

TRANSMITTAL and OFFER LETTER RFP WSAG17

Name of Organization: Oahu Economic Development Board

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Water Security Advisory Group  
Department of Land and Natural Resources, Commission on Water Resource Management  
Punchbowl Street, Room 227  
Honolulu, Hawaii 96813

The undersigned has carefully read and understands the terms and conditions specified in RFP WSAG17, the Special Provisions attached hereto, and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price submitted was independently arrived at without collusion.

A list of secured and required permits necessary to implement the project are hereto attached.

Proposal Title: The Ala Wai Watershed - Public-Private Partnership Models for Freshwater Security and Community Resilience  
Total Amount of Proposal: \$ 100,000

If awarded, the contract with the State would be made with the following entity (please use the exact legal name as registered with the Dept. of Commerce and Consumer Affairs):

Oahu Economic Development Board

Legal name

735 Bishop Street Suite 424

Honolulu, HI 96813

Address (Contract and Billing Address must be the same)

[Redacted]

[Redacted]

State Tax ID No. (GE)

Federal Tax ID No.

[Signature]

4/20/2017

Offeror Signature

Date

Pono Shim

CEO & President

Print Name

Title

# WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

## Title Page and Overview

Proposal submitted to the State of Hawai‘i Department of Land and Natural Resources’  
Request for Proposals NO. WSAG17  
2017 Implementation of Water Security Projects and Programs

**Project Title:** The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

**Co-Principal Investigators:**

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**Proposed Project Performance Period:** September 01, 2017 - August 31, 2018

**Project Location:** Ala Wai Watershed, City and County of Honolulu, O‘ahu, Hawai‘i

**Budget:**

Funding Requested: \$100,000  
Cash Match: \$145,000  
Total Project Budget: \$245,000  
Requested to Matched Ratio: 1:1.45

# WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

## B. Scope of Work: Narrative

### **Justification of Need**

Hawai‘i is highly vulnerable to climate change impacts, pressure on fresh water resources, and catastrophic natural disasters, with a long history of impacts from flooding and coastal inundation. Public-private partnerships (P3) are a critical strategy to address these complex, multi-faceted challenges and leverage limited financial resources.

The Ala Wai Watershed presents a catalytic opportunity to develop an innovative P3 model to increase fresh water security and community resilience that can be scaled and contextualized. The Ala Wai Watershed is the most densely populated watershed in Hawai‘i, accounting for nearly 20 percent of O‘ahu’s population and roughly 15 percent of the state’s population. The upper portion (~45 percent) of the watershed is forested and zoned Conservation District. The remainder is heavily urbanized, supporting single family residences, condominiums, hotels and businesses, and over 30 K-12 public and private schools and two major universities, including the University of Hawai‘i at Mānoa (UHM).

The Hawaiian place name of Waikīkī means “spouting water,” and was historically an ecosystem of abundance enriched by streams from Makiki, Mānoa and Pālolo valleys. Currently, Waikīkī is an iconic national landmark known as a global tourism destination, and a major economic engine generating approximately 8 percent of Hawai‘i’s gross state product, 7 percent of the state’s employment, and 9 percent of state tax revenues. The Ala Wai Watershed’s dense population, economic and tourism significance, diverse stakeholder and community interests, and thus, high demand on fresh water resources, make this an important area to develop P3 implementation models for water security and community resilience.

The overarching goal of this project is to improve the capacity of the State of Hawai‘i, the City and County of Honolulu, and residents, businesses, and visitors of the Ala Wai Watershed and Waikīkī to holistically manage water resources (i.e., rainfall and stormwater) to increase fresh water security and reduce the flood risk in the watershed.

This project proposes legal, policy, and financial analyses of potential options for a P3 and watershed improvement district to address recharge of groundwater resources, capture and reuse of stormwater as a resource, water quality improvements, green stormwater infrastructure, and hazards mitigation and flood risk reduction in the Ala Wai Watershed.

Project deliverables will include recommendations for a legislative and legal framework to establish an Ala Wai Watershed improvement district and a Community Investment Vehicle (CIVic) to achieve the goal and objectives.

# WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

## Budget

**Funding Requested: \$100,000**

**Cash Match: \$145,000**

**Total Project Budget: \$245,000**

**Requested to Matched Ratio: 1:1.45**

\$100,000 is requested to support implementation, including personnel expenses for project oversight, execution, and public-private stakeholder coordination (\$28,525); consultant services for legal and policy analysis (\$65,000); and fiscal sponsor administrative fees for the O‘ahu Economic Development Board (\$6,475) which is calculated at 7% of all funds received.

\$145,000 in matching private sector funds is committed from the Waikīkī Improvement Association (\$120,000) and Kyo-Ya Hotels and Resorts Ltd. (\$20,000). Matching funds will support project personnel expenses (\$60,000) and consultant service fees (\$65,000), and be released upon the award of this funding request.

\$245,000 is the total project, which includes personnel expenses (\$88,525), consultant services (\$150,000), and administrative fees (\$6,475).

## Background: The Ala Wai Watershed Collaboration

This project proposal builds on the legacy of two decades of Ala Wai Watershed management efforts. First predicated on ecosystem enhancements and water quality improvements through the *Ala Wai Canal Watershed Management & Implementation Plan* (Ala Wai Canal Watershed Steering Committee, 1998), stakeholders sought to, “heal the watershed – to nurture it, and to maintain it” (p.iv). In 2003 *Ala Wai Watershed Analysis: Final Report* (Townscape, Inc., Dashiell, E.P., and Oceanit) outlined 28 recommended actions “to improve the overall health of the watershed” (p.29) - Recommended Action #28 was, “To create an overall cooperative body that can manage the watershed in a holistic manner” (p.89) - this action was named the “Ala Wai Watershed Partnership.”

Ala Wai Watershed hazards and environmental quality references and specific projects are also included in the 2013 *State of Hawai‘i Multi-Hazard Mitigation Plan Update* (Martin & Chock, Inc.), Hawai‘i Department of Land and Natural Resources’ on-going *The Rain Follows the Forest - Hahai nō ka ua i ka ululā‘au* (2012) watershed partnership plans and initiatives, and *Ala Wai Canal Flushing System and Ala Wai Golf Course Detention System, Final Conceptual Engineering Report* (Mitsunaga & Associates, Inc., 2015), and the City and County of Honolulu’s *Multi-Hazard Pre-Disaster Mitigation Plan* (2012).

This proposal supports the State of Hawai‘i’s “Hawai‘i Climate Adaptation Initiative Act” (Act 83, 2014), Act 83 (2014) that established an Interagency Climate Adaptation Committee (ICAC), Act 286 (2012, Climate Change Adaptation Priority Guidelines), and implementation of the state’s Ocean Resources Management Plan (ORMP). Lastly, this proposal supports the continued implementation of Hawai‘i’s statewide 2030 sustainability goals, the *Aloha+*

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

*Challenge*, namely the Aloha+ Natural Resource Management and Aloha+ Smart Sustainable Communities goals, which include statewide fresh water security and community resilience targets.

### 2015 Hawai‘i Disaster Risk Workshop: Foundational Outcomes

On January 14, 2015, the US Army Corps of Engineers (USACE), in partnership with the Hawai‘i Emergency Management Agency (Hi-EMA) hosted a Hawai‘i Disaster Risk Workshop (Workshop) on the Ala Wai Watershed to identify opportunities to reduce Hawai‘i’s vulnerability to catastrophic natural disasters and mitigate the long-term impacts of climate change, including droughts and water shortages.

The Workshop featured a diverse selection of high-level speakers from the White House, federal government agencies, state and county government, private sector, civil society, community groups, and academia. Following the success and outputs of the Workshop, the Ala Wai Watershed Partnership (AWWP) was convened as a working group dedicated to improving the resiliency of the Ala Wai Watershed and Waikīkī, and serving as a model for partnerships and investments in resilient infrastructure systems. Acknowledging the attention and resources dedicated to flood mitigation in the Ala Wai Watershed through the USACE “Ala Wai Flood Mitigation Project” (Ala Wai Project),<sup>1</sup> AWWP members made a commitment to go beyond flood hazard mitigation and developed four Pillars or Goals to create a holistic vision for the watershed, including: Whole Community Education and Awareness; Risk Transfer; Community Investment Vehicle (CIVic); and Ecosystem Restoration and Green Communities.

As an output, the Workshop outlined “*The Ala Wai Partnership Road Map*”:

1. Launch a Working Group to increase awareness about catastrophic natural disaster risk, and facilitate stakeholder engagement in designing, funding, building and maintaining integrated infrastructure systems that improve the resilience of vulnerable communities in the Ala Wai Watershed and Waikīkī. (*This became the Ala Wai Watershed Partnership, currently known as the Ala Wai Watershed Collaboration.*)
2. Communicate the economic, political, and social risk of natural disasters in the Ala Wai Watershed, Waikīkī, and Hawai‘i. (*The AWWP/AWWC has conducted this through the 2016 Legislature’s supporting resolution, among other activities described in the proposal.*)
3. Forge new partnerships with the reinsurance industry to help mitigate current and future climate risks that place substantial financial and political burden on the State economy and on state and county governments. (*The AWWP/AWWC has worked with private companies and state and city government to educate on and investigate risk transfer solutions, such as parametric insurance.*)
4. **Create an Ala Wai regional planning entity that also serves as a community investment vehicle (“CIVic”) to align public funds and catalyze private investment**

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<sup>1</sup> The feasibility study was originally conceived as a broader multi-purpose study, investigating alternatives within the watershed to both flood risk management and ecosystem restoration; however, other project purposes were not found to qualify as projects of a “federal interest” and were thus discarded, leaving the federal focus on the primary project purpose, flood risk management.

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

**in designing, building and maintaining resilient infrastructure. (*This is the proposed project here*).**

5. Establish a Hawai‘i State Chief Risk and Resilience Officer in the Governor’s office.

This project proposal is a direct action from this workshop, specifically to conduct the necessary research and analysis to achieve item #4 above on the Community Investment Vehicle (“CIVic”). This project will develop new and innovative financing strategies for climate resilient infrastructure projects in the Ala Wai Watershed, including stormwater reuse, water efficiency measures, and insurance premium savings securitization.

### 2015 Infrastructure Week: Stormwater Strategies

This workshop was followed by Infrastructure Week 2015 (May 15) where the AWWP, cdots development, and other partners jointly convened a high-level workshop to identify the building blocks of a new regional development authority, which would catalyze investment in priority gray and green infrastructure projects.

The Infrastructure Week workshop participants agreed that creating a new CIVic requires initial funding to help coordinate activity among interested stakeholders, and introduced several innovative financing mechanisms that could leverage private capital and generate quick wins for project planning. One option discussed was to create an environmentally focused market in Honolulu that incentivizes property owners to increase stormwater retention and reuse, similar to Washington D.C.’s stormwater retention credit trading program. Washington D.C.’s initiative encourages green infrastructure development on private property through market-based mechanisms while also reducing pollution. Participants discussed how such market-based strategies and urban stormwater mitigation projects at the homeowner level could be structured to provide a long-term source of capital and bolster community and political support.

The workshop explored opportunities to offset the upstream financial burden of stormwater management in the Ala Wai Watershed for the benefit of downstream users, including through a new stormwater management fee mechanism that could be framed as a community benefit (e.g. a mechanism to protect the tax base relative to post-disaster costs). Just as private property values benefit from proximity to tourist centers, stormwater management fee revenues that protect downstream tourist centers benefit upstream homeowners. Participants agreed that decision-makers must invest in a regulatory framework to help monitor and enforce green infrastructure finance.

### State Legislative Leadership

In 2016, the AWWP partnered with the Hawai‘i State Legislature. As a show of strong local leadership, both chambers of the Hawai‘i Legislature expressed their support for the AWWP and its integrated approach to increasing resilience and sustainability in the Ala Wai Watershed and Waikīkī, in House Concurrent Resolution 61 House Draft 1 adopted in its final form on April 22, 2016, “Endorsing and Supporting the Ala Wai Watershed Partnership.”<sup>2</sup>

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<sup>2</sup> 2016 Hawai‘i State Legislature, HCR61 HD1 (2016), “Endorsing and Supporting the Ala Wai Watershed Partnership.” <[http://capitol.hawaii.gov/measure\\_indiv.aspx?billtype=HCR&billnumber=61](http://capitol.hawaii.gov/measure_indiv.aspx?billtype=HCR&billnumber=61)>

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

In May 2015, Act 042 was signed into law: Stormwater Fees Act 042 (May 06, 2015)<sup>3</sup> – Relating to Stormwater Management (HB 1325 HD1 SD1): Authorizes the counties to establish and charge user fees for stormwater management.

**HRS Sec. 46-1.5** General powers and limitation of the counties. Subject to general law, each county shall have the following powers and shall be subject to the following liabilities and limitations:...

(5) Each county shall have the power to:...

(E) Establish and charge user fees to create and maintain any stormwater management system or infrastructure.

Act 042 (2015) was an oft-referenced item at the University of Hawai‘i Sea Grant College Program’s 2016 “Green Stormwater Infrastructure Summit - Advancing Practice and Policy for Green Communities.”<sup>4</sup> Speakers noted the importance of this legislation to facilitate water infrastructure development, establish drainage rate structures, and mitigate runoff from impervious surfaces – “a stormwater utility will be a first step to getting a more rapid pace of implementation” (Hye Yeong Kwon, Executive Director, Center for Watershed Protection).

There are real difficulties in addressing stormwater infrastructure needs for resolving growing water quality and quantity challenges. Green stormwater infrastructure (GSI) is a developing field of practice and management of water quality and quantity, and more and more becoming required by regulations and plans. Practitioners, regulators, and interested community members and landowners continue to discuss how to achieve green and livable communities, with a specific focus on water quality (polluted runoff control) and quantity management (catchment, use/reuse, recharge, flooding, and drought). It is unlikely that progress will be made without requirement by law, investments in retrofits, or new developments. Currently, there is no coordinating entity or authority to achieve these multi-pronged water and watershed goals.

### Public-Private Partnership Evolution and Research

Specific to this proposal, the University of Hawai‘i Sea Grant College Program (Hawai‘i Sea Grant) conducted preliminary research for the AWWP of P3 elements and relevancy from other municipalities. This included developing a summary of publications, and a review of Hawai‘i statutes and administrative rules (Geddes and Wagner, 2013; US EPA, 2015; Brookings Institution, 2011; Hawai‘i Revised Statutes<sup>5</sup>). This focused on P3 organizational structures for (1) planning and developing high-quality infrastructure improvements (e.g., drinking-, storm-, and wastewater; flood management) at a cost savings to the government while realizing a reasonable return on investment; (2) aligning public funds and catalyzing private investment in

<sup>3</sup> Hawai‘i State Legislature, HB1325 HD1 SD1 (2015), “Relating to Stormwater Management.”

<[http://capitol.hawaii.gov/Archives/measure\\_indiv\\_Archives.aspx?billtype=HB&billnumber=1325&year=2015](http://capitol.hawaii.gov/Archives/measure_indiv_Archives.aspx?billtype=HB&billnumber=1325&year=2015)>

<sup>4</sup> <http://sbc.d.seagrant.soest.hawaii.edu/green-stormwater-infrastructure-summit> - In addition to many local experts, other invited guests included experts from the City of Seattle Office of Sustainability & Environment and Seattle Public Utilities, Center for Watershed Protection in Maryland, the Boston office of The Trust for Public Land, the U.S. Water Alliance in Washington D.C., and the Horsley Witten Group in Massachusetts.

<sup>5</sup> <http://www.capitol.hawaii.gov/>



## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

designing, building, and maintaining resilient infrastructure; (3) developing new and innovative strategies for climate resilient infrastructure projects. These included infrastructure for stormwater reuse, water efficiency measures, and insurance premium savings securitization (i.e., ways to generate revenue without raising taxes/floating bonds). This past work will inform scoping of a contract under this proposal.

In short, past research and preliminary consultation describe the key elements for optimal P3 projects as, (1) legislative authority and appropriations to fund the development of the P3 structure; and (2) via such authority, the establishment of a single coordinating authority with important powers, including, for example to: enter into contracts (as an exemption from procurement requirements); issue loans/bonds; impose levies on the usage of the relevant system (or direct the relevant existing governmental agencies to do so with the proceeds earmarked for project purposes; e.g., stormwater usage fees); issue/coordinate granting of permits and authorizations; condemn property (eminent domain authority); and regulate and police the performance of the private entity in delivering on the outcomes promised (also provided for under the concession via contract remedies).

This work and information highlights the complex realities for implementing resilience goals beyond inclusion of science-based information into planning and decision making. These P3 considerations are critical to the social and organizational capacity of municipalities and stakeholders to fully realize the reduction of risks and vulnerabilities through changes in the physical environment: governance structure and legal environment; procurement processes; contract management and oversight; investment partnerships; returns on investment; financing sources and revenue collection methods; operations and maintenance regimes; and stakeholder outreach, engagement, and education.

Later in 2016, the AWWP was approached by the Polynesian Voyaging Society who expressed interest in the Ala Wai Watershed and opportunities to be engaged in the holistic management approach, as well as expanding opportunities for more and more diverse representation in the efforts. **Following several larger working meetings into early 2017, it was decided to call this expanded initiative the Ala Wai Watershed Collaboration (AWWC).** The AWWC leverages the foundational work of the Ala Wai Watershed Partnership, which continues to serve as the main interface with city, state, and federal agencies engaged in the watershed, and through annual reporting to the state legislature *per* HCR61 HD1 (2016).

Hawai‘i Green Growth currently serves as the Secretariat of the Ala Wai Watershed Collaboration, which has 5 active working groups<sup>6</sup>. This proposal is the main action item identified by the “Policy, Legislation, and Finance” group, per the “Road Map.”

Based on this foundational research, stakeholder input, and joint objectives, the project will specifically produce Hawai‘i-based recommendations to establish an Ala Wai Watershed

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<sup>6</sup> The five working groups are: *Communications and Public Relations; Cultural Foundations, Education and Community Engagement; Policy, Legislation, and Finance; Science and Research, and Environmental Quality and Ecosystem Management; and, Resilient Infrastructure.*



## **WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience**

improvement district and a Community Investment Vehicle (CIVic). This includes strategies for stormwater management systems and recycled and reuse water projects for public lands and facilities, local businesses, schools, and private homes.

Ultimately, the process and products from this project, to support an Ala Wai Watershed P3 management structure, will result in an innovative model that could be used more broadly to address fresh water security, critical infrastructure, climate resiliency, and sustainability needs statewide, as well as regionally and globally.

### **Goal and Objective(s) of Project Activities**

The complexity of issues and jurisdictions in the Ala Wai Watershed and Waikīkī, and the lack of progress on mitigating multiple hazards and environmental quality problems that will be exacerbated by present and future climate change stressors, highlights the structural and organizational, financial, and communication gaps in addressing resilience and water security in the Ala Wai Watershed through Waikīkī.

The overarching goal of this project is to improve the capacity of the State of Hawai‘i, the City and County of Honolulu, and residents, businesses, and visitors of the Ala Wai Watershed to holistically manage water resources (i.e., rainfall and stormwater) to increase water security in the watershed and as a model statewide.

### **The overall project goal will be met through the following objectives:**

- Leveraging the ongoing work of the Ala Wai Watershed Collaboration in the watershed, and collaborate with state, county, private sector, and community partners.
- Increasing water security and community resiliency addressing critical organizational gaps for designing, funding and financing, and operating and maintaining resilient infrastructure in the watershed.
- Addressing knowledge gaps through digital and print educational materials, community meetings and presentations, and an engagement process.
- Supporting existing and developing community activities and agency projects in the watershed that further the goal and objectives.
- Sharing information and processes with the multiple jurisdictions through briefings, digital and print materials, and through their active participation in the project.

### **Project staff will oversee consultants and coordinate with public-private stakeholders from the state, county, private sector, and community to implement the following activities:**

- Facilitating stakeholder involvement in the design of a Watershed Improvement District and a Community Investment Vehicle to manage development of infrastructure to improve water security and reduce the flood risk;
- Contracting for legal and policy research and education on appropriate P3 structures to achieve Ala Wai Watershed Partnership’s goals and objectives, and development of recommendations for implementation; and

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

- Working with city and state governments to develop a legal foundation for both watershed improvement districts and community investment vehicles.

### List of Deliverables

This project will produce the following deliverables:

- Final report and recommendations for an integrated watershed improvement district and Community Investment Vehicle (CIVic);
- Model public-private partnership (P3) for water infrastructure legislation and community supported strategies; and
- Strategies for P3 project investments that are community-acceptable to manage rainfall, stormwater, and other water sources (e.g. wastewater) to increase water security. This will include increasing groundwater recharge, reuse of stormwater and wastewater, and reducing the use of potable water for irrigation.

Project deliverables will include a final recommendation for the legislative and legal framework to establish an Ala Wai Watershed management district and Community Investment Vehicle (CIVic) to achieve the goal and objectives detailed in this proposal. These outputs will be shared and publicly available through project websites, blogs/story posts, and through presentations, trainings, workshops, panels, and/or conferences.

### C. Experience and Capabilities

This project will be managed by the O‘ahu Economic Development Board, Hawai‘i Green Growth Initiative, and the Ala Wai Watershed Partnership.

The **O‘ahu Economic Development Board** (OEDB; formerly Enterprise Honolulu) envisions a prosperous Hawai‘i through partnerships, collaboration, and community input, supporting a healthy economy on O‘ahu by being a leading agent in the growth, retention and recruitment of businesses that support jobs in Hawai‘i. The OEDB is also actively involved in infrastructure, planning and workforce development to build the foundation for a prosperous economy. In addition to actively participating in the AWWP since January 2015, the OEDB serves as Hawai‘i Green Growth’s fiscal sponsor, and is submitting this application on behalf of the partnership. The OEDB is a 501(c)3 non-profit organization.

Launched in advance of the 2011 U.S.-hosted Asia Pacific Economic Cooperation (APEC) Summit in Honolulu, HI, **Hawai‘i Green Growth** (HGG) formed to develop innovative and collaborative solutions to pressing sustainability, resilience, and development challenges facing Hawai‘i and the world. The first multi-sector collaboration of its kind, HGG built a diverse public-private network, facilitated consensus on six statewide high-level sustainability goals, and developed a robust process to coordinate shared statewide measures, policy actions, and cross-sector initiatives. Hawai‘i Green Growth (HGG)<sup>7</sup> is a public-private partnership that catalyzes action across government, private sector and civil society to achieve Hawai‘i’s 2030 statewide

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<sup>7</sup> <https://hawaiigreengrowth.org/priorities>

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

sustainability goals and serve as a model for integrated green growth. HGG has been an integral member of the Ala Wai Watershed Collaboration since January 2015 and recently was appointed to serve as the Secretariat of the expanded initiative. HGG's Executive Director Celeste Connors is a Co-PI of this proposal.

The **Ala Wai Watershed Collaboration** (AWWC; formerly called the Ala Wai Watershed Partnership) is a multi-sector partnership that coordinates across the public, private, academic, non-governmental, community and philanthropic sectors to help leverage public finances to unlock private investment in designing, building, maintaining, and operating an “Ala Wai watershed project.” The AWWC is committed to increasing communication with key community groups, engaging the private sector, and developing and implementing innovative regional planning and financing solutions. Per HCR61 HD1 (2016), the AWWC reports annually to the Hawai‘i legislature informing it of the progress to date on the Pillars agreed upon in the 2015 Workshop. This proposal specifically address they key pillar of Community Investment Vehicle (CIVic), in addition to Whole Community Education and Awareness. AWWC Chair Michael Hamnett is a Co-PI of this proposal.

In addition to the state and county, key stakeholders that are AWWC participants and warrant specific recognition for their role in the AWWC and for the success of this project include:

- **Polynesian Voyaging Society:** Through its *Promise to Pae ‘Āina* initiative, which furthers the sustainability lessons extended and brought back with the return of Hōkūle‘a from its multi-year worldwide voyage, the “Island Home” working group has identified the Ala Wai Watershed as a priority pilot area to address its three priorities of upland forest restoration and management; care for the waters where people live; and quality of the nearshore waters and environment. This group brings additional collaboration.
- **Hawai‘i Exemplary State Foundation:** Housed in the University of Hawai‘i Center for Conservation Research & Training, this initiative is focused on place-based STEM education and training.
- **‘Iolani School:** This independent school located along the canal is facilitating *Na Wai ‘Ekolu: The Three Waters*, which is a network of educators of public, charter, and independent schools in the watershed focused on “build[ing] a community of learners who will understand, know, and care for our watershed.”
- **Kyo-ya Hotels & Resorts:** A critical private business partner, Kyo-ya manages several of the most prominent hotels in Waikīkī and is a member of the Waikīkī Improvement Association. Kyo-ya has provided match for this project demonstrates the need to engage the business community.
- **Ala Wai Watershed Association:** Founded in the late 1990s in response to the findings of the Ala Wai Canal Steering Committee’s *Ala Wai Canal Watershed Management & Implementation Plan, Volume 1* (1998), the Ala Wai Watershed Association (AWWA) is a 501(c)3 non-profit organization. Its mission is “*E malama kakou i ka wai mai uka a ke kai*,” which means “Let us all come together to care for the waters that flow from the mountains to the sea.” To date, AWWA has been the lead non-profit in the watershed for Hawai‘i Department of Health 309(h) funds for watershed management projects. Its existing network has been a tremendous asset for the AWWP in these early stages.

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

These collaborators and active stakeholders collectively will ensure broad engagement through the project. They will be engaged through the Collaboration’s regular schedule of meetings and in the monitoring of the project managed by the Co-PIs.

Project Co-PIs, heads of the Hawai‘i Green Growth Initiative and the Ala Wai Watershed Collaboration, have demonstrated success in engaging stakeholders, creating opportunities to extend and share the work to date, as well as sparked high-level interest in investing resources to the effort (i.e., time, in-kind resources, and cash support as demonstrated by this proposal and history of past work). Other notable activities the AWWC has conducted include a 2015 Pacific Risk Management ‘Ohana (PRiMO) conference session and half-day “resilience” site tour and field trip; a 2016 IUCN World Conservation Congress (WCC) Conservation Campus session, half-day tour, and collaborative design hack, which engaged WCC to vote on solutions in the expo hall and through Hawai‘i Green Growth’s social media; and partial inspiration and foundational materials for the University of Hawai‘i’s *“Make the Ala Wai Awesome” Student Design Challenge*.<sup>8</sup>

To date, all this effort has been conducted on a volunteer and in-kind basis, with significant time devoted by Hawai‘i Green Growth, participants of the Ala Wai Watershed Collaboration and Hawai‘i Sea Grant, among others. The lack of dedicated resources to further goal and objectives has hampered the collective’s ability to make significant progress.

Potential obstacles to successful completion of the goal and objectives of the proposed project include: a natural hazards event and the subsequent focus on recovery and bouncing forward; diminished programmatic support and funds at the state, city, and within the university; and insufficient community and stakeholder engagement in the analysis and development of the policy recommendations. Lastly, delays in project awarding and contracting will impact the ability to align project activities with the Hawai‘i legislative calendar, as further described below.

### *Outreach, Visibility, and Demonstration of Value*

A collaborative approach has been the hallmark of the Ala Wai Watershed Collaboration’s (AWWC) and Hawai‘i Green Growth’s (HGG) work and leadership, and will continue to be of critical importance through the proposed project. This work provides technical assistance to investigate the organizational, legal and policy, and financial options for the Ala Wai Watershed goal and objectives. These outputs and outcomes will be extended through multiple outlets for different audiences, such as, elected officials and agency heads; Ala Wai Watershed partners; and general and broader community members outside of the watershed through digital and web resources. The strength of the proposal is in its foundational collaboration and the diverse cross-sectional participants of the AWWC and leadership of HGG. This proposal is a direct response to the collective’s work and interests.

Through the Ala Wai Watershed effort, HGG and AWWC are working to address hazard mitigation and community resilience, improved water resource management and ecosystem restoration, by re-designing and enhancing a critical watershed. This work engages government,

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<sup>8</sup> <http://www.alawaichallenge.org/>

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

citizens, schools, and businesses to improve natural resource management, increase disaster preparedness education and facilitate input on innovative, community-driven resilience solutions. This work can be a model for other vulnerable areas across the state and the Pacific, and be adapted regionally and globally to increase freshwater security and community resilience.

### D. Strategy, Timeline, Plan, and Pricing

**Timeline:** Project activities will produce outcomes and align with the state legislative calendar and development of the next biennium budget. Project recommendations must be extended prior to the legislature’s January 2019 opening and outreach and education will be conducted beyond an August 30, 2018 end date per the RFP. This is to prepare for the state biennium budget (January 2020). Other specific activities will take advantage of local and national conferences, and local engagement opportunities, and continued partner meetings.

<i>Milestones</i>	Year 1, 2017-2018				*Project Extension and Continued Outreach			
	Sept-Dec	Jan-Mar	Apr-Jun	Jul-Aug	Sept-Dec	Jan-Mar	Apr-Jun	Jul-Sept
Project coordination, administration, outreach								
Stakeholder Engagement*								
Contracting, scope of work development								
Contractor selected, research and analysis								
Hawai‘i Legislature 2018 Regular Session								
Final Report and Recommendations								
Hawai‘i Legislature 2019 Regular Session*								
Hawai‘i Legislature 2020-2022 Biennium Budget Preparation* (extends through Jan. 2020)								

## WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience

**Strategy & Plan:** This proposal will enhance capacity to maintain established collaboration, increase stakeholder understanding and awareness of the risks and vulnerabilities in the Ala Wai Watershed, and increase knowledge of the challenges and potential strategies to address them. This project lays the foundation for future installations that will provide measurable benefit of volume of water recharged, reused, or conserved.

<b>Project Activity</b>	<b>Outputs</b> <i>results of activities</i>	<b>Outcomes</b> <i>anticipated progress toward water security</i>
<p>(1) Facilitating stakeholder involvement in the design of a Watershed Improvement District and a Community Investment Vehicle to manage development of infrastructure to improve water security and reduce the flood risk.</p> <p>(2) Contracting for legal and policy research and education on appropriate P3 structures to achieve Ala Wai Watershed Partnership’s goals and objectives, and development of recommendations for implementation.</p> <p>(3) Work with city and state governments to develop a legal foundation for both watershed improvement districts and a community investment vehicles.</p>	<ul style="list-style-type: none"> <li>• Final report and recommendations for an integrated watershed improvement district and Community Investment Vehicle.</li> <li>• Presentations to elected officials conducted by contractor/Co-PIs.</li> <li>• Stakeholder meetings and community outreach activities.</li>   <li>• Model public-private partnership (P3) for water infrastructure legislation and community supported strategies</li> <li>• Strategies for P3 project investments that are community-acceptable to manage rainfall, stormwater, and other water sources (e.g. wastewater) to increase water security.</li>   <li>• Consensus among elected officials, agency staff, and public-private partners on legal framework for watershed improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• Community support for establishment of a Community Investment Vehicle and a Watershed Improvement District.</li>   <li>• P3 enabling legislation proposed and offered to the Legislature.</li> <li>• Biennium budget components included to support the structuring and funding of an Ala Wai Watershed P3.</li> <li>• Increased implementation of water security and best practices for watershed management in local ordinances and standard practice.</li>   <li>• Political support for a community investment vehicle and watershed improvement district.</li> </ul>



## **WSAG17: The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience**

**Pricing:** Contractual costs of \$65,000 is requested for legal, policy, engineering, and financial analysis of the Ala Wai Watershed. This will be matched in cash at a rate of over 1:1 with \$85,000 private sector funds for total contractual services of \$150,000. Expenses will include personnel for senior consultants during the project period years, which will include all associated travel or other costs.

- Name of Contractor(s): To Be Determined
- Method of Selection: Competitive proposals
- Selection criteria:
  - Proven track record in public policy development with state and county governments in water and/or natural resource management and hazard mitigation;
  - Experience in structuring public-private partnerships for infrastructure development and/or natural resource management; and
  - Experience in developing natural resource or watershed improvement districts.
- Period of Performance: September 01, 2017 – August 31, 2018
- Scope of Work: Project deliverables include final recommendations for the legislative and legal framework to establish an Ala Wai Watershed management district and Community Investment Vehicle (CIVic) that include strategies for water resource management, stormwater management systems, ecosystem restoration, green infrastructure, and risk management.
- Criteria for Measuring Accountability: Report monthly to the Co-PIs.

Personnel expenses of \$28,525 is requested for staff support in implementation of the project, oversight of consultants, and coordination of public-private stakeholder and community engagement. This will be matched at a rate of greater than 1:2 with \$60,000 private sector funds for a total coordination expenses of \$88,525.

Fiscal sponsor administrative fees of \$6,475 is requested for the O‘ahu Economic Development Board. Administrative overhead for Hawai‘i Green Growth’s fiscal sponsor is calculated at 7% of all funding received.

In total, \$100,000 is requested to support an overall project budget of \$245,000 (1:1.45). \$145,000 in matching private sector funds will be released upon the award of this funding request.

### **E. Proposal Budget Form**

See Attachment E

### **F. Exceptions**

None

### **G. Letters of Support and Matching Funds**

- Waikiki Improvement Association
- Kyo-Ya Hotels and Resorts Ltd

### **H. Appendix**

Attachment includes map of the Ala Wai Watershed and list of references





## W A I K I K I I M P R O V E M E N T A S S O C I A T I O N

April 18, 2017

Pono Shim  
Oahu Economic Development Board  
735 Bishop Street, Suite 424  
Honolulu, HI 96813

Re: Letter of Matching Funds for Ala Wai Watershed Collaboration

Aloha Pono,

I serve as President of the Waikīkī Improvement Association, a private, non-profit association of business, government and community partners that is committed to the preservation and enhancement of Waikīkī's physical, economic and cultural environment. I write in full support of the O'ahu Economic Development Board and Hawai'i Green Growth proposal, *The Ala Wai Watershed – Public-Private Partnership Models for Freshwater Security and Community Resilience*.

The Waikīkī Improvement Association is a member of the Ala Wai Watershed Collaboration, a diverse public-private partnership committed to coastal resilience and disaster risk reduction in the Ala Wai Watershed. **This collaborative public-private effort is critical to addressing key issues of fresh water supply, flood mitigation, habitat restoration and coastal resilience in an extremely vulnerable area that involves multiple jurisdictions (city, state, and federal).**

The proposed project will support coordinated stakeholder and community engagement, research and policy analysis to create a community investment vehicle ("CIVic"), and integrated assessments for resilient infrastructure design. This public-private initiative can be adapted regionally and globally, serving as a model for increasing water security and coastal resilience in other vulnerable areas.

The Waikīkī Improvement Association commits to provide or raise up to **\$125,000 in matching funds** to the O'ahu Economic Development Board and Hawai'i Green Growth to support collaborative efforts in the Ala Wai Watershed.

We are confident that this proposed project will have an important impact on a particularly vulnerable watershed and coastal area, and provide lasting environmental, social and economic outcomes.

Sincerely,

Rick Egged  
President Waikīkī Improvement Association



April 19, 2017

Mr. Pono Shim  
Oahu Economic Development Board  
735 Bishop Street, Suite 424  
Honolulu, HI 96813

RE: Letter of Matching Funds for Ala Wai Watershed Collaboration

Aloha,

Kyo-ya is a participant of the Ala Wai Watershed Collaboration, a diverse public-private partnership committed to fresh water security, coastal and community resilience, and disaster risk reduction in the Ala Wai Watershed.

Kyo-ya Hotels & Resorts, LP and Kyo-ya Management. Co., Ltd is pleased to commit up to \$20,000 in matching funds to the O'ahu Economic Development Board and Hawai'i Green Growth to support collaborative community resilience efforts in the Ala Wai Watershed. Our commitment is contingent upon the successful receipt of this grant, as outlined in the proposal.

Since being founded in 1961, Kyo-ya has taken to heart how a family-based organization can help shape and maintain the stewardship of the land and its surroundings for the benefit of our local community and our visitors.

If you have any questions about this letter, please feel free to contact me at (808) 931-8600.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor T. Kimura", written in a cursive style.

Victor T. Kimura  
Senior Vice President  
Kyo-ya Management Co., Ltd.

## Appendix

*Ala Wai Watershed overview and locator map*, University of Hawai‘i Sea Grant College Program, 2017. Three valley and stream systems (Makiki, Mānoa, and Pālolo) drain through the Ala Wai Canal; White dashed lines depict historical ahupua‘a boundaries. Data source: Hawai‘i Statewide GIS Program.



## References

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