

House District 8th

Senate District 4th

THE TWENTY-SIXTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: 8-C

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): _____

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: Boy Scouts of America – Maui County Council

Dbas:

Street Address: 200 Liholiho St. Wailuku, HI 9679

Mailing Address:

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name ROBERT NAKAGAWA

Title Scout Executive

Phone # 808-244-3724

Fax # 808-242-8856

e-mail robert.nakagawa@scouting.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
 FOR PROFIT CORPORATION
 LIMITED LIABILITY COMPANY
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

CAPITAL REQUEST FOR SHOVEL READY IMPROVEMENT PROJECTS AT CAMP MALUHIA.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: \$ 1,500,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 1,150,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

ROBERT NAKAGAWA – SCOUT EXECUTIVE
NAME & TITLE

JANUARY 30, 2012
DATE SIGNED

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2012 to June 30, 2013)

Applicant: Boy Scouts of America - Maui County Council

BUDGET CATEGORIES	Total State Funds Requested			
	(a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	1,500,000			
TOTAL (A+B+C+D+E)	1,500,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,500,000	Robert Nakagawa	808-244-3724	
(b)		Name (Please type or print)	Phone	
(c)			30-Jan-12	
(d)		Signature of Authorized Official	Date	
TOTAL BUDGET	1,500,000	Robert Nakagawa - Scout Executive		
		Name and Title (Please type or print)		

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Boy Scouts of America - Maui County

Period: July 1, 2012 to June 30, 2013

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2010-2011	FY: 2011-2012	FY:2012-2013	FY:2012-2013	FY:2013-2014	FY:2014-2015
PLANS	150,000					
LAND ACQUISITION						
DESIGN	150,000					
CONSTRUCTION		850,000	1,500,000	3,881,000		
EQUIPMENT				56,800		
TOTAL:	300,000	850,000	1,500,000	3,937,800		

JUSTIFICATION/COMMENTS:

All requested funds will go for construction projects. Planning, design and permitting costs are covered through existing donations. All donations other than this \$1.5M request and a potential Maui County request will be from private foundations and individuals.

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawai'i Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Boy Scouts of America – Maui County Council
(Typed Name of Individual or Organization)

(Signature)

January 30, 2012

(Date)

Robert Nakagawa
(Typed Name)

Scout Executive
(Title)

Application for Grants and Subsidies

If any item is not applicable to the request, the applicant should enter “not applicable”.

I. **Background and Summary**

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. *A brief description of the applicant's background;*

The Maui County Council of the Boy Scouts of America has been serving Maui County youth and their community since 1913 – three years before the U.S. Congress chartered the Boy Scouts of America. Its purpose is to promote an educational program for boys and young adults to build character, to train in responsibilities of participating citizenship, and to develop personal fitness and life skills.

Scout Executives and Council Presidents over the years have included many of Maui County's community leaders. *(See Exhibit A - Leadership)*

From Tiger Cubs, which trains first-graders in simplicity, shared leadership, learning about their community and family understanding, to Venturing, which trains young men and women ages 14-20 in leadership, fitness, outdoor skills, service to the community, and hands-on career experience, the Maui County Council has been committed to not just the young people of Maui County but to our state community as a whole for 99 years.

The Maui County Council currently serves almost 1000 youth through 68 Scouting units in Maui County. With an emphasis on community service and leadership, the Maui County Council requires all Scouts to perform community service as a part of their growth toward rank advancement. Prior to taking on their Eagle Project, every Scout performs a minimum of 17 hours of community service. Eagle Projects tend to average more than 100 man-hours each. These projects must benefit other organizations and communities rather than provide any direct benefit to the Boy Scouts. In fact, in 2010, the Maui County Council generated more than 17,000 documented community service hours through projects such as food drives, County Fair volunteering, Rank Advancement and Eagle Scout Project hours. For Eagle Scouts, projects included helping various schools and nonprofit organizations with weeding, cleaning, landscaping, and painting, among other things. *(See Exhibit B - 2011 Eagle Scout Projects)*

Camp Maluhia is the largest Boy Scout camp in Hawaii, and includes 17.94 acres of Maui County Council property and an additional 240 acres under a long-term lease. All of the permanent buildings/structures are located within the owned parcel. The leased

parcels consist of Makamakaole stream and gulch and former/current cattle grazing land that includes Kukuipuka Heiau and Waihe'e Ridge Trailhead. The Camp includes cabins, a mess hall, swimming pool, shooting and archery ranges, hiking and primitive camping in Makamakaole Gulch, hiking on the adjacent Waihe'e Ridge Trail, and sweeping views of Maui's north shore. Resting on the windward slopes of West Maui the camp is only 15 minutes out of Wailuku and has become one of the most widely used wilderness facilities in the world of Scouting. The Camp is in desperate need of repairs and improvements.

The Camp serves more people in the community than it does Scouts through use by nonprofits such as Imua Family Services (which provides child development and therapeutic services), various Schools, various Churches, the Rotary and other non-profits from throughout the state. *(See Exhibit C – Camp Maluhia 2011 Usage)*

Camp Maluhia was developed in 1937 as a three-way partnership with Alexander House, The Maui County Council-Girl Scouts and the Maui County Council-Boy Scouts of America. It was developed under the concept of community use, which is still true today. In 1947, Alexander House went out of active community service and relinquished their interest in the camp. A few years later, the Girl Scouts also relinquished their interest in the camp in favor of constructing their own camp. In 1958 the roughly 18 - acre parcel that made up Camp Maluhia was purchased fee simple from the State of Hawaii through a State Land Patent.

Camp Maluhia currently has 284 beds available for use by Scouts and the community. In 2011, almost 5000 individuals spent at least one night at Camp Maluhia. *(See Exhibit C – Camp Maluhia 2011 Usage)* Camp Maluhia is occupied 60% of the year and 95% of the weekends throughout the year.

There are few other organized camping opportunities on Maui. Limited facilities operated by the State of Hawaii and the Federal government do not provide many options for either private or non-profit group camping needs on Maui. The following summarizes the other optional camping sites for similar group camping opportunities:

- Camp Piihola sleeps 40. This camp is located in the Olinda area of Upcountry Maui and is operated by the Maui County Girl Scouts of Hawaii. The camp can accommodate group camping, but given its location and use policies, does not get much occupancy.
- Camp Olowalu sleeps 36. It is located on the coastline in the Olowalu area of west Maui. The camp is run by the Presbyterian Church and has limited facilities and opportunity for use.
- Camp Keanae sleeps 186. This camp is located in the Keanae area of Maui's north shore approximately half way between Kahului and Hana town. The camp grounds are leased from the State of Hawaii and the Maui Family YMCA operates the camp. Group camping is common and the facilities suit themselves well to such use. The location of the camp, however, is not conducive to frequent non-profit use.

2. *The goals and objectives related to the request;*

The goal of this request is to provide funds critically needed to repair and improve The Boy Scouts of America – Maui County Council scouting facilities. The bulk of the capital improvements are for Camp Maluhia, which is an integral part of the Scouting program on Maui. The funds for Camp Maluhia would:

1. Attract more boys to the Scouting program to teach them outdoor skills, leadership, character, and community service during their critical formative years. Scouts learn to be trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent.
2. Provide a safe environment for young boys, families, and others to enjoy outdoor recreation and learning.
3. Attract more people to use the Camp with its upgraded facilities.
4. Retain more youth through improved facilities and programs offered in camp.

Camp Maluhia is in serious need of renovation and a portion of the facilities was recently condemned. The Maui County Council proceeded to raise and borrow funds to replace some of the condemned facilities, which included some restrooms. Many of the other structures have been in existence for a long time and were not considered new even when current Scout parents and leaders were youth leaders.

In 2008 the Council appointed a Camp Maluhia Strategic Plan Task Force to evaluate the camp's utilization and facilities and to make specific recommendations. In addition, the expertise and resources of a project architect from the Design and Development Team of the National Council, Boy Scouts of America were accessed and utilized on site.

Upon reviewing the property in detail, the Camp Maluhia Strategic Plan Task Force determined the following to be priority items:

- Roofs on all structures need replacement.
- Termite damage is prevalent and creating increased structural damage to the buildings.
- Permanent buildings need renovations, sewer lines repairs, American Disabilities Act (ADA) compliance, and fire suppression.
- Sleeping facilities need age/gender separation.
- Sanitary facilities including restrooms and showers are in poor condition, need renovation, ADA compliance, age/gender separation, and septic systems.
- Food preparation areas need renovation, repairs, and upgrades.
- Water distribution repairs, erosion control, and parking lot repairs are needed.
- Swimming pool needs repairs and ADA compliance.
- Construct new dining hall.
- Solar and wind energy should be utilized to reduce utility costs in the future.

The total cost of these renovations and improvements is \$ 6,587,800. *(See Exhibit D – Capital Improvement Estimate and Schedule)* We respectfully request a grant of \$1,500,000 - approximately 23% of the total project cost.

3. State the public purpose and need to be served;

For the Boy Scouts, a renovated Camp Maluhia will continue to serve as an outdoor education center, summer camp, leadership training center and day camp facility year round. It will become a more desirable choice for Scout Packs to utilize in their year-round activities.

Summer Camp is a weeklong summer camp experience for the Scouts. They sign up for different merit badges of their own choosing that include: swimming, lifesaving, camping, cooking, pioneering, orienteering, wilderness survival, Indian lore, environmental science, forestry, astronomy, leatherwork, woodcarving, basketry, archery, rifle shooting, shotgun shooting, first aid, emergency preparedness, weather, geology, soil and water conservation, composite materials, disabilities awareness and Hawaiiana.

The Council holds Adult Leader Training for its volunteers to train them on the outdoors, Boy Scout educational methods, communications, leadership and camping.

NYLT is a National Youth Leadership Training for our Scouts where they learn leadership, communication, presentation methods, conflict resolution, team building skills and more.

Woodbadge is an advanced adult leader training offered over a one-week period. It focuses on leadership, mentorship, ideals of scouting, communications, diversity, conflict resolution, childhood development and more.

Day Camp is a Fun Cub Scout program that develops our Scouts' creativity and physical fitness. It is a 3-day program where each day they participate in different events, crafts, skills, games and story telling around a particular theme.

Units also camp independently and create their own programs utilizing the facilities that are available.

For the general Hawaii public:

1. A renovated Camp Maluhia will provide the many community groups that visit each year a greatly improved camping experience on Maui. There are not many options on Maui for camping, and the large number of outside groups that utilize our facilities *(See Exhibit C – Camp Maluhia 2011 Usage)* despite the serious need for repair only emphasizes the need for improved camping facilities on Maui.

2. An improved Camp will provide youth and adults with disabilities a place to camp outdoors. With a 75 year old camp that hasn't had a serious renovation in more than 25 years, little thought was put into the needs of disabled individuals in the past. New renovations will be ADA compliant, including providing for special bathroom facilities and access to common area buildings for disabled individuals.
3. The construction industry is in serious economic trouble in Maui County, with high unemployment in this sector of the economy. This project will add jobs and provide much needed work for the construction industry in Maui County. From renovated bathrooms, to construction of a brand-new dining hall, this \$6.6M project will generate jobs and help grow the economy of Maui County and the State of Hawaii.

According to First Hawaiian Bank's Economic Forecast (Maui Edition 2011 – 2012) (*See Exhibit F – Maui Economic Forecast 2011-2012*) there is continued weakness in construction on Maui. "As rail transit ramps up, there will be a big boost for the construction industry on Oahu, but that won't help Neighbor Island construction numbers." It states, "One major reason that Maui lags in job creation is the weakness of its construction sector, which is showing continued job losses." The study also points out, "The weaker economy has brought subpar growth in state tax revenues, forcing unpopular budget cuts at just the wrong time."

4. Describe the target population to be served; and

The target population is Cub Scouts, Boys Scouts, and nonprofit organizations (such as Imua Family Services), various schools, churches, and civic organizations. (*See Exhibit C – Camp Maluhia 2011 Usage*)

5. Describe the geographic coverage.

The geographic coverage is the State of Hawaii. Approximately 1,000 Scouts and their families from Maui County utilize the Camp. The Camp is also utilized by hundreds of other Scouts from throughout the State of Hawaii. For those Scouts attending summer camp, approximately one-half are from Oahu. In addition, the Camp is utilized by various nonprofit organizations as stated above.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

1. Describe the scope of work, tasks and responsibilities;

The Master Plan describes 14 distinct areas of improvement on the campgrounds. (See Exhibit D – Capital Improvement Estimate and Schedule) These include:

- Replace camp bathrooms
- New metal roofing at all structures
- Hawaiian cultural area
- Fire pit amphitheater
- Scout service center roof, expansion and upgrades
- Install PV and wind turbine systems
- New water distribution system
- New electric/phone system
- Construct new dining hall
- Renovate old dining hall for mixed use
- Upgrade pool and replace/renovate pool buildings
- Public camping facilities
- Renovate lodge building
- Road and parking lot repairs

These projects are estimated to cost \$ 6,587,800. The above listed projects are listed according to order of scheduled completion. Two of the camp bathrooms have already been completed. This represents \$550,000 of the budgeted total.

A project coordinator is currently being interviewed and permits are currently in process for the majority of these projects in accordance with fundraising and construction timelines. This is a “shovel ready” project that already is in process and will continue through an estimated completion date in 2014.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service;

See Exhibit D – Capital Improvement Estimate and Schedule

3. The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results;

All construction will be performed in accordance with Federal, State, County and ADA requirements under the direction of licensed contractors. In addition, the Council plans to hire a construction manager to monitor construction activities to improve results. The camp caretaker/ranger who has had experience in the building industry and the Scout Executive will also monitor construction activities.

Finally, the Properties Committee of the Maui County Council will also play an active role in the project by monitoring the construction activities. This volunteer

committee includes licensed career professionals in the fields of architecture and civil, mechanical, structural, and electrical engineering. The committee also includes individuals who are licensed general contractors.

An outside independent CPA firm also audits the financial statements for the Maui County Council.

4. ***The applicant shall list the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.***

The measure that accurately assesses the effectiveness of this grant will be the finished construction project. The County’s planning department will approve all buildings. These properly permitted structures will bring many of the camp’s existing buildings up to current County Code and safety requirements. All buildings will also be ADA compliant.

III. Financial

Budget

1. ***The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.***

See Exhibit D – Capital Improvement Estimate and Schedule

2. ***The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2012-2013.***

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$907,500	\$170,000	158,500	264,000	\$1,500,000

3. ***The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2012-2013.***

\$3.0M in Private Foundation Funding including but not limited to:

- Alexander and Baldwin Foundation
- Atherton Family Foundation
- Bank of Hawaii Charitable Foundation
- Clarence T.C. Ching Foundation
- Cooke Foundation
- Dowling Community Improvement Foundation

- First Insurance Company of Hawaii Charitable Foundation
- H.T. Hayashi Foundation
- The Harry and Jeanette Weinberg Foundation
- Hawaiian Electric Industries Charitable Foundation
- McInerny Foundation
- Servco Foundation
- Shane Victorino Foundation

\$1.0M from private individuals, corporations, and others. Prospects include a large lead gift that is in process. In addition, the Maui County Council will seek grants from the County of Maui and donations of skilled labor in repairing and improving the Camp. For example, the U.S. Army Corps of Engineers helped to build some of the new restrooms.

4. *The applicant shall provide a listing of all state and federal tax credits that have been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.*

No state or federal tax credits have been granted to the Maui County Council in the last three years.

The Maui County Council is exploring a power purchase agreement with a third party who would install a PV and Wind Turbine system at the Camp. Last year, the Maui County Council received a donation of two Windtronics wind turbines for the Camp. The third party may claim tax credits for installing a PV system and the wind turbines, and the Scouts would benefit by paying lower electricity costs to run the Camp in the future.

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Experience in Operations as a Boy Scouts Organization running a Camp

The Maui County Council has been operating Camp Maluhia since it was created in 1937. Originally part of a three-way partnership, it has had sole ownership of the camp for more than 50 years. Now, almost 5000 individuals safely spend at least one night a year at the camp. (See Exhibit C – Camp Maluhia 2011 Usage)

In 2010, the Boy Scouts of America National Office classified the Maui County Council as a Quality Council. This is a special distinction that only 40% of all councils received in 2010. In order to receive this recognition a Council must show a positive operating budget, demonstrate growth in the number of youth and units served, improve retention of youth, and provide quality programs that are measured in youth advancement, youth participation in outdoor programs and trained leaders.

Experience in Construction Activities

Since 2008 the Council has been taking renovation of Camp Maluhia seriously. Starting with a major upgrade to its septic systems, repairs have also been done to the roof of the Camp Directors Cabin, renovation of the Camp Rangers Cabin and, most recently, two of the primary bathroom facilities have been completely rebuilt with the assistance of the U.S. Army Corps of Engineers and the National Guard. The new restrooms are ADA compliant and include private shower stalls and restroom facilities. Using hollow tile and concrete construction along with metal rafters and roofing that requires little to no maintenance, these facilities have been built to last.

The Maui County Council relies heavily upon the expertise of the members of its Executive and Advisory Boards. *(See Exhibit G – Maui County Council Board)* The Maui County Council has an active working Board, and many of its members are licensed in architecture, engineering, and construction. Collectively, they provide the necessary skills, abilities, knowledge and expertise to supervise and assist with this project.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. Also describe how the facilities meet ADA requirements, as applicable.

Camp Maluhia is a facility rich camp that has seen better days and is in need of significant repairs and renovation

The Dining Hall was built in 1938 and has suffered tremendous damage over the years from dry rot and termites. It currently seats 200.

Camp Maluhia has three well-established campsites. Each campsite has a latrine with showers, toilets, and a cook shed with picnic benches. Each campsite has differing cabin sizes and arrangements.

- Pop Hutton has five cabins that can bunk 20 to a cabin.

- Lions has seven cabins, six of which can bunk eight and one cabin that bunks 20.
- Rotary has two cabins that can bunk 20 each.

The new restrooms are ADA compliant and include private shower stalls and restroom facilities. Using hollow tile construction along with metal rafters and roofing that requires little to no maintenance, these facilities have been built to last.

The Long House is a beautiful cedar, high vaulted ceiling, multiuse building that contains two restrooms, the Camp Trading Post, two closets and a stage. It is great for rainy day programs, crafts, worship, conferences, etc.

Other structures include but are not limited to:

- The Cooks Cabin consists of two rooms that each sleeps 20 with a shower and toilet attached to each room.
- The Camp Directors cabin consists of a kitchen, two bedrooms and two baths and can sleep 14.
- The Staff Cabin can sleep 20 campers and contains a full bath.
- The Camp Office can sleep two and contains an infirmary, two bathrooms, office space and a bedroom.
- The Quartermaster is a small shed utilized to store camp equipment.
- The Lions Pavilion consists of an outdoor pavilion with an enclosed kitchenette.

Camp Maluhia also includes an outdoor archery range, a .22 rifle range with a covered firing line and a shotgun range with a covered firing line with two rooms for storage of equipment. There is an outdoor chapel among the Norfolk pine trees, a Campfire Bowl that can seat over 200, a ball field and a pool with two toilets and four showers.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

All construction will be performed in accordance with Federal, State, County and ADA requirements under the direction of licensed contractors. In addition, the Council plans to hire a construction manager to monitor construction activities to improve results. The camp caretaker/ranger who has had experience in the

building industry and the Scout Executive will also monitor construction activities.

Finally, the Properties Committee of the Maui County Council will also play an active role in the project by monitoring the construction. This volunteer committee includes licensed career professionals in the fields of architecture and engineering. The committee also includes individuals who are licensed general contractors.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

See Exhibit E – Organizational Chart

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

NONE

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

- The Camp Ranger/caretaker is certified by the Boy Scouts of America National Camping School.
- The Scout Executive is certified by the Boy Scouts of America National Camping School as a Camp Director/ Program Director.

Exhibit A - Leadership Scout Executives

The responsibility for the day-to-day administrative functions of the Council has principally rested upon the shoulders of the Scout Executive.

W.H. "Pop" Hutton.....	1920-1934
Harold Stein.....	1935-1947
James Y. Ohta.....	1948-1969
Robert W. Lundquist.....	1970-1974
Willard "Lanky" Matsumoto.....	1975-1984
Albert Sonnenburg.....	1984-1986
M. Eric Murray.....	1987-1997
Brian M. Gray.....	1997-2002
Robert L. Fawcett.....	2002-2007
Jack L. Dillon.....	2007-2008
Robert Nakagawa.....	2009 - Present

Council Presidents

The chief volunteer for a council of the Boy Scouts of America is the Council President. It is his responsibility to lead the volunteers of the council so that Scouting will be successful.

C.C. Campbell.....	1914-1915
R.L. Matthews.....	1916
Dr. W.D. Baldwin.....	1917-1920
C.D. Lufkin.....	1921-1922
F.N. Lufkin.....	1923
Harry Penhallow.....	1923-1927
Harry Baldwin.....	1928
D.H. Case.....	1929-1930
Marquis F. Calmes.....	1931-1932 & 1963
Alfred Martinsen.....	1933-1934
R.E. Meyer.....	1935
Charles E. Brooks.....	1936-1937
Franklin E. Skinner.....	1938-1939
Tom E. Dye.....	1940-1941
W.P. Cannon Sr.....	1942-1943
Ray M. Allen.....	1944-1945
E.E. Manke.....	1946

Exhibit A - Leadership

Ezra J. Crane.....	1947-1948
Charles M. Sawyer.....	1949-1950
Frank C. Churchill.....	1951-1952
Raymond R. Lyons.....	1953-1954
C.J. Willet.....	1955-1956
Donald Tokunaga.....	1957
C. Jay Rockstead.....	1958-1959
Karl Berg.....	1960
A.D. Waterhouse.....	1960-1962
Tyson E. Benson.....	1964-1965
T.S. Shinn.....	1966-1967 & 1971
Toshi Ansai.....	1968-1969
Alan Greeland.....	1970
John W. Siemer.....	1972-1974
“Chief” Abraham Aiona.....	1975
Hannibal Tavares.....	1976
Meyer M. Ueoka.....	1977-1978
Michael H. Lyons II.....	1979-1983
Wes Wong.....	1984
D. Kenneth Kato.....	1985-1986
Ted Yamamura.....	1987
David “Buddy” Nobriga.....	1988-1989
Boyd Mossman.....	1990-1991
Clyde Hamai.....	1992-1993
William Kennison.....	1994-1995
Roger MacArthur.....	1996-1998
Russell Yamane.....	1999-2000
Charles Jencks.....	2000-2003
Patrick S. Saka.....	2003-2005
Bobby Baker.....	2005-2007
Glenn Yamasaki.....	2007-2010
Hilton Unemori.....	2010 - Present

Exhibit B - 2011 Eagle Scout Projects

Unit	Project Description	Benefit	
Troop 14	216	Designed & installed an irrigation system for baby Podocarpus trees. This system will be on a timing mechanism. Wants to help nature progress & learned how to devise a plant irrigation system for the future.	D.T. Arboretum
Crew 35	95	Set up a weed Mitigation & native tree growth for Dept. of Natural Resources. Will reclaim parts of Makawao Forest to natural hawaiian rain forest.	Dept of Natural Resources
Crew 92	178	Beautified along Shaw St. & Honoapiillani Hwy. Lots of weeds & debris.	Dept. of Parks & Recreation
Crew 53	197	Built 4 new games for the senior citizens, an interactive prize distributor and a photo door banner. All of these games will help to raise money for these senior citizens to take the ferry out to Lanai for the day.	Hale Mahaolu
Crew 32	205	Landscaping around the office area. Trimming trees, bushes and tall grass that blocked their wall.	Hospice Maui
Crew 32	231	Removed a lot of Keawe trees. Now the patients and workers can enjoy the view	Hospice Maui
Troop 68	160	Power washing & painting their storage building. Removed lots of wasp nets.	Hospice Maui
Troop 1	214	Painting the exterior of the main building. Was in need of a major cleaning. Removing wasp nests, scraping, sanding & filling holes off of building.	Hospice Maui
Crew 53	152	Iao Preschool Improvement of playground. Cleaned up an unsightly area using a Bobcat & leveling different areas of the playground area. Laying down a weed barrier then will use bags of recycled tire much to cover barrier & refill area.	Iao Preschool
Troop 68	138	Directional stenciling for pedestrian traffic in stairwells at Iao School. Different paw prints & colors will differentiate traffic flows.	Iao School Students
Troop 1	80	Building a wooden fence to replace the old. Will help give the KUC Preschool staff a better blockade. A swinging gate will separate the kids from the equipment.	Kahului Union Church
Troop 35	207	Made a 14 ft x 15 ft concrete slab with an elevated letter K on it. Painted it the school colors. Will increase their beautification.	King Kekaulike School
Crew 92	288	Rebuilding Lahainaluna's rock wall due to an accident. Shows that we are respectful to our historical land.	Lahainaluna High School
Troop 92	170	Power washed the entire equipment room then repainted it "fire engine red." Room was not painted for about 5 years and it needed a new facelift.	Lahainaluna High School
Troop 88	106	Re-stripped and repainted the parking lots. This will make it easier & safer for everyone.	Makawao Elementary School
Crew 32	320	Build a ramp for wheelchair users at B5, Maui High School. Kids are waiting to be helped when attending this classroom. Now it is wheelchair accessible.	Maui High School
Troop 55	190	Cleaned up 2 1/2 acres of tall grass, bushes & vines which covered a sacred burial ground for the Nisei veterans. People from the highway and from the center can enjoy the scenery.	Nisei Veterans Memorial

Exhibit B - 2011 Eagle Scout Projects

Unit	Project Description	Benefit	
Troop 40	174	Replaced a temporary Bulletin Board at the center. One poster will have any community events as well as meeting signage codes designated by Maui County.	Nisei Veterans Memorial
Troop 35	303	Constructed 8 benches for the kids to sit on. There were no benches in the school. This way kids could rest or just sit during school. Visitors would also have a place to sit.	Pomaikai School
Crew 79	141	Painted Princess Mahienaena School Cafeteria which was needed. Cleaned out spider & dust webs throughout the ceiling & walls.	Princess Nahienaena
Troop 14	179	Painting of, hallways & 3 rooms. This will provide a fresh clean look.	Pukalani Baptist Preschool
Troop 49	282	Installed an irrigation system near the church rectory. Yard was being watered by hand and were missing many areas. Now the yard will be attractive.	St. Anthony Church
Troop 49	536	Building a retaining wall by the driveway of the Thrift Store. Prevent erosion.	St. Anthony Church, School & Thrift Shop
Troop 49	232	Installing a new irrigation system for hedges near parking lot, field, & science building. Will look a lot more professional & inviting.	St. Anthony Jr/Sr High School
Troop 49	509	Built a retaining cement brick wall to replace the outline of rocks around the existing picnic tables. Layed down weed blocking film to level out area & covered filter with gravel. Powerwashed cement tables.	St. Anthony School
Troop 49	200	Replacement of parking lot wall by student pavillion. Adding in new parking curbs for parking stalls.	St. Anthony School & Church & parishioners.
Troop 68	146	Lots of weeding, replanting, & spreading of wood chips. Irrigation drip system installed. Designed a rock sculpture in the planter with a "W."	Wailuku Elementary School Building J Landscaping
Troop 40	197	Repaint 3 classrooms for their Japanese Language & Dharma School programs. Appeared to be very dirty, with pencil markings, numerous scrapes, & paint peeling off. Now it looks cleaner, brighter & will enhance the appearance.	Wailuku Honganji Mission
Troop 40	144	Installed 2 retractable projection screens in the temple. Will be able to run movies, documentaries & presentations & to enhance their social life & fellowship.	Wailuku Hongwanji Mission
Troop 40	157	Sandbox Reconstruction. Replaced wooden bases, & sealed cracks with concrete. Replaced old torn safety netting. Mixed in new sand.	Wailuku Hongwanji Preschool
Troop 40	140	Repainted Jungle Gym & Swing Set. Looks a lot more appealing.	Wailuku Hongwanji Preschool
Troop 40	159	Replace a 4 foot tall wooden staircase in play area. Also replaced handrails to the room over the sandbox.	Wailuku Hongwanji Preschool
Troop 40	194	Preparing to plant Native Hawaiian Plants in the school area. Also installing a drainage system. Will prepare an area for the school to plant vegetables.	Wailuku Union Preschool
Troop 14	245	Helped to preserve 2 different Hawaiian Historical sites. These 2 sites will be preserved to maintain the cultural history of the Hawaiian people & to help the future generations. They will understand the significance of our cultural sites.	Waiohuli Ahupua'a Kula State of Hawaii Dept. of Hawaiian Home Lands
	7085	Total Eagle Scout Service Project Hours	

Exhibit C - Camp Maluhia 2011 Usage

Organization	# of People	# of Nites	
Rotary Club of Maui	193	2	Annually
Iao School	150	1	Annually
Honpa Hongwanji Mission	50	2	Annually
St. Anthony High-Troop 49	30	1	Multiple times
Waipuna Chapel - Pack 14	33	2	Multiple times
St. Anthony Junior Senior	42	1	Annually
Order of the Arrow	11	1	Multiple times
Kamalii School - Pack 22	49	1	Multiple times
Wailuku Hongwanji - Pack 40	60	1	Multiple times
Seabury Hall	78	2	Annually
Church of the Nazarene	155	4	Annually
Imua Family Camp	710	7	Annually
Maui Taiko Drums	37	1	Annually
Narcotics Anonymous	67	2	Occasional
Lahaina Pentacostal	38	2	Annually
Montesorri School	26	3	Annually
HICYPAA	76	2	Annually
Makawao School - Pack 81	50	1	Annually
UH - Geophysics	8	1	Annually
Kahului Union - Troop 1	21	1	Multiple times
Eclipse Solstice	25	1	
Hope Chapel	113	3	Annually
Maui Waena School	75	1	Annually
4H Club	60	1	Annually
Maui Christian Church	49	2	
Campbell High School	155	2	
Doris Todd School	50	1	
Baldwin ROTC	65	1	Annually
Lahainaluna High School	65	2	Annually
Grace Bible	46	3	Annually
Kamehameha III School	96	1	
Calvary Chapel	56	2	Annually
Garfield High School	48	2	
Catherine Blaine High School	66	7	
Maui Soda & Ice	50	1	
Maui Alcohol Anonymous	71	3	Annually
United Methodist	170	3	
Maui Police	75	1	
Pukalani Baptist	15	2	
Scout Camps:			
Webelos Camp	150	1	Annually
Cub Day Camp	200	1	Annually
Summer Camp	800	28	Annually
Spook o Ree	175	1	Annually
Webeloree	80	1	Annually
New Cub Adventure	150	1	Annually
Totals	4789	110	

Exhibit D - Capital Improvement Estimate and Schedule

Area of Improvement	2011	Jul-12	Oct-12	Jan-13	Apr-13
Replace Camp Bathrooms	500,000				250,000
Design and Permitting	50,000			25,000	
New metal roof on all structures		150,000			
Design and Permitting		15,000			
Hawaiian cultural area					
Fire pit amphitheater		7,500			
Scout Service Center roof, expansion & upgrades		150,000			
Design and Permitting		15,000			
PV and wind turbine systems		300,000			
New water distribution system		500,000			
New upper tank					
New water lines					
Hydrants					
Pump controls and telemetry					
Fire connections to dining, mixed housing & lodge					
Design and Permitting		50,000			
New electrical/phone system			150,000		
Construct new dining hall					
Dining hall					
Storage					
Quartermaster office					
Director office					
Design and Permitting					300,000
Renovate old dining hall for mixed use					
Rebuild roof					
New electrical					
Fire suppression					
Construct rooms					
Construct separate bathrooms					
Construct camp laundry facilities					
Employee storage area					
Design and Permitting					50,000
Upgrade pool, replace/renovate pool buildings				75,000	
Public camping facilities				35,000	
Design and Permitting				3,500	
Renovate lodge building					
install fire suppression					
Skylights & new lighting					
New and expanded bathrooms					
Revised room on driveway side					
New exterior doors - "Exit" format					
Repair NW wall					
Repair parking lot for proper drainage					
Upgrade electrical					
Design and Permitting					
Project Manager		20,000	20,000	20,000	20,000
Road and parking lot repairs					
New mattresses for all 284 beds					

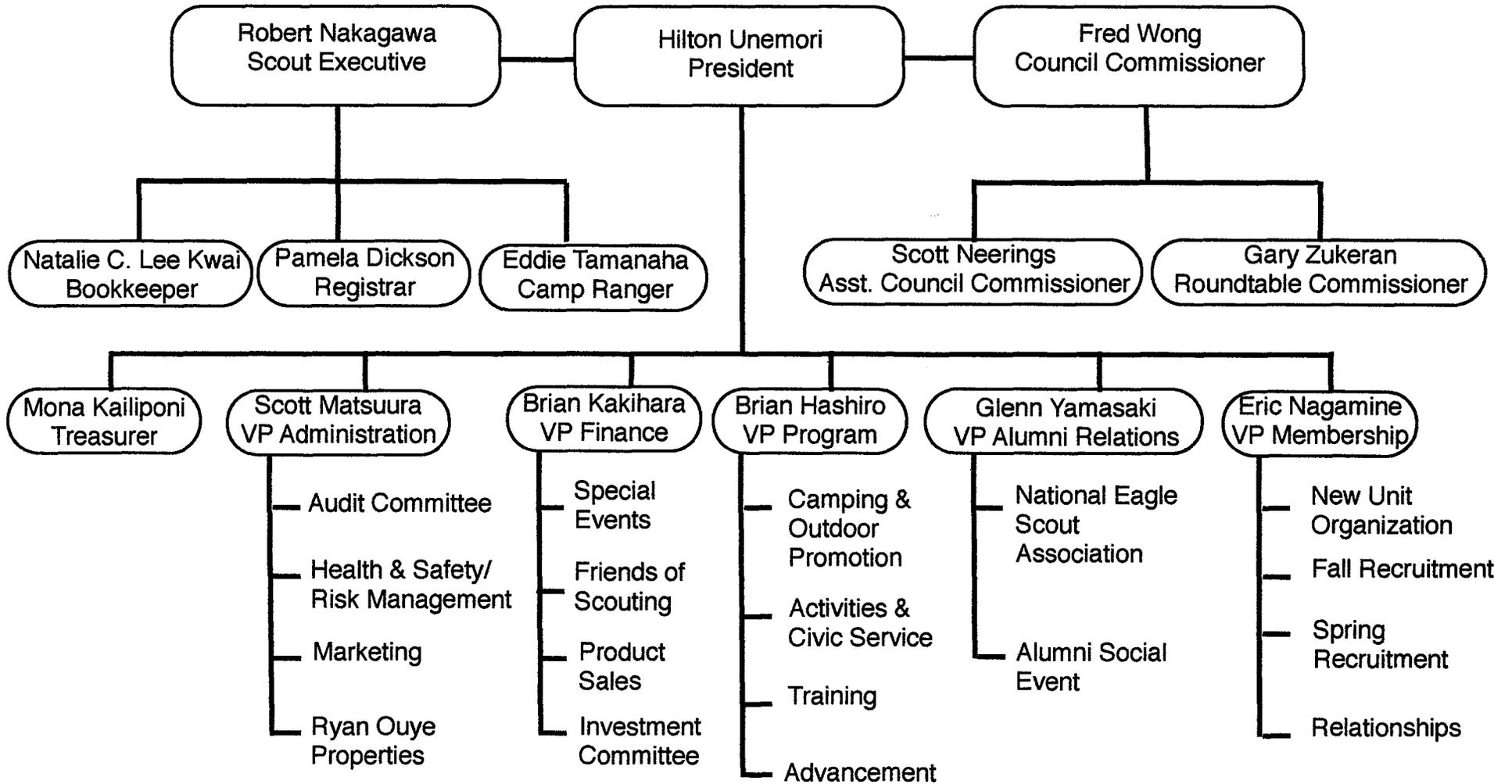
Total Cost 550,000 1,207,500 170,000 158,500 620,000

Exhibit D - Capital Improvement Estimate and Schedule

Area of Improvement	Jul-13	13-Oct	Jan-14	Jul-14	Est. Cost
Replace Camp Bathrooms					750,000
Design and Permitting					75,000
New metal roof on all structures					150,000
Design and Permitting					15,000
Hawaiian cultural area					
Fire pit amphitheater					7,500
Scout Service Center roof, expansion & upgrades					150,000
Design and Permitting					15,000
PV and wind turbine systems					300,000
New water distribution system					500,000
New upper tank					
New water lines					
Hydrants					
Pump controls and telemetry					
Fire connections to dining, mixed housing & lodge					
Design and Permitting					50,000
New electrical/phone system					150,000
Construct new dining hall	1,000,000	1,000,000	1,000,000		3,000,000
Dining hall					
Storage					
Quartermaster office					
Director office					
Design and Permitting					300,000
Renovate old dining hall for mixed use				500,000	500,000
Rebuild roof					
New electrical					
Fire suppression					
Construct rooms					
Construct separate bathrooms					
Construct camp laundry facilities					
Employee storage area					
Design and Permitting					50,000
Upgrade pool, replace/renovate pool buildings					75,000
Public camping facilities					35,000
Design and Permitting					3,500
Renovate lodge building				200,000	200,000
install fire suppression					
Skylights & new lighting					
New and expanded bathrooms					
Revised room on driveway side					
New exterior doors - "Exit" format					
Repair NW wall					
Repair parking lot for proper drainage					
Upgrade electrical					
Design and Permitting				20,000	20,000
Project Manager	20,000	20,000	20,000	20,000	160,000
Road and parking lot repairs				25,000	25,000
New mattresses for all 284 beds				56,800	56,800
Total Cost	1,020,000	1,020,000	1,020,000	821,800	6,587,800

Exhibit E - Organizational Chart

Maui County Council Organizational Chart



Economic Forecast

MAUI EDITION 2011 - 2012

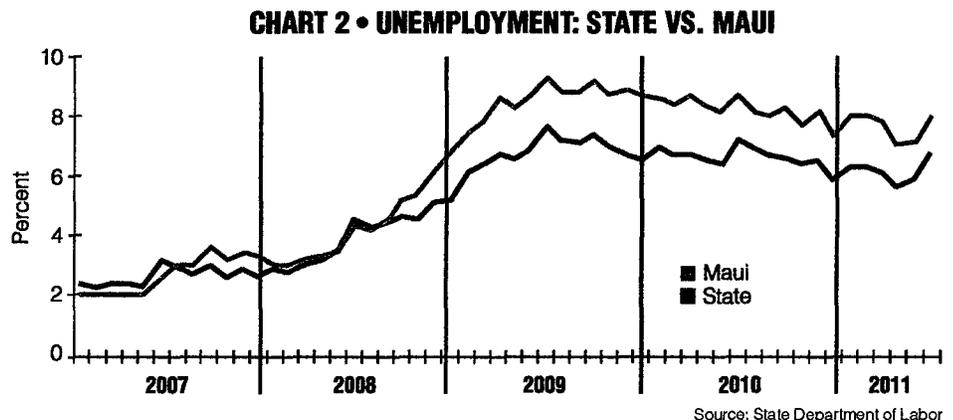
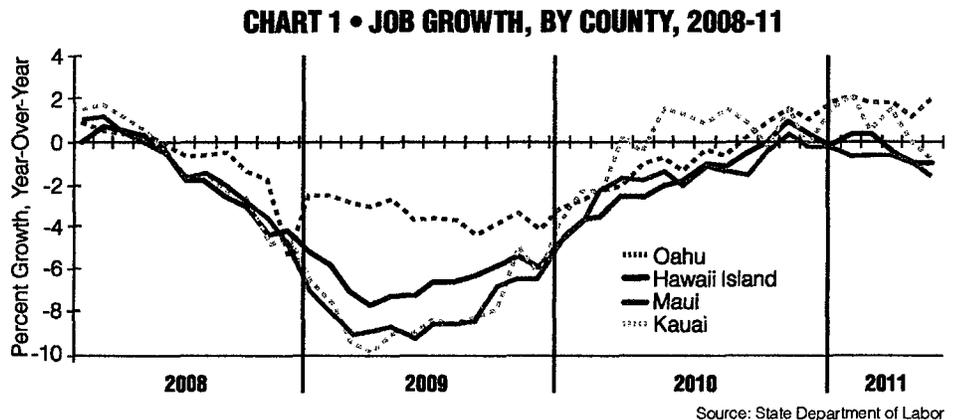
Mixed Bag for Maui: Tourism Robust, Construction Lags

Mauí's economy this year is a mixed bag. The visitor industry is doing extremely well, thanks to its resilient upscale image (with resulting higher room rates) and a welcome growth in airlift, including flights from secondary Mainland cities. However, even the crucial tourism sector cannot be relied upon completely to bring Maui back to better times, and the job total continues to struggle to return to pre-recession levels.

Unfortunately, other sectors of Maui's economy — especially the construction industry — continue to lag significantly. Residential construction is down practically everywhere now, but any progress to resuscitate overall construction — public or private — would result in a more balanced and sustained recovery for Maui. Efforts to diversify the local economy are ongoing and admirable, but the smaller a local economy is, the more elusive the diversification goal becomes.

Depending on how economic activity is measured, practically all economies nowadays are still below their pre-recession peaks hit in 2007. At mid-year 2011, for example, Maui was 11% below its pre-recession peak for non-farm jobs. Compare that to a 10% shortfall for Hawaii Island and 9% for Kauai. (Oahu was only 3% below the peak.) It doesn't take much to change these rankings, but that should be Maui's first order of economic business.

Chart 1 shows how job losses and subsequent growth have been distributed across Hawaii's four counties. Obviously most of the jobs created have occurred in Oahu's much more diversified and larger economy, not



just in absolute numbers but also in percentage growth terms.

Maui continues to lose jobs, the only county in the state for which that's consistently the case — even though the official end to the recession occurred some time ago. Although the visitor industry is doing quite well, weakness in other sectors of Maui's economy simply overwhelms that strength.

The Maui jobless rate has been creeping downward, as has been the case nationally and elsewhere in the state. Those slow declines will likely continue in the future. But there remains a stark

contrast between the current Maui jobless rate and the 2% number that prevailed in the peak year of 2007. And remember that this number doesn't measure discouraged workers who have dropped out of the labor force or job losses for multiple job holders.

—continued on page 3

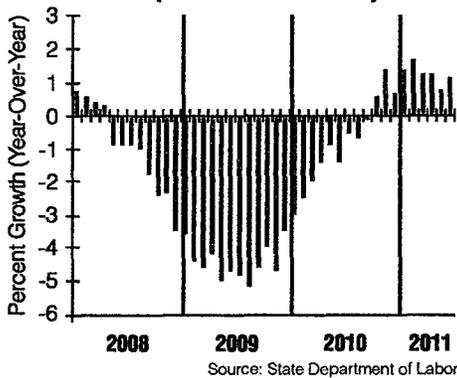
ON THE INSIDE
5 U.S. & Global Economic Outlook: Great Debt Debate

Sluggish Recovery Throughout the State

For the last couple of years our position has been that we could look forward to only a slow recovery from the serious recession. That has certainly proven to be the case — at the global, national, state, and individual county level here in Hawaii.

Job growth: One of the best concurrent indicators of the local economy is job growth; it is also what matters most to the great majority of people. Chart A shows that the State of Hawaii broke into positive territory in late 2010 after declines that began in 2008 and worsened in 2009. Those job gains have improved as 2011 has progressed. Barring unforeseen setbacks, this growth should improve as the recovery takes hold more. So far, state jobs are still about 5% below the pre-recession year of 2007. These overall job figures also mask some unevenness across various sectors of the economy.

CHART A • STATE JOB GROWTH (YEAR-OVER-YEAR)



Unemployment: The statewide unemployment rate (Chart B) is well below the national number though still higher than average for Hawaii. Part of this lower unemployment rate is likely due to discouraged workers who dropped out of the labor force during the recent recession.

Tourism: The leading edge of the recovery has been the visitor industry; Chart C shows how it snapped back more strongly than many expected when the recession hit. State visitor arrivals have shown spectacular growth after the declines of 2009, and visitor spending growth has been even more stunning. Unfortunately, tourism's strength has

CHART B • STATE UNEMPLOYMENT RATE, 2007-11

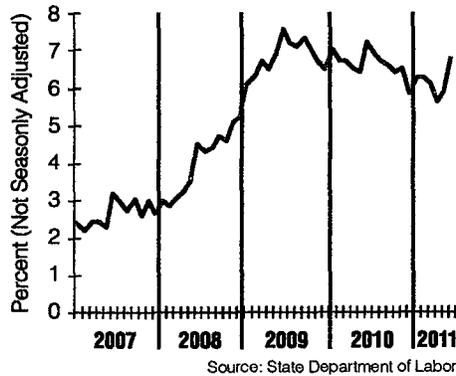
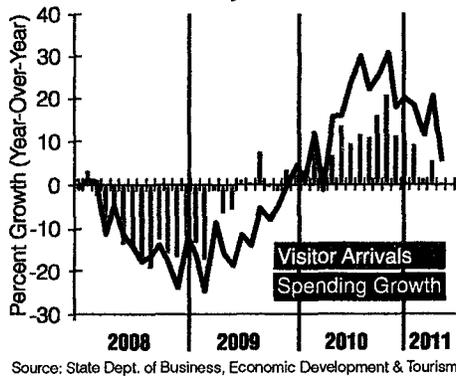


CHART C • STATE VISITOR INDUSTRY GROWTH, 2008-11



not yet spread to some other important sectors of the state economy.

Construction: One of those lagging sectors is construction. That continued weakness is shown in these figures on construction completed (Chart D), lower building permits (Chart E) and losses in the industry's job total (Chart F). As rail transit ramps up, there will be a big boost for the construction industry on Oahu, but that won't help Neighbor Island construction numbers.

CHART D • STATEWIDE CONSTRUCTION COMPLETED, 2006-11

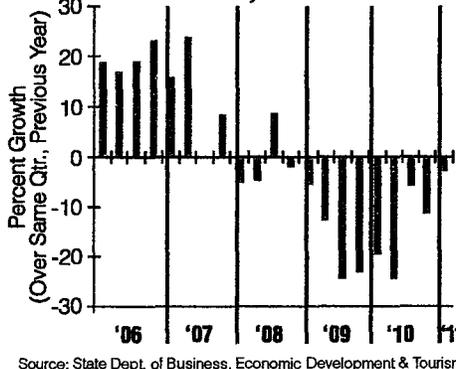


CHART E • GROWTH IN PRIVATE PERMITS STATEWIDE, 2006-11

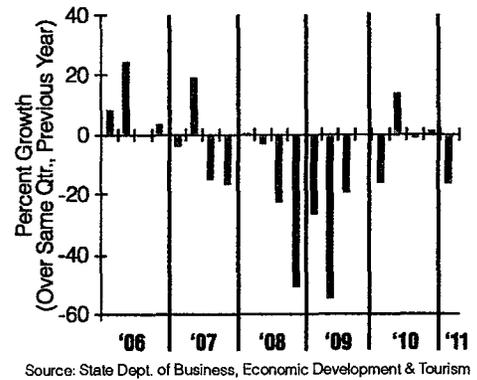
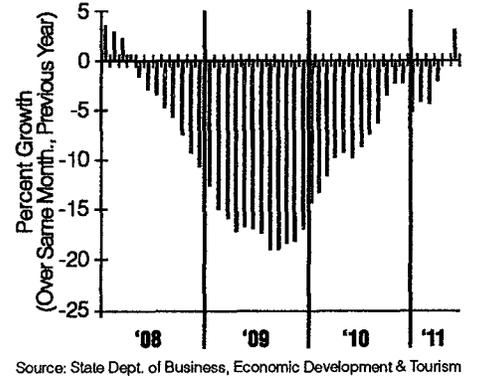
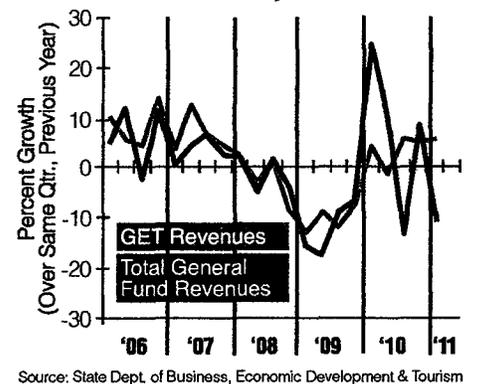


CHART F • CONSTRUCTION INDUSTRY JOB GROWTH, 2008-11



Tax revenues: The weaker economy has brought subpar growth in state tax revenues (Chart G), forcing unpopular budget cuts at just the wrong time. The general excise tax growth in recent quarters reflects some improvement in the economy, but the overall General Fund has not done as well.

CHART G • STATE TAX REVENUE GROWTH, 2006-11



Maui County (continued from page 1)

Upscale Image, More Airlift Help Maui Tourism Thrive

The Maui visitor industry is doing extremely well, as Chart 3 demonstrates, especially considering the lingering effects of recession in the major markets that supply the bulk of the island's visitors. Part of the reason lies in the fact that Maui continues to hang on to its reputation as a very upscale place for a tropical vacation. That's an asset that is extremely valuable, especially as more competition enters among such locales.

The downside is that the upscale image keeps some larger families and others away because of the overall expense of a Maui vacation, but the image is not one that Maui would rationally give up. And on Maui, more than a lot of similar destinations, there seems to be greater recognition on the part of local residents that tourism is critically important to the economy.

A major underlying reason for Maui's better performance has to do with increased airlift. Total airline seats for Maui have increased dramatically so far in 2011, with far stronger growth than elsewhere in the state. Honolulu has been up about 3%, and Kona's loss in 2010 of the direct Japan Airlines flight resulted in a 6% decline there. Kauai has shown healthy increases in airlift this year of about 6%. But these numbers are dwarfed by Kahului's surge of over 11% in seats in 2011.

A big reason is the fact that Maui has been picking up direct flights by Hawaiian and Alaska Airlines from secondary cities in the U.S. and Canada. That, combined with aggressive marketing in those cities, has paid off. Canadian business also has been helped by the strong exchange rate for the Canadian dollar. Also on the airlift side, the state Airports Division reports that conversations have been underway with several other carriers to enter the direct Maui route.

The strong visitor industry has enabled Maui hotels to raise their room rates. Now, Maui once again has the highest average daily room rate in the state. So reputation does pay off.

CHART 3 • MAUI TOURISM GROWTH, 2008-11

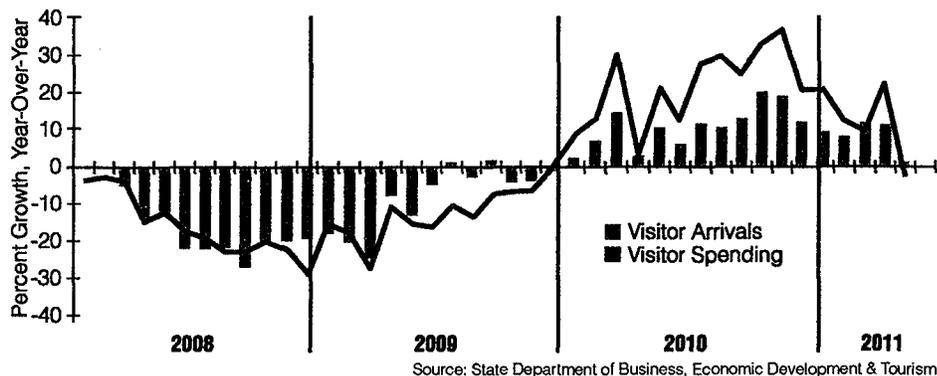
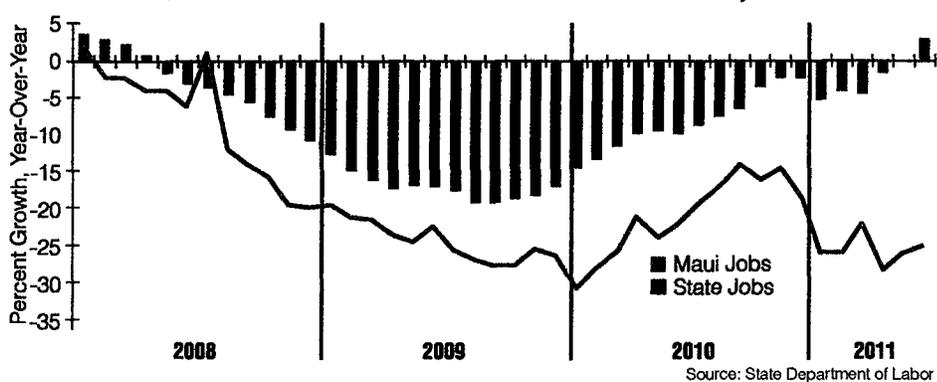


CHART 4 • CONSTRUCTION JOBS: STATE VS. MAUI, 2008-11



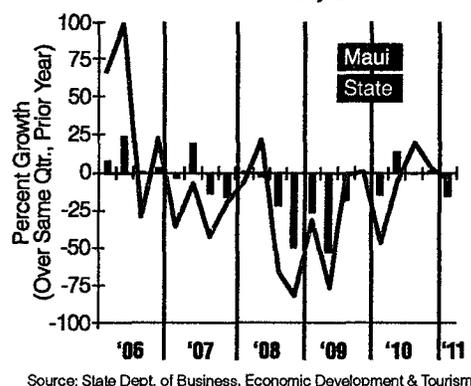
Another comparative advantage, even within the state: Maui has most things a larger city has to offer, but continues to retain its rural environment. Add to that the very wide range of activities available to Maui visitors, and you have a combination that's hard to top.

The visitor spending growth shown in Chart 3 is impressive, but it shouldn't be taken to mean that the good old days of unrestrained spending growth will return soon. While there is pent-up demand, there has been a shift toward shopping for value that wasn't there before the recession and wealth losses of recent years.

Construction Jobs Still Weak, But Pipeline Offers Hope

One major reason that Maui lags in job creation is the weakness of its construction sector (Chart 4), which is showing continued job losses. Residential construction is weak just about everywhere nowadays. With short sales and foreclosures causing continued downward pressure on home prices, it is simply cheaper to buy an existing home than a new one, or perhaps just rent

CHART 5 • PRIVATE PERMITS: STATE VS. MAUI, 2006-11



until prices fall further. So developers just aren't building.

Maui does have some things that are added hurdles: the 50% affordable housing component requirement and the "show me the water" ordinance have been mentioned in previous editions of this report.

But help may be on the way for Maui's beleaguered construction industry. The County administration is pushing for more public sector construction and an expediting of the

—continued on page 4

Maui County *(continued from page 3)*

permit process. So maybe next year Chart 5 on Maui construction permits will bring greater optimism.

Some signs that Maui construction numbers will turn up in the future:

- Hyatt is planning a time-share tower in West Maui.
- Alexander & Baldwin's Maui Business Park Phase II, 179 acres of light industrial development, is ramping up in Kahului.
- Ground has been broken for a 138-room Courtyard by Marriott hotel in Kahului, an area near the airport that has long needed a newer business-oriented hotel that can also serve travelers on cancelled or missed flights.
- Also ready to go, but waiting on the market, is A&B's MF-7 project in Wailea, a 75-unit fee simple resort residential condo development.

Maui Real Estate Showing Declines for Sales, Prices

Maui real estate is subject to some of the same trends just mentioned for construction. In 2011, sales for both single-family and condos have leveled off, after strong increases in 2010. And median prices have continued to fall.

Until the downward pressure on prices abates, there cannot be a sustained recovery in the real estate market. And that has to do with the inventory of short sales and foreclosures that constitute an overhang on the market.

Nonetheless, the usual caveats apply on reading too much into price

CHART 6 • MAUI REAL ESTATE (% GROWTH OVER PRIOR YEAR)

Sales	2010	YTD 2011
Single-Family	+17%	+4%
Condominiums	+39%	-3%
Median Price	2010	YTD 2011
Single-Family	-8%	-5%
Condominiums	-16%	-24%

Source: Realtors Association of Maui
YTD 2011 through June

trends on Maui. The small sample can cause distortions in the total number, and recall that it is a mix of disparate transactions in dissimilar neighborhoods.

In commercial real estate, recent sales have tended to be very strong because prices have fallen far enough to bring buyers into the market. Some of this activity reportedly is for investment over the longer term.

Visitor-Oriented Retail Market Doing Well Thanks to Rebound

Again this year on Maui, there are differences in the retail sector between the local side and the visitor side. Visitor-oriented retail is doing quite well, in line with the robust recovery in the tourism industry. Proximity of time-share units is a plus, because occupancies are always higher in those units. The local side of retailing — even though it is recovering — continues to reflect some of the uncertainty about the overall economy.

Rapid Enrollment Growth at Renamed UH Maui College

One growth area in the Maui economy, which also helps to diversify it, is the recently renamed UH Maui College — replacing the old Maui Community College label. That name change reflects the addition of four-year degrees to its curriculum, the first UH community college to grant such degrees. At the same time, its accreditation moved from the Western Association of Schools and Colleges junior commission to the WASC senior commission.

Student enrollment growth has been quite rapid. UH Maui now has almost 4,400 students, up 33% over the past two years. The campus is also the top grant recipient among present (or former) two-year colleges in the UH system. The new \$25 million Science Building is ready for occupancy in the fall of 2011.

Economic Development Board Aided by Supercomputer

Activities of the Maui Economic Development Board in Kihei are enhanced by the supercomputer located there, and other tenants have proven to be fairly resilient in the recent recession. The board continues to focus on renewable energy projects, educating educators, and its Women In Technology program. One newer development is the Joint Technology Information Center program, which involves a \$36 million grant to develop and test medical technologies for military applications.

Things Looking Up at State's Last Sugar Plantation

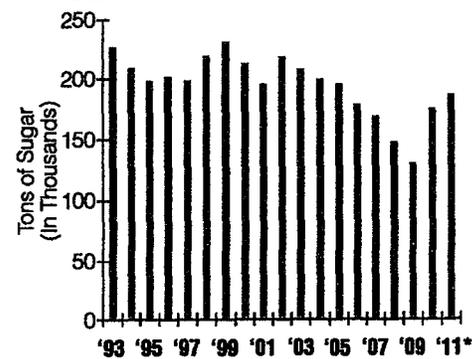
Agriculture on Maui is always dominated by HC&S, Hawaii's sole remaining sugar plantation. There, things have been looking up recently, with annual production back in a profitable range after two years — 2008 and 2009 — of very low total production and yields per acre.

Better age on the crop and slightly better rainfall are the main reasons for the recovery. HC&S estimates that 2011 production should be about 185,000 tons.

HC&S is important to the Maui economy for several reasons:

- It's a large employer.
- It keeps the central valley green.
- It provides enough power to Maui's grid that it is actually a net energy producer. Thus, when energy prices rise, HC&S actually benefits.

CHART 7 • HC&S SUGAR PRODUCTION



Source: HC&S (*2011 Estimate)

U.S. & Global Outlook for 2012: The Great Debt Debate

By Dr. Jack P. Snyderhoud, Professor of Business Economics, Shidler College of Business, University of Hawaii at Manoa

In the wake of the Great Recession of 2007-09 both politicians and economists have been absorbed in a contentious debate about debt. The debt is the result of consumer borrowing as well as public sector deficits. The former was a contributing factor to the Great Recession while the latter has been a long-term problem exacerbated by the recession.

Economists can be placed into two camps regarding debt. In the first camp we have debt and deficit “hawks” who believe that debt is a drag on economic activity and, the sooner it is dealt with in a credible fashion, the faster the economy will return to adequate growth. In the other corner are the debt and deficit “doves” who recognize that something has to be done about debt but believe now is a bad time to do it because of the weak U.S. economy, European debt uncertainties, the effects of the Japan earthquake, unrest in the Arab world, and high commodity prices.

The Accumulation of Debt

Households, businesses, and government all face a fundamental choice: How much do we consume now and how do we save and invest for the future? In the United States, as Chart 1 shows, for the last 30 years we have opted to consume more and borrow more, mostly in the form of mortgages. (However, other forms of household debt also increased, for example by 65% between 2000 and 2008.) Chart 2 shows how household debt (black line) grew while mortgage interest rates (blue line) fell to historic lows.

Households have actually reduced their debt levels since the start of the Great Recession, in part by walking away from some mortgage debt and in part by saving more and consuming less. But this decline in consumption contributed to the recession.

Deficit spending to fight the recession causes government debt to explode and has pushed debt levels to uncomfortable levels (Chart 3). If we add to this the “hidden” debt of Social

CHART 1 • U.S. HOUSEHOLD DEBT (1980-2011)

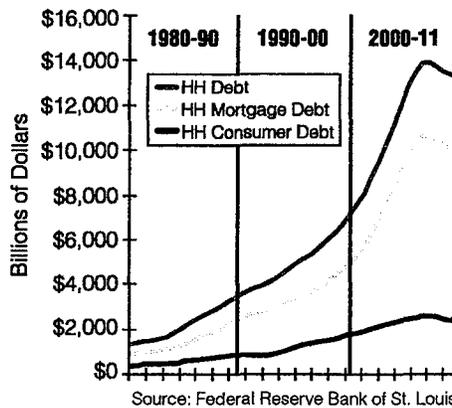


CHART 2 • HOUSEHOLD DEBT, MORTGAGE RATES (1980-2011)

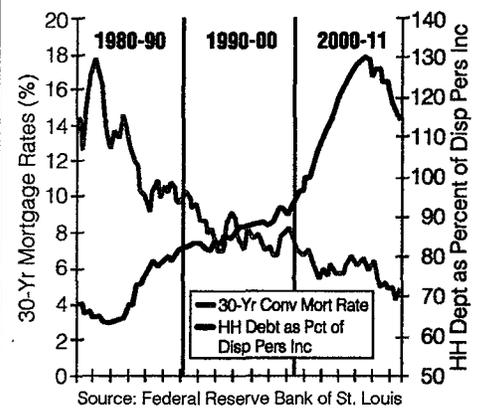
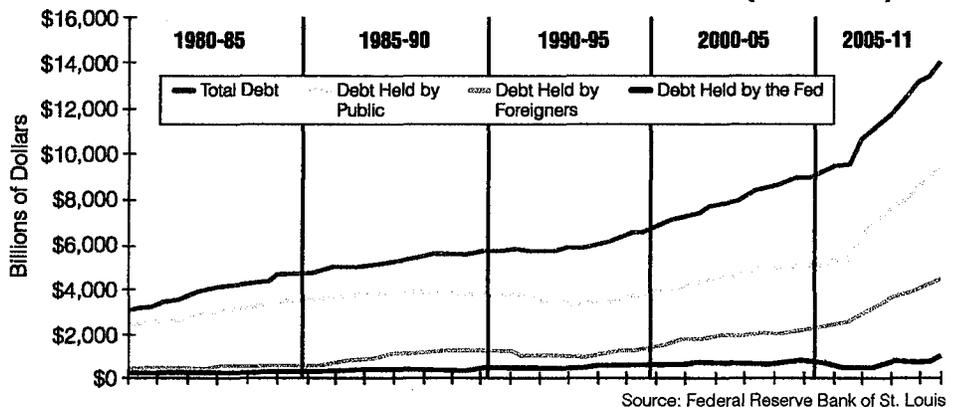


CHART 3 • U.S. FEDERAL GOVERNMENT DEBT (1990-2011)



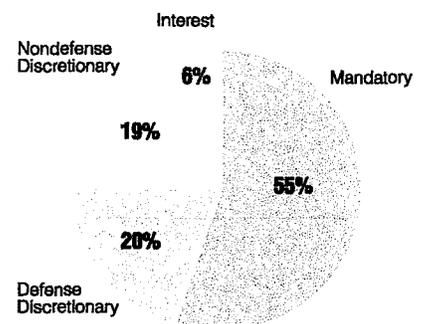
Security and state-local pension underfunding we can understand why ratings agencies have begun to express doubt about our future course.

Ways to Reduce Public Debt

There are several ways to reduce public debt. The most scary is default. However, defaulting on U.S. government debt would shake the foundations of the global financial system and would cause great pain both in the financial sector and the real economy. Less painful would be inflation, which reduces the real cost of debt, but risks other economic consequences.

Debt and deficit hawks have pushed for austerity — raising taxes and/or reducing spending. The hawks, especially the political versions of the hawks, have pushed for spending reductions. Since our deficits are so

CHART 4 • U.S. FEDERAL SPENDING 2010



Source: U.S. Congressional Budget Office

high (10% of GDP) and the Federal budget is so constrained by “mandatory” spending (Chart 4), debt reduction through spending cuts will be painful.

—continued on page 6

U.S. & Global Outlook for 2012

(continued from page 5)

The least painful solution is to increase the growth of the economy. If the economy grows faster than debt, the debt will become a smaller relative burden. But this still requires either increasing growth or reducing deficits.

2011: The Soft Patch

Meanwhile, the economy muddles along. 2011 has not been as strong as 2010 and has turned even softer than expected. The dreaded phrase “double dip” has been heard more often.

Job growth has finally returned, but it has been anemic and not sufficient to bring the national unemployment rate down significantly. The housing sector has remained in a state of depression. As a result, while consumer spending has rebounded, consumer confidence remains low.

At the same time, the fiscal stimulus that created the huge public debt increases has run its course. In fact, if austerity measures are implemented, fiscal policy may be a short-term drag on the economy. This leaves the Fed as the only potential stimulus through yet another round of quantitative easing.

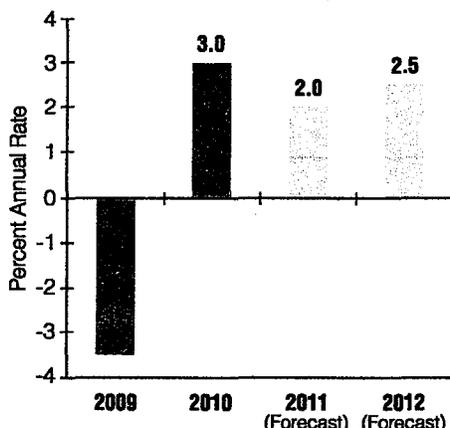
The only really good news is that our weak dollar and good economic growth in foreign markets has resulted in a strong rebound in U.S. exports.

The Outlook

The outlook for the rest of 2011 and 2012 will depend in part on the extent of fiscal austerity the politicians agree to and on external forces such as commodity prices. I am assuming that until the 2012 elections little progress will be made on resolving the U.S. structural deficit issues. Likewise, I assume European economies will continue to struggle with their debt issues. These uncertainties will be a drag on the economy.

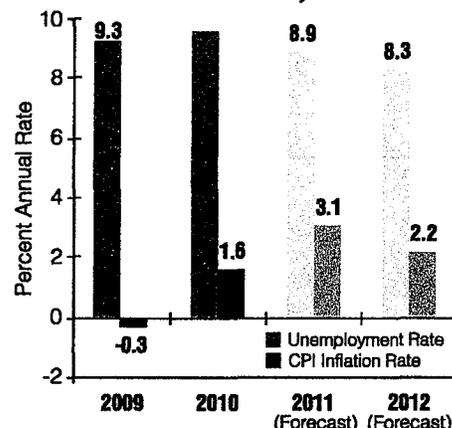
I am also assuming that oil prices will remain in the \$100-\$110 per barrel range through 2012. This sounds good, but remember oil averaged \$80 in 2010. Overall, energy prices will have a neutral impact on the economy for this outlook period.

CHART 5 • U.S. REAL GDP GROWTH FORECAST



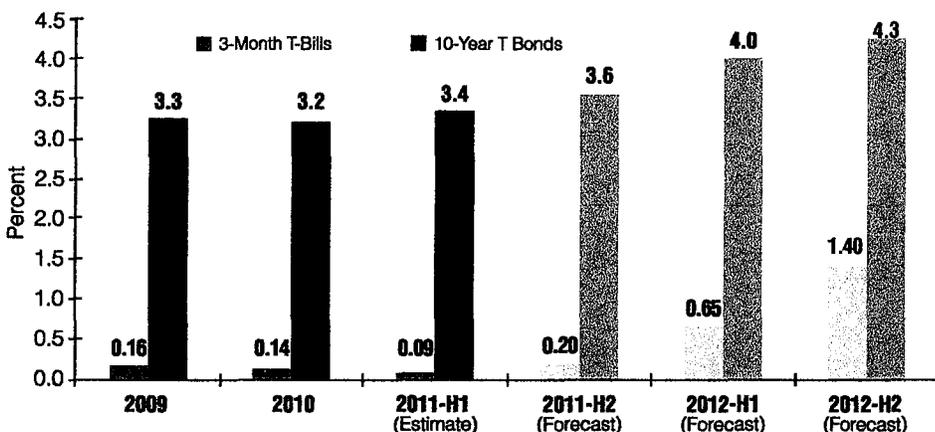
Source: Federal Reserve Bank of St. Louis

CHART 6 • FORECAST U.S. UNEMPLOYMENT, INFLATION



Source: Federal Reserve Bank of St. Louis

CHART 7 • FORECAST U.S. INTEREST RATES



Source: Federal Reserve Bank of St. Louis

Developed Economies: Growth returned to most developed economies in 2010 and '11. Only Japan is expected to have negative growth in 2011 due to the earthquake, tsunami, and nuclear problems. European growth is not expected to be robust (i.e., not above 3%).

Asian Economies: The picture looks much better in the Asia-Pacific region. China, Korea, India and Australia will all have growth rates above the global average. Starting in 2010 the central banks in these countries began to raise interest rates to try to avoid inflation and cool off torrid growth.

U.S. Forecast and Risks: In the first half of 2011 U.S. GDP growth was less than 2%. However, I expect it to pick up marginally in the second half of 2011 so that overall GDP growth will be about 2% this year (Chart 5). 2012 will also have positive growth, but

below the desired 3% rate that brings down unemployment significantly. As a result, the unemployment rate will remain near 9% through 2011 and only slightly better in 2012 (Chart 6). Inflation will see a bit of a bump in 2011, but remain in check through 2012.

The combination of slow growth and the absence of significant inflation will keep interest rates low (Chart 7). Both short-term Treasury bill rates and long-term 10-year Treasury yields will increase somewhat through 2012 but remain very low by historical standards.

Again, these forecasts assume relatively stable energy markets, short-term deficit fixes but no real progress in U.S. structural debt reduction. If things go awry in these scenarios, a loss of consumer confidence could push the economy into a second dip.

Exhibit G – Maui County Council Board

2012 Executive Board

<u>Name</u>	<u>Work Affiliation</u>
Arnold Wunder	Xerox Hawaii
Bill Kamai	Carpenters Union
Dr. Bobby Baker*	Pacific Cancer Institute
Brian Hashiro*	County of Maui Highways (Division Chief)
Brian Kakihara*	First Hawaiian Bank
Chad Goodfellow	Goodfellow Bros., Inc.
Ellen Loucks	Walter Vorfeld and Assocs. (Structural Engineering)
Eric Nagamine*	Hawaii State Teachers Association
Frederick Wong*	Walker Industries, Ltd. (Concrete Products, Precast)
Glenn Yamasaki*	Makani Nui & Associates (Renewable energy dev.)
H Nitahara	Bank of Hawaii
Herb Yuen	Envisions Entertainment
Hilton Unemori*	ECM, Inc. (Electrical engineering consulting)
Howard Hanzawa	Kaanapali Development (Retired)
Joycelyn Victorino	ILWU Local 142
Ken Jencks	
Marilyn Niwao Roberts	CPA/Attorney - Niwao & Roberts, CPAs, a P.C.
Michael Ito	Retired Maui Electric
Mona Kailiponi*	Retired - Maui Economic Opportunity, Inc. (MEO)
Peter Merriman	Merriman's Restaurants
R. Clay Sutherland	Attorney
Randol Leach	Financial Advisor
Ryan Ouye	Service Rentals and Supplies, Inc.
Scott Matsuura	Consultant/ Gov Relations

* Officers

All officers and board members are elected annually for a one year, renewable term at the council's annual business meeting. The Executive Board meets at 7:30 AM at the Scout Office on the third Wednesday of odd months, (January, March, May, July, September, and November). The officer's, (Executive Committee) meet at 7:30 AM at the Scout Office on the third Wednesday of even months, (February, April, June, August, October, December).

Exhibit G – Maui County Council Board

Along with the Executive Board, the Maui Council relies upon a group of dedicated individuals that have made themselves available for consultation and support in their areas of expertise. This group is called an Advisory Board, and most were formerly Executive Board members or Officers of the Maui County Council.

Advisory Board

Grant Chun	VP Alexander & Baldwin Properties
Hideo Abe	Retired
Ronald Fukumoto	RFE Engineering Civil
Clyde Hamai	Hamai Appliance
Calvin Higuchi	Architect
William Kennison	ILWU Local 142
Charlie Keyes	Central Pacific Bank
Roger MacArthur	Ret. First Hawaiian Bank
Boyd Mossman	Ret. Judge
Michael Munekiyo	Munekiyo & Hiraga, Inc.
Buddy Nobriga	Maui Soda & Ice Works, Ltd.
Michael Nobriga	Maui Soda & Ice Works, Ltd.
Hank Pohndorf	Retired
Dr. Barry Shitamoto	Clinical Laboratories of Hawaii, Inc.
Warren Suzuki	Ret. Maui Land & Pineapple
Meyer Ueoka	Attorney