

**Kailua Village BID
ANNUAL REPORT
FY 2007-08**

Statement of Operations

Ordinance 07 171 and Assessments

The Ordinance providing for the establishment of the Kailua Village Business Improvement District No. 1 (Kailua Village BID) took effect on December 11, 2007. Assessments covering the period December 11, 2007 through June 30, 2008 were certified with County of Hawaii Real Property Tax Division and manual invoices were mailed to taxpayers on December 20, 2007. Assessments are payable on the 20th day (or thereabouts) of February and August in concert with county property tax payment cycles.

Some confusion was noted from taxpayers who did not read the explanatory letter accompanying the manual invoice as these citizens erroneously believed their first assessment would be handled by mortgage companies (as is property tax). Future automated assessments will be included as a line item within property tax bills.

As in accordance with the enabling legislation in Hawaii County Code Chapter 35, assessments were collected by the Hawaii County Director of Finance. The District received its first funding in February, 2008 and a monthly sweep of the account pays out assessments collected.

Governance

The first annual meeting of the District was held on March 7, 2008. Along with a general District update, votes were cast for the election of the board of directors. See Attachment B for a list of directors and their terms of service.

Services Launched – Malama Kailua

First-year goals of Kailua Village BID focus on 'clean and safe' initiatives. After an RFP process managed by the District's Program Services Committee, security and janitorial contracts were awarded.

Security officers now patrol the District every day on bicycles, switching to roving vehicular patrols during night/pre-dawn hours. Immediate success has resulted in drug-related arrests, reduction in persons brandishing open liquor containers and establishment of a more secure environment. District security officers have a good, cooperative working relationship with Hawaii County Police.

Ongoing challenges include 1) skateboarding pranksters causing safety concerns for pedestrians, motorists and themselves; 2) social problems of homelessness and related issues

of loitering, noise, panhandling and public health concerns; 3) drug abuse; and 4) raucous behavior of after-hours bar crowds.

Janitorial services were also launched in March and include daily clean sweep crews who supplement existing county and state services in public spaces. Sidewalks, planters, streets and public rest rooms are markedly cleaner. The District's clean sweep crews work together with county and state employees to present a cleaner, more cared-for overall environment.

Landscape maintenance (trimming, pruning, fertilizer, etc) has begun – primarily, on the new plantings installed as part of Kuakini Highway expansion and along sections of Alii Drive.

Major Projects Underway

Trash Receptacles

- District received a \$5,000 matching fund grant from the County of Hawaii R&D to construct new trash receptacles that incorporate Hi5 recycling. Prototype being manufactured.

Security Cameras

- To aid Hawaii County Police, the District planned to fund installation of a solar-powered 16-camera high-def security camera system at known hot spots throughout the village. Working cooperatively with Hawaii County Police, Prosecutor's Office, DLNR and County R&D, a grant request has been submitted to the Hawaii Tourism Authority to fund this project. At this time, all signs are positive this project will be funded (including Kailua Village, Downtown Hilo, Pahoia and Akaka Falls). Value of grant for Kailua Village - \$200,000.

Lighting Design

- Identified as a much needed objective is a lighting design plan that achieves a better safety and security and incorporates sustainable energy and heritage design elements. With the abovementioned security camera system funded through an HTA grant, the District has earmarked \$165,000 toward this project outcome.

WIFI

- The District has also earmarked funds to WIFI the village concurrently with the installation of the security camera system.

Projects in Development

Kailua Village is the heart of the Kona District, yet local residents have been bypassing the area for various reasons. We've addressed 'clean and safe' above, here are other projects we're currently working on aimed at bringing back local residents and visitors.

District Public-Private Partnership Committee

Short-Term Parking Solutions

- Hale Halawai parking lot has been chained off to the general public. Our committee is reviewing an action plan that will open up this underutilized resource of 30 parking stalls while continuing to service park user groups. County Parks and Recreation Director has encouraged the District in our consensus-building endeavor.
- We have had very positive meetings with the County Transportation Director on opening a pilot Park and Ride shuttle program at the Old Kona Airport Park. Once launched, this could add another 60 parking stalls – aimed at moving employees who park their cars for 8+ hours to a secure location with convenient shuttle service.

Homeless Shelter

- Working cooperatively with Community Alliance Partners to support the fast-tracking of an overnight 32-bed shelter in the District.
- Again through Community Alliance Partners, discussing issues of concern with The Friendly Place, adjacent businesses and service agencies to find solutions.

Strategic Planning Committee

SWOT analysis completed. Mission and Vision Statements reaffirmed. Next step: research existing plans for Kailua Village and begin process to craft an updated, comprehensive revitalization plan that incorporates improving the quality of life for those who live or visit.

Financial Report

FY 2007-08

See attached.

Please note there is no proposed assessments rate increase requested for FY 2008-09.

KVBID Budget FY2007-08	PROPOSED*	ADOPTED	PROJECTED	
	full fiscal year	200 days (12/11/07- 6/30/08)	FY2007-08	
REVENUES				
Assessments	\$780,000	\$438,553	\$438,553	
Grants:		\$30,000	\$30,000	
CoH R&D FY07- 08		\$5,000	\$5,000	
CoH Fishhoppers		\$25,000	\$25,000	
Interest Income			\$1,500	
TOTAL	\$780,000	\$468,553	\$470,053	
EXPENSES				
Public Space				
Mgmt/Security	\$422,400	\$232,320	\$235,000	
Security			\$45,000	
Security Lighting Project			\$165,000	
WIFI Project			\$25,000	
Streetscape				
Cleaning & Maint	\$281,600	\$154,880	\$146,300	
Janitorial			\$85,000	
Landscape			\$61,300	
Grant				
Deliverables:		\$10,000	\$10,000	
Trash/Recycling Receptacles				
Operating				
Support	\$76,000	\$58,197	\$62,932	
Incidental				
Expenses**		\$18,387	\$18,387	
Administration:				
Legal		\$5,000	\$5,000	
Accounting		\$2,000	\$2,000	
Management		\$24,996	\$24,996	
Office				
Office				
Equipment		\$2,500	\$2,849	
Office				
Supplies/Services		\$4,214	\$6,600	
Insurance				
D&O		\$1,100	\$1,100	
Liability			\$2,000	
Returns			\$2,694	
Reserve for		\$13,156	\$13,127	

Delinquencies
3%

TOTAL	\$780,000	\$468,553	\$470,053
-------	-----------	-----------	-----------

Notes:
*Exhibit A of Ordinance establishing KVBID
**Funds advanced by KKCC to establish District