



News Release

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Working together for Kapolei

KEEPING THE KAPOLEI ECONOMY ON TRACK

(KAPOLEI, Hawaii, August 15, 2008) – The newly-formed Kapolei Chamber of Commerce is growing as fast as Kapolei’s expanding economy. Membership at the Kapolei Chamber grew from 16 members to 66 members in only four months, and a crowd of more than 170 people attended the chamber’s third event on August 14. Speakers at the event noted how Kapolei’s growth goes against the downward trend elsewhere and how important Kapolei will be for the state’s overall economy.

Construction tracks economy

Kyle Chock, executive director of The Pacific Resource Partnership, led a panel of speakers and said that construction closely tracks the economy. In Hawaii, construction is the third largest industry and, in early 2008, accounted for 40,000 construction jobs. Of those jobs, 64 percent were created by private construction projects, and 36 percent by public projects.

However, with a weak U.S. economy and the rising cost of oil and materials, the industry in Hawaii is experiencing a slowdown, Chock said. The first indication of the decline came in 2007, when construction spending declined 4 percent from \$4.5 billion to \$4.4 billion, with another 4 to 6 percent drop expected by the end of 2008. This translates to a drop in jobs as projects pull back.

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Add 1

“But there’s a bright light on the horizon,” Chock said, citing the many construction projects underway and planned in Kapolei. “Kapolei is key to sustaining the construction industry.”

Chock cited the retail, commercial, residential and industrial projects that will bring billions in construction dollars and thousands of construction and permanent jobs to Kapolei. Chock also cited the effect of the proposed Honolulu Rail Transit project, which will stimulate a shaky economy by providing jobs for unemployed construction workers, as well as the multiplier effect of construction dollars that will create additional jobs in other industries.

Mass transit will benefit Kapolei

Another speaker at the event, Elisa Yadao of the Honolulu Rail Transit project, said that rail is an important part of an integrated multi-modal transportation system that will reduce congestion, improve mobility and strengthen the economy. Yadao noted that rail will reduce future congestion by 11 percent in 2030 and that the transit system’s capacity is equivalent to six freeway lanes of cars. Rail will also bring in an infusion of much-needed private investment dollars and create 11,300 direct and indirect jobs per year.

Federal funding key to success

U.S. Congressman Neil Abercrombie was the final event speaker and he recalled another time when Oahu faced a similar decision about rapid transit. At that time, Abercrombie said, \$620 million in federal funds was earmarked for the system, but the proposal was voted down.

“The day we dropped the ball, other jurisdictions stepped up to get that \$620 million for their own projects,” said Abercrombie.

Today, the federal government’s New Starts Fund will provide a minimum of \$900 million for the Honolulu Rail Transit project. Abercrombie said that the General Excise Tax surcharge was a major factor in getting funding, as no other jurisdiction has made such an investment in its rail project. He stressed that the funds can be used only for rail, and not for other transportation modes.

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Add 2

“The economy of the state is on the line, especially in Kapolei,” said Abercrombie, who believes the transit system will open up opportunities for Leeward Oahu and improve the region’s quality of life. “We have to move on this now. If we don’t get this transit system, what’s the alternative?”

The Kapolei Chamber of Commerce is the voice of business in Kapolei. The Chamber works on behalf of members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. Kapolei is home to 1,200 businesses providing more than 28,000 jobs in the region. For more information, please visit www.kapoleichamber.com.

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