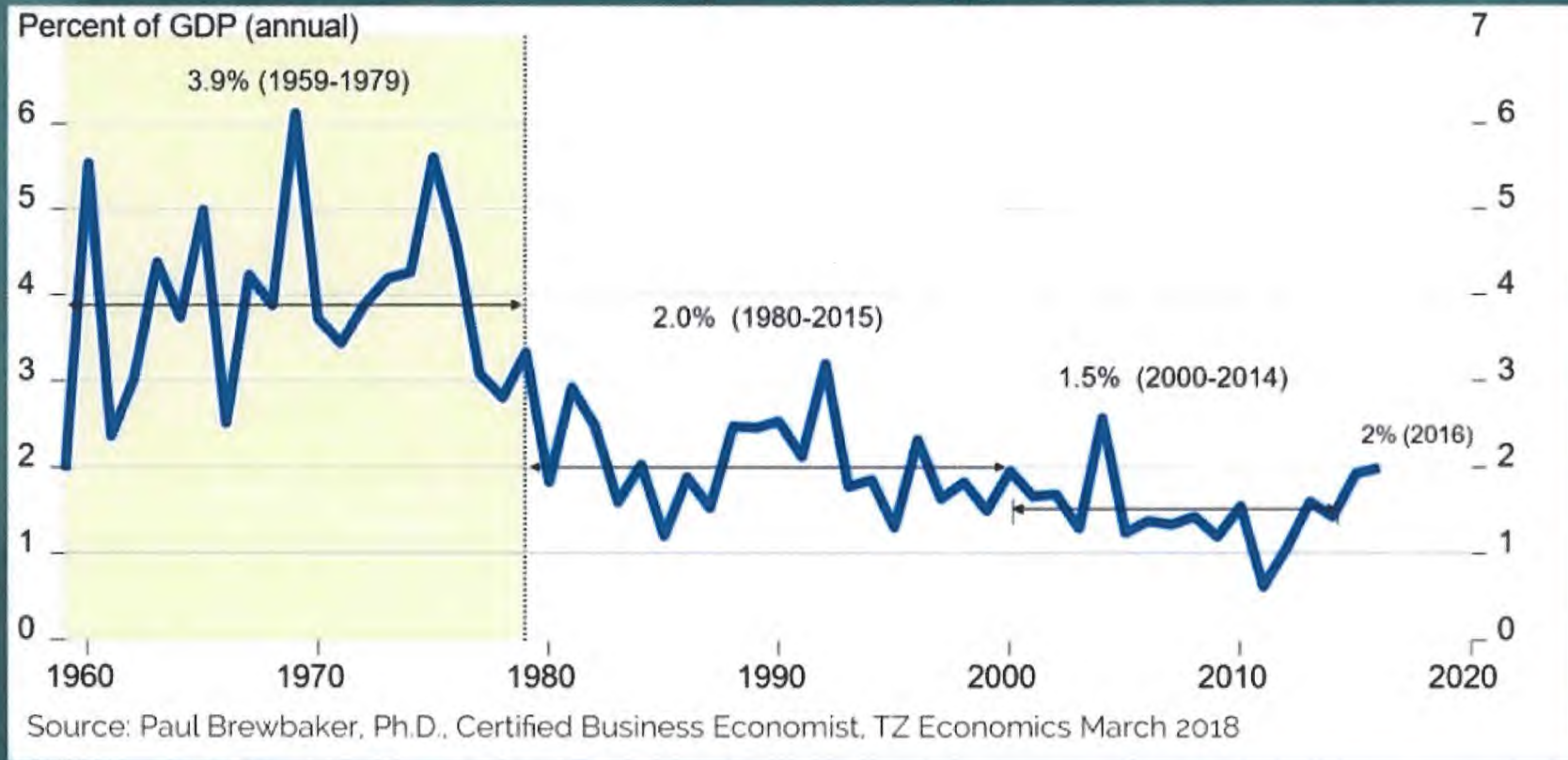


INFRASTRUCTURE SPENDING TRENDS....

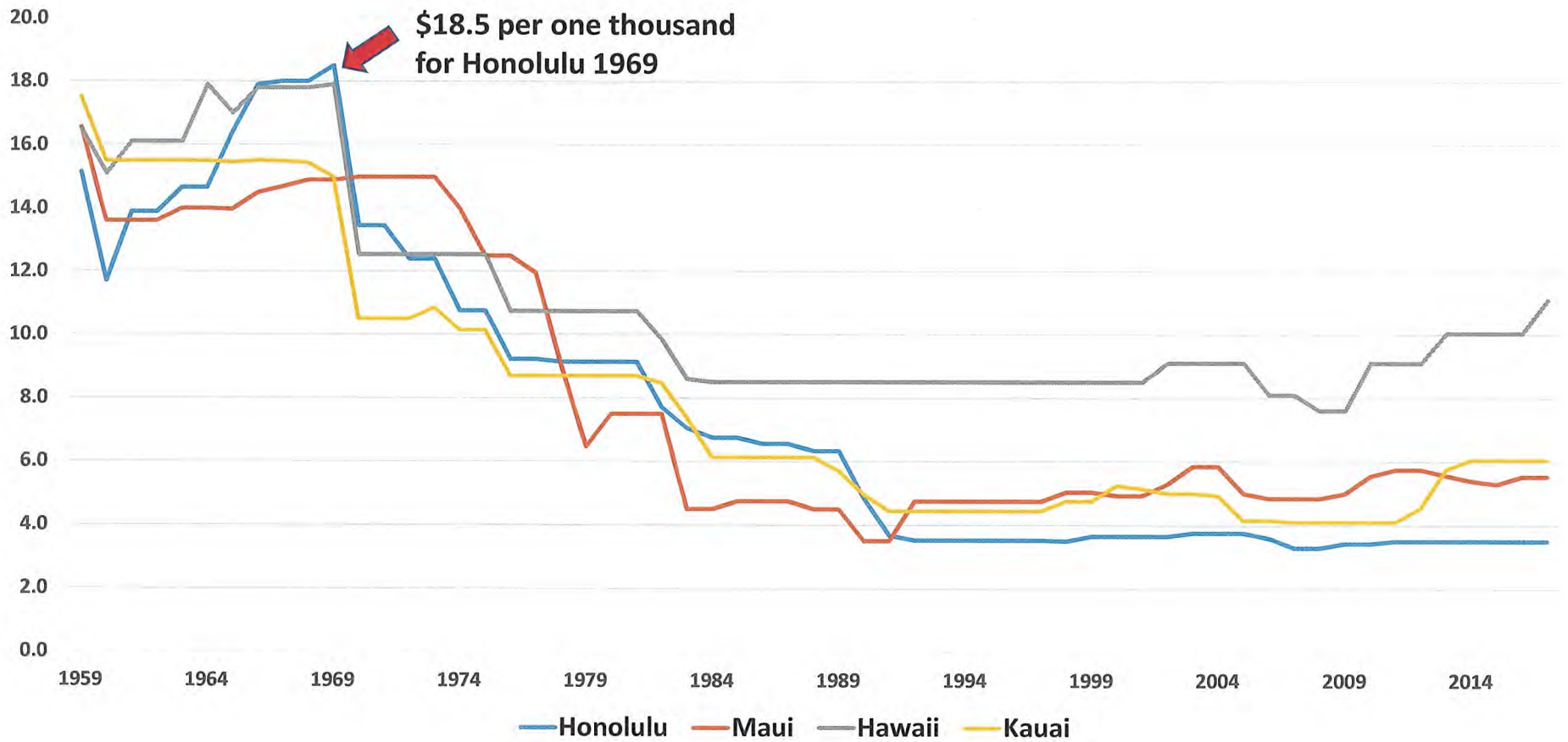
Gov't Construction Spending, % Hawaii GDP



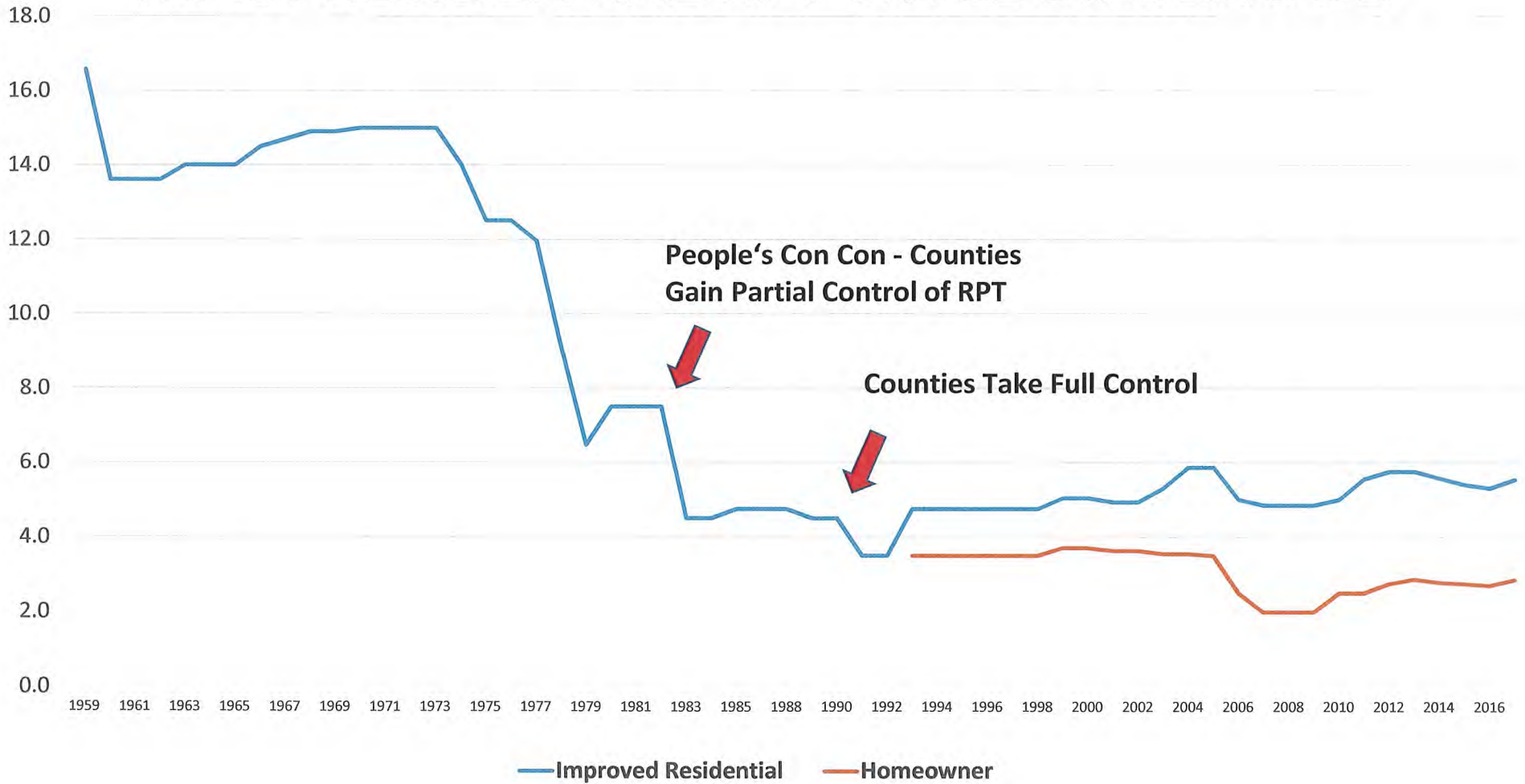
Spending HALF of Previous Levels

RECEIVED AT EDB MEETING ON 4/3/19
Kenna Stormogipson

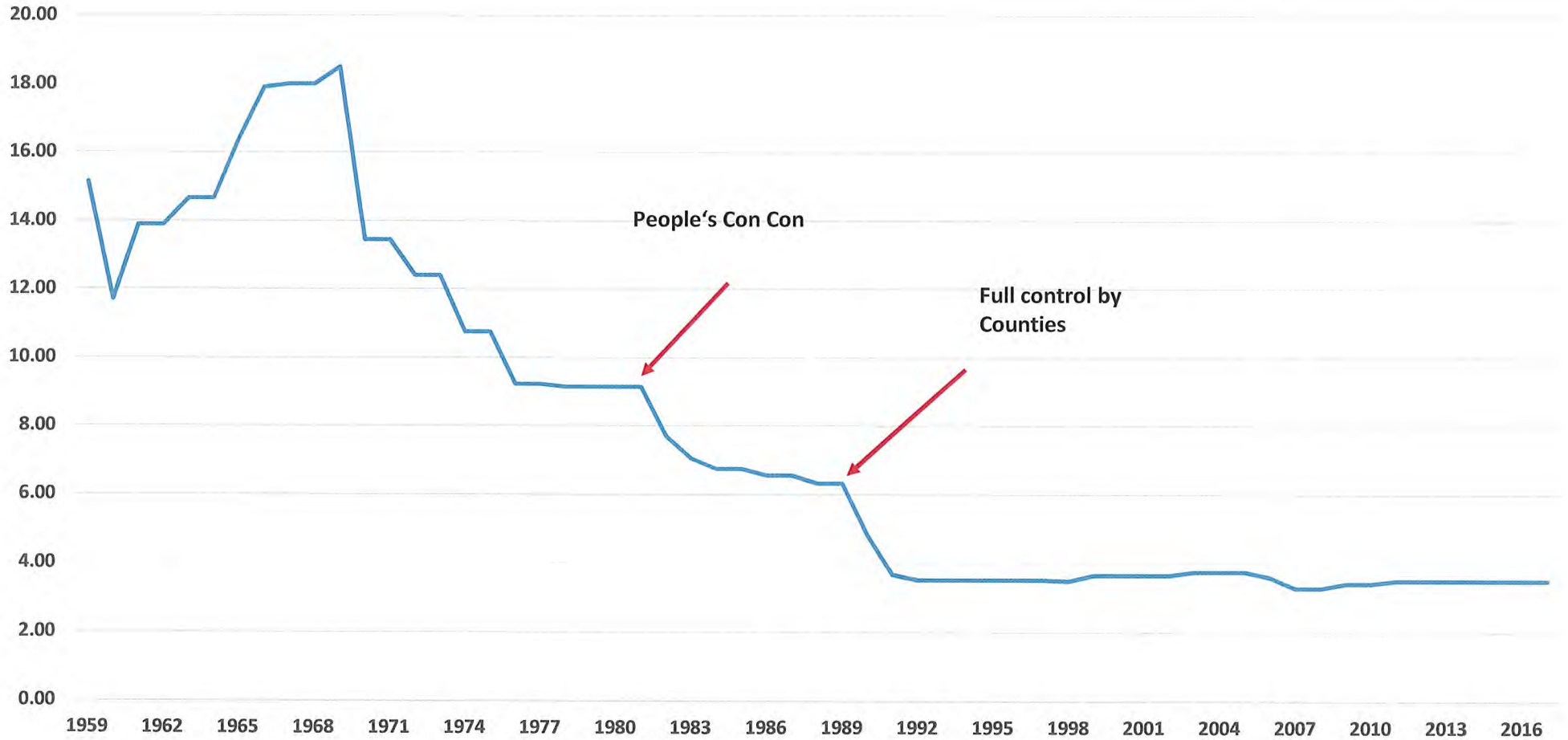
IMPROVED RPT ALL COUNTIES SINCE STATEHOOD



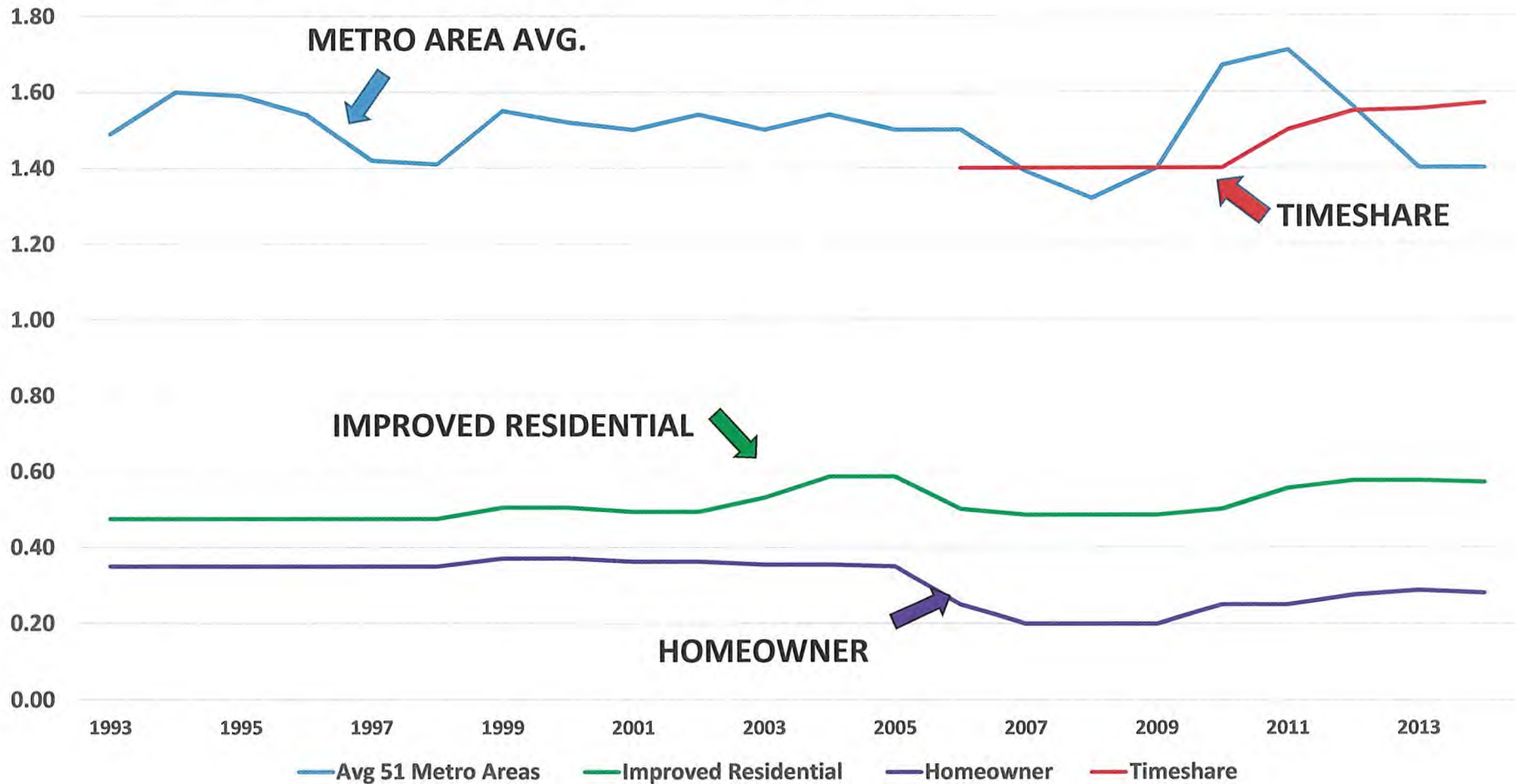
MAUI RESIDENTIAL RPT SINCE STATEHOOD



Honolulu Property Tax Rate Since Statehood



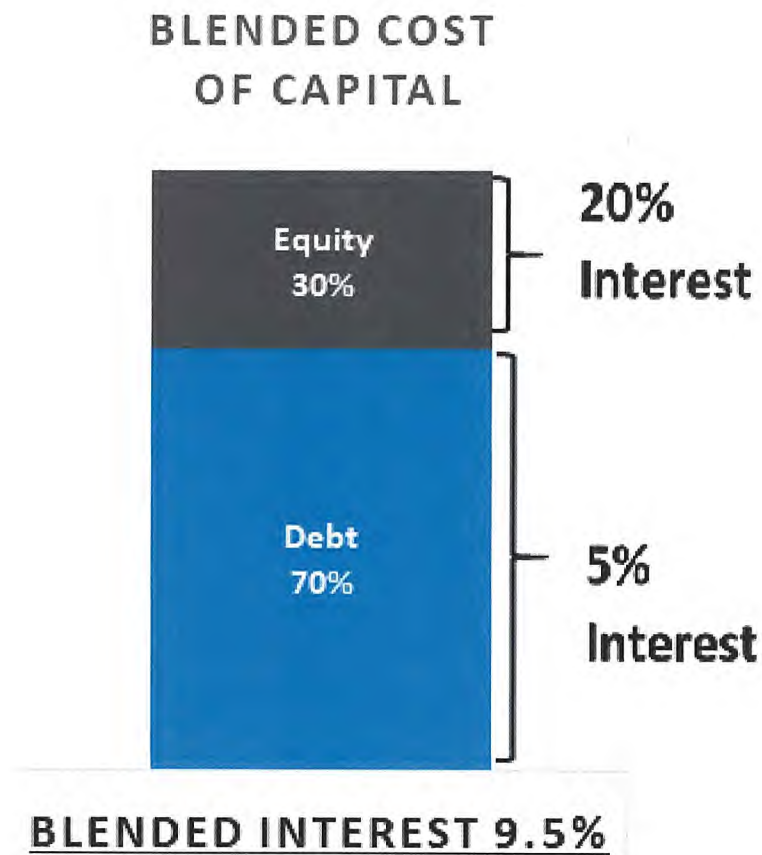
MAUI COMPARED TO 51 METRO AREA AVG.



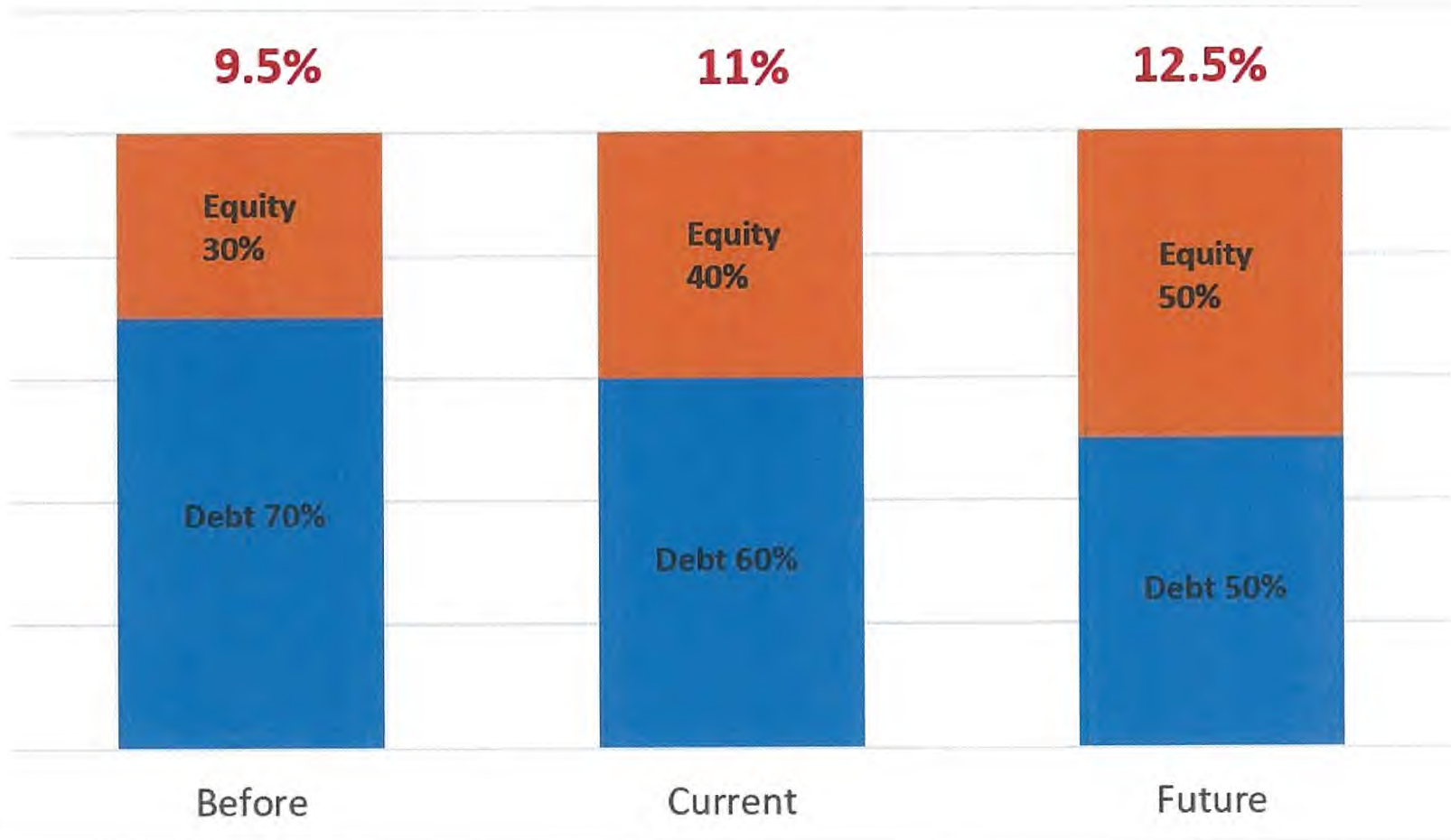
RPT Excellent Way to Pay for Infrastructure

- Very Stable, Difficult to Evade
- Can support Municipal Bonds at VERY LOW Interest 3- 3.5%
- Slowly pay back investment over time— similar to mortgage.
- Progressive Tax: People with more expensive houses pay more.

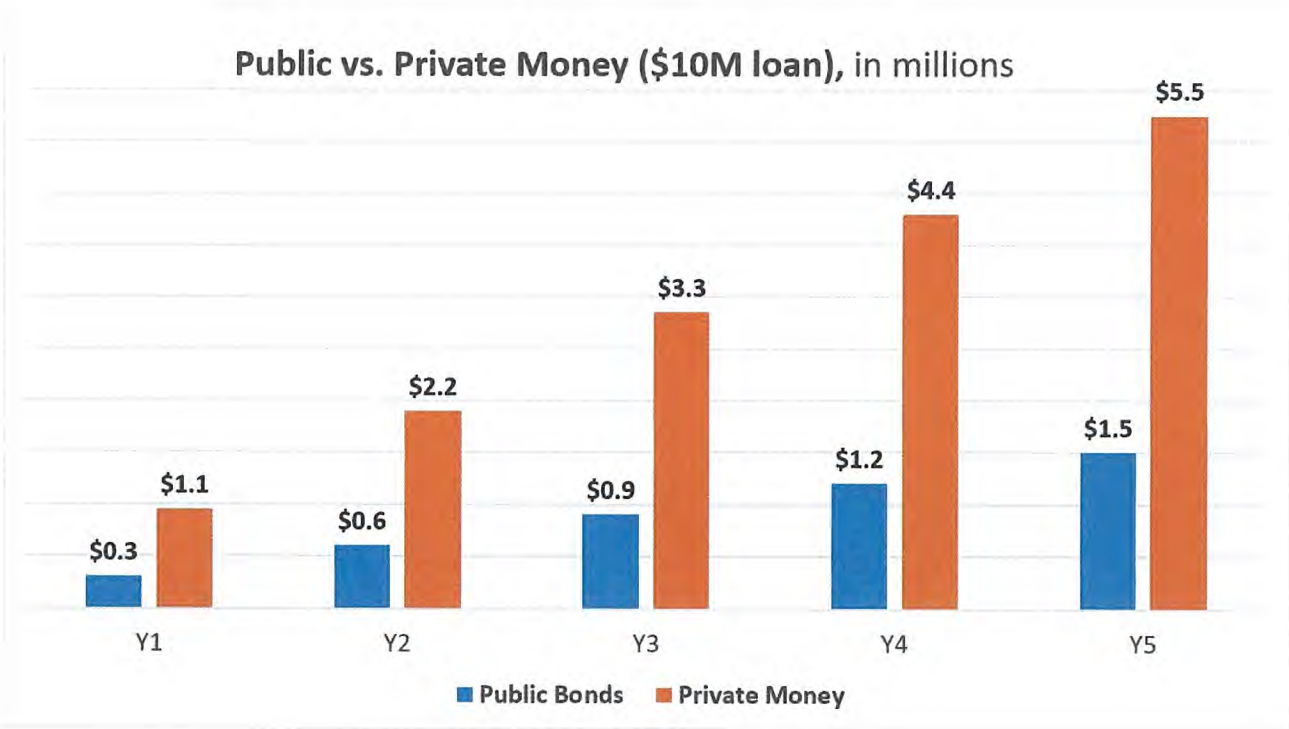
Why is private financing so expensive?



Capital Stack Trends



Interest Paid on Private vs. Public Financing



Conclusions:

- Hawaii has underfunded infrastructure for past 30 years.
- Municipal Bond financing is much cheaper than private financing.
- Property Tax is an efficient and equitable way to pay for infrastructure.
- Property Tax in Hawaii is the lowest of any metro area, lowest of any state.