

Contributors Meeting

August 10, 2006

Participating:

Contributors: Stacey Wong, Frank Supon, Jim Peterson, Terry Kamen, Rusty Hutchinson, Eric Crispin, Bob Diffley, Myles Shibata

Charlier Associates: Jim Charlier, Jacob Riger, Jennifer Valentine, Lisa Malde

Notes:

- After introductions, Jim Charlier framed the primary issue as how do we pay for the projects to be recommended in the Kōloa-Po'ipū Transportation Plan?
- Jim Charlier explained his take on the Planning Commission's veto of the Historic Kōloa Village project: the Planning Commission was upset with the applicant's refusal to agree to a two week extension to further consider the accompanying conditions language, backing the Commission into a corner. This was evidenced by comments from the Commissioners who voted to deny reconsideration of the application - they felt the applicant had been inflexible and therefore saw no reason to reconsider the project. Jim stressed that the decision is not an indication that there is a de-facto moratorium on development in Kōloa-Po'ipū. We have been meeting with the planning staff regularly, and they are concerned about how to handle projects that are currently in the pipeline.
- Bob Diffley asked if we had talked about model conditions language. Jim said that some "shuttle diplomacy" will be needed between the contributors and the County, something we can do. We also intend to talk about it today in this meeting.
- Speaking from a set of Powerpoint slides, Jim explained that there are three sets of criteria for plans and projects: philosophy, law, and feasibility. We are mainly concerned with law (e.g. enabling legislation, case law) and feasibility (i.e. politics, history, equitability, consistency with other goals), but that talking about philosophy is unproductive.
- The next set of slides addressed conceptual mode shares for roads and transit, and the types of expenses associated with each.
 - Roads: initial capital is a major expense, but it is also important to consider recurring capital and O&M. We can't fund O&M with impact fees. We must consider whether the County will be able to maintain and operate what we suggest building.
 - Transit: a larger share of expenses are O&M.
 - Sources of transportation needs: future development, trend growth, backlog.



- Jim suggested that site-related needs be negotiated as part of the project to avoid dealing with credits. Impact fees could be used for regional transportation needs (capital costs) created by new development. Needs created by a backlog or trend growth will need to be addressed with another tool such as a community facilities district (CFD), not impact fees.
- Jim noted that the County Planning Commission, staff, and Mayor all seem open to the concept of transportation impact fees based on our discussions this week, though the Mayor is very concerned about backlog and other needs. Jim further noted that he and Jacob will visit Council Members individually in September to discuss their concerns.
- Jim then explained that CFDs could be a viable tool for funding other transportation costs that cannot be funded with impact fees. Regarding CFDs, Jim felt that the County's current ordinance seems workable - we can use layers and gerrymander the boundaries as necessary.
- Jim said that the County has suggested using an island-wide impact fee for new developments that would cover *all* impacts. Jim wants to propose an impact fee specifically for transportation-related impacts in Kōloa-Po'ipū that might then be customized and applied as a prototype in other locations.
- According to Jim, the Planning Commission was somewhat skeptical about the idea of creating a CFD, but we are open to advice about other types of districts that might work for this project.
- Eric Crispin said he is in favor of creating a transportation impact fee specifically for the Kōloa-Po'ipū area, but is concerned about overcoming hurdles such as adequate County staffing to implement.
- Jim responded that the County has expressed a concern about staffing and administration - this is something we will need to address in the plan. A percentage of revenue from impact fees can go towards administration; however if development slows in the future, the department may not have enough revenue to cover administrative costs.
- It was noted that the County is actually responsible for very few additional services as a result of new development and wondered about their contribution. New development will generate almost 40 percent of the county's existing budget - why not consider those funds?
- Jim explained that the additional revenue gained from taxes on existing property (due to increased property values) can also help fund improvements.
- The opinion was expressed that voters would not approve a CFD. Jim responded that voter approval isn't needed. The CFD must be initiated by property owners and imposed by the County. The initiative can not be opposed by more than 55 percent of property owners (individuals) or by groups/individuals owning (combined) more than 55 percent of the land in the proposed CFD.



- The question was asked how existing properties are affected and what they contribute.
- Jim outlined the following structure: new developments pay impact fees, developments that have been through the entitlement process but are not yet built are encompassed in a CFD, and existing developments produce additional tax revenues through increased property values and real estate taxes.
- He also noted that it will be important to create a system that won't fall apart when the development market changes, and to propose a plan that is attractive to everyone. We have not yet seen the need for any huge, expensive projects, so impact fees should be reasonable.
- Jacob then explained the format for tonight's public workshop. He thanked the Contributors for providing the CAD files and images of their projects and made clear that, as previously promised, they are not part of tonight's workshop. He and Jim stressed the importance of using this information to conduct the connectivity analysis, but that the analysis of the individual project plans is not the focus of tonight's workshop.
- Based on conversations with citizens, Terry believes people are willing to pay more in taxes to fund these improvements. Jim responded that County revenues will increase with new developments, so the County will not need to raise taxes.
- Bob suggested two other options: tax increment financing (TIF) and a county-wide transit district.
- Terry noted that at one time the area had a shuttle between the hotels and shops in Kōloa, and suggested reinstating a similar service to be funded by users and shopping centers, or perhaps the Po'ipū Beach Resort Association (PBRA).
- Eric agreed that there may be room for this type of privately-funded shuttle, and noted that the PBRA was an important actor in this regard.
- Jim outlined the three types of transit markets in resort environments: the employee commute (oriented to peak commuting periods - good market to capture), shuttles (good for children, employees, etc. but difficult to secure federal money), and the airport to hotel market (difficult to penetrate). He believes the three markets should be addressed in this order, and emphasized the plan's targeted study area.
- Terry noted that employees are concerned about high and rising fuel costs, and would ride the bus. Jim agreed and added that we need to create a long-term plan for transit in the area. Because plans have a short shelf life, this plan must be implemented immediately; therefore we will propose a simple funding method.
- Concern was expressed that projects up for review before the circulation plan is completed will be held up. Jim responded that there is a need to propose acceptable language for the interim period.



- Terry suggested creating a specific program to dedicate a percentage of the county's general tax base to transportation improvements. This amount could be reduced as the area's tax base grows (using a sliding scale).
- Eric pointed out that this could substantially disrupt the County's budget and would likely not be well received, and added that the connectivity issue will play a big role. Creating a connected, functional network will be the least costly solution for alleviating congestion.
- Jim re-emphasized the importance of network connectivity and mentioned two other points: 1) How do we avoid a potential de-facto moratorium?; and 2) If a project chooses not to participate in an impact fees/CFD (fairshare) funding framework, that project ought to have difficulty with the approval process in fairness to other projects that do participate.
- Bob expressed a concern about using a single, open-ended CFD and suggested creating multiple (and more specific) districts.
- Jim Peterson added that he worries about delays in Kaua'i - things do not necessarily happen quickly, and the transportation plan may not be accepted and implemented in a timely manner. He thinks projects will get held up or denied in the interim.
- Jim Charlier said he wanted consensus that we all can try to get a set of language to work, and the group began looking over the draft from the HKV project.
- Jim suggested that the developers' lawyers look at and modify the proposed language, and that for expediency, all comments/changes be sent directly to Jacob, who will be responsible for synthesizing comments and distributing revised language via email reflecting all comments received.
- It was agreed that crafting this language should be the group's priority. The question was asked about the contribution from the County and the public. Jim replied that each of the parties involved brings different strengths and benefits to the planning process.
- A suggestion was made that it might be beneficial to test the will of the public in terms of asking them at tonight's workshop if they would support some type of tax increase in exchange for specific benefits. There was emphasis on not liking the idea of giving things away for free. Jim replied that doing so at tonight's workshop is pre-mature, but that we could propose a CFD for the entire study area, and he would not hesitate to present this idea to the public in September. Jim noted that, overall we have had broad community support for our planning process.
- The group agreed that this language needs to be completed before August 22nd, the date of KMP-4's hearing before the Planning Commission.

