came out in 1972, or forty years ago during Frank Fasi's first term as mayor. Mayor Neal Blaisdell first raised the idea for rail in 1968.

Today's rapid transit project is nothing less than the combined planning efforts, since 1968, of hundreds of city employees, city councils, mayors, state legislators, members of Congress, the Federal Transit Administration, and community, labor and business partners. Rail has been part of a larger plan that has been guiding our island's development for decades.

Unfortunately, in recent months, this has become a polarizing issue for many. Concerns, fear and even anger have become just as much a headline as the unprecedented progress that has been made. I know and understand your concerns.

You have been concerned about:

- Ansaldo/Breda's performance;
- Escalating costs due to change orders and lawsuits;
- Whether alternatives were considered;
- Not getting federal money;
- The project bankrupting the city and county of Honolulu;
- Property taxes skyrocketing;
- Spending this money on something else; and
- Whether it will be unattractive and obstruct views.

I recognize many residents question the city's ability to answer questions transparently, to address issues that have been raised, and to deliver the project on time and under budget. Given its price tag, you have a right to scrutinize it and to feel concerned. I feel those concerns, too.

When I took office I committed to bring to government several intrinsic core values: honesty, transparency and fiscal responsibility. I also committed to seeing the

rail project through as the voters intended, on time and within budget. I have not deviated from those commitments, nor do I intend to forsake them.

We will build this system the right way. It starts with leadership and expecting the HART board to provide the necessary oversight to satisfy the public. It means setting clear rules regarding change orders, delays, shoddy workmanship and oversight. In addition, it means better transparency with you.

Frankly, there's a lot of information out there regarding rail, but you might never know of it because we in the city are not doing a good job helping you discern what is accurate. You deserve the truth, the whole truth, and nothing but the truth.

The truth is our contracts so far have come in three hundred million dollars under budget. The total revenue from 5 years of a GET surcharge is higher than expected. This happened during the last 3 quarters when we were concerned about an economic downturn. even during the economic downturn. There is a contingency fund of over eight hundred million dollars built into the five point three billion dollar price tag, to cover the potential for additional expenses, just in case. Our goal, obviously, is to avoid costly delays caused by lawsuits or other obstructions.

In the last sixteen months, there's been remarkable progress. The environmental impact statement was approved. A groundbreaking ceremony was held. The project entered 'Final Design'. The Federal Transit Administration issued a Letter of No Prejudice that allows us to begin advanced construction. Just last week, President Obama included two hundred and fifty million dollars in his fiscal year 2013 budget for our Honolulu rail project. Reaching these milestones reflects the federal government's confidence in our system. The Federal Transit Administration financial capacity process is incredibly rigorous. Honolulu has successfully progressed to this point.

In the coming months, hundreds of additional local workers will be hired to work directly on the project with more gaining employment in indirect jobs that result from this investment in our future.

To the naysayers and critics, I ask, 'What do you have to offer these workers in the next seven years if we have to start all over again?' And, 'What do you have to offer the commuters from the West side, who in seven years would have a completed project?'

Last week, I had the chance to ride a successful elevated rail transit system in

one of Honolulu's prominent sister cities and Asia-Pacific neighbors: Manila. This vibrant and energetic waterfront metropolis suffers from some of the worst traffic congestion and vehicle pollution in the entire world, but residents have a clean, reliable and safe alternative, and they use it by the thousands. While swarms of cars and buses jockey for position on choked thoroughfares, the most recent portion of the rail system whisks passengers along overhead and completely avoids the turmoil. It's a system that works. For passengers who rely on the system every day, Manila without rail transit would be unthinkable.

I am as committed to seeing our project move forward as I am about holding to the core values of honesty, transparency and fiscal accountability that you expect. I have not changed. My values have not changed. And my enthusiasm to do rail transit the right way has not changed.

This is more than 1 project. It's about reducing pollution and our dependence on foreign oil. It's about providing good jobs, transforming the urban center, protecting our rural communities and our agricultural land, and preserving the character of our island for future generations. Taken further, it will be a catalyst to a 21<sup>st</sup> century city of a million people. This is the *only viable option* for building this 21st century city and providing a sustainable future for all of O'ahu that has made it through decades of vetting and is poised to employ people now. Anything else is back to square one. *We need to keep moving forward.*

To my mind, 'politics as usual' has done more to disillusion people with their government than anything else. It goes against everything we've been taught about the importance of our vote and the duties of elected representation.

Make no mistake, the change from 'politics as usual' to professionalism is a fundamental change in attitude and affects almost all business that is conducted in the city. The simple goal is "doing the right thing because it is the right thing to do," rather than to stockpile or pay back political favors.

'Politics as usual' fails us when politicians make decisions based on favors, or split down party lines. The result is like the standoff we witnessed in Congress last year over the federal budget. To all of us, the system failed because partisan 'politics as usual' appeared to prevail over serving the people of our country. This is unacceptable in any level of government.

I hope one of the reasons I was elected mayor was because you had trust in the non-political culture I brought to the Honolulu prosecutor's office for 14 years, where politics played no part in who was or was not prosecuted or for what crime.

'Politics as usual' fails us when leaders 'kick the can down the road' rather than make decisions and act on them. For example, when it comes to our landfill, I know this subject is enormously unpopular and a difficult issue for all communities. Upon taking office, I created a landfill site selection committee to recommend possible alternative or supplemental sites. This committee had not existed since 2003.

It is a privilege to be joined here this morning by members of the city council. I can tell you, they also do not shy away from tackling tough issues.

For example, this past fall council member Tulsi Gabbard introduced and the city council passed a stored property ordinance which I signed into law in December. Within weeks, city crews in McCully, Waikiki and Iwilei began to reclaim our public spaces for everyone, not just a few people.

Community plans provide important direction for neighborhoods but often provoke controversy. The charter calls for an update every five years, but the plans had not been updated since 2000. This past year, we introduced the North Shore and Waianae sustainable community plans and the city council approved them. I thank the planning commission and city council member Ikaika Anderson who chairs the zoning and planning committee, as well as the public, for their participation.

All stakeholders, including the city council and the public, contributed to making these things happen. Even when we disagree, which happens, I am conscious that no one single person can bring about positive changes. I am committed to working with all of you on the difficult issues that remain. I believe we have stopped grumbling about the condition of our city and are doing what needs to be done to improve it. Obviously this will not happen overnight but it will happen.

As I've said before, I believe transparency in government provides us an external review by the public that can discover inefficiencies or lead to new efficiencies – and leads to self-correcting action.

We have expanded our avenue for communicating with the public through Facebook, Twitter and Nixle and we continue to increase our numbers of followers.

We have launched the Honolulu Three One One mobile app, which allows

citizens to submit requests for service to the city with their smart phone by taking a photograph and sending it, along with GPS data on the location to the city. We have received more than five hundred and twenty five reports on abandoned vehicles, broken streetlights and signs, illegal dumping, and uplifted sidewalks, tree and plant maintenance and storage of property in public spaces.

On March 9, the department of parks and recreation will begin issuing camping permits online making camping more convenient for our residents and visitors.

As an added convenience, new parking meters will be installed in downtown and Chinatown that will accept payment with a credit card before the summer.

*CAN-DO.Honolulu.gov* was created last year to provide access to government data in a searchable, downloadable, useable format – all without cost to the public.

A new part of the website provides applications, or ‘apps’, developed by both private citizens and city employees. So far twelve apps have been released this last year. Recent City Camp and the Hackathon brainstorming sessions focused on advancing innovation and transparency in our government. Two new apps will be released by the end of April that will show people where the nearest bus stop is located and when to expect the next bus.

The city has been working to make more of its massive datasets freely available, and a ‘GIS Guide for Honolulu Hackers’ was published just in time for the Hackathon.

Together, these events have laid the groundwork for Honolulu’s participation in Code-for-America 2012. I want to thank the three fellows attending today for their commitment to building a smart city that engages its citizens.

The end result is to make Honolulu more open, participatory and efficient.

To reach out to community members touched by crime, the family justice center initiative is alive and well with a new director under the direction of the city prosecutor’s office. This initiative will provide more sensitive support for crime victims.

And, legislation to establish veteran’s court is pending at the capitol. We were gratified to see that not only our military partners, but also the Judiciary was very receptive to providing our wartime heroes with support during difficult readjustment times.

As part of my job, I get to meet all kinds of people. Recently, I was introduced to Jack Dangermond, the co-founder and co-owner of Environmental Systems Research

Institute (ESRI), a leading Geographic Information Systems software company. Jack is a map guy. He takes traditional maps and places information onto them – all kinds of data; crime statistics, energy usage and anything else you can imagine.

In a 2009 article in Investor's Business Daily, Jack said, "I want to have all that scientific information that we're building be used in designing the future so that people who make geographic decisions — and here it's not just land-use planners, but it's everyone: foresters, transportation engineers, people who buy a house — can analyze all of these information layers and design a future." He is generously working to make Honolulu that future city by providing us access to this technology without expense. Here is an example of placing smart information on a map to help visualize the best places for photovoltaic or solar panels.

The city already uses his technology to develop apps that help you see whether you are in a tsunami inundation zone or report problems. This year, we will also see apps that help you monitor trash pickup and sign up for camping permits without standing in line.

Mr. Dangermond has offered to work with us in customizing their existing information about Honolulu. This means he will help us develop smart maps that can help us in our decision-making, such as how to coordinate construction projects involving sewers, water lines and road work.

This is a great opportunity. I recognize former city manager of the year Ken Schmidt and his GIS team, as well as our entire IT department for their award-winning efforts to make the city smarter and more engaging.

After years of a tough economy that has challenged all of us, hopeful signs are emerging on the horizon. Unlike other cities and counties, O'ahu property values have not significantly gone down. Visitor arrivals are up. The GET surcharge is on or ahead of schedule. The rail contracts have come in collectively about \$300 million dollars under budget. And at long last, our local people are already employed on the rail project. Even more will be employed on the project within the next few months.

This year marks my 25<sup>th</sup> year as an employee of the city and county of Honolulu. I, and many of you, have seen the transition from typewriters to personal computers. Soon virtual 'cloud computers' will be on every desk and emailing a photograph to report broken streetlights or abandoned vehicles will be second nature.

We have loved and given too much to our city of Honolulu not to leave it better than we found it for our children and their children. We have made remarkable progress in that direction in the last sixteen months, and we are well on our way to accomplishing even greater things in the future. We must keep moving forward.

Since I was elected Mayor a year and a few months ago I can't tell you how many people have come to me and told me what how they wouldn't even think of having the job of mayor and then they list reasons. The truth of the matter is that being mayor is a great job and I love it. You really do get a chance to try and make a difference.

The people in the city I get to work with are interesting capable and oftentimes amazingly talented. Every department and every job helps make Honolulu a better place. So to those of you employed by the city and county of Honolulu, thank you for the privilege of working with you.

And I want to thank those who gave me this job, the citizens of Honolulu, not all mind you, but enough.

And now to the stuff that really counts. When Judy and I married I was a basically a deputy prosecuting attorney, not making a ton of money. It is no great secret that in my younger days I was a bit tightly wound completely unlike the pillar of calmness and patience you see before you today. Judy has always been able to calm me down but most importantly she is the bedrock of our little family. She educated our children she cares for them consoles them and guided them to maturity.

And she tries with less success to do the same with me. You are now the first lady of the City. You've always been the first lady to me.

Thank you, Judy.

And to all of you, mahalo and aloha.