

Contributors Meeting

August 24, 2006

Participating:

Contributors: Stacey Wong, Terry Kamen, Eric Crispin, Bob Diffley, Myles Shibata, Greg Kamm, Jim Ticer, Rusty Hutchinson; and Scott Gates, David Nelson, Chris Deuchar, all by phone

Charlier Associates: Jim Charlier, Jacob Riger (by phone)

Notes:

- An agenda had been prepared for the meeting by Bob Diffley and Eric Crispin based on his conversations with members of the Contributors' group:
 1. Planning Commission approval condition language
 2. Proposed improvements/solutions that may impact individual projects (need for individual, internal review with CAI prior to going public)
 3. Connectivity / other proposed alternatives.
 4. Direct contact / communication between CAI and developers
 5. Next Steps
- After introductions, it was suggested that the Contributors need to start meeting more frequently, perhaps even weekly, as we are now entering the "nuts-and-bolts" phase of the planning process.
- After a brief discussion of the agenda, the issue was raised as to whether the consultant had been advocating for a moratorium through Mr. Riger's e-mail late last week proposing changes to the development conditions for the KMP 4 zoning permit before Planning Commission. There was a general tone of deep concern about actions by County staff and Planning Commission on the KMP-4 zoning permit earlier in the week. Contributors feel that the County has failed to honor its part of the three-way agreement creating the Koloa-Poipu Area Circulation Plan project. When the Contributors agreed to fund this project and participate in the planning process, the County was perceived as agreeing not to impose a development moratorium. Now, with the rejection of Historic Koloa Village and the conditions language imposed on KMP-4, it looks as though the County has defaulted on its part of the agreement by imposing what amounts to a hard moratorium on all further development. Further concern was raised that inaction by the County on building permit applications represents an unofficial hard moratorium.
- Jim and Jacob explained what the consultant's role has been in terms of working with the Contributors and County staff in suggesting changes to previously-drafted conditions language. Jim made clear that CAI has not been advocating for a moratorium and that we in fact want to facilitate communication between the Contributors and County staff to help draft mutually-agreeable conditions language. It was also noted that this plan is built around trust on all sides, particularly trust in an as-yet undetermined result.



- Jim suggested the meeting focus on agenda items 2 through 4 before diving into the conditions language. He explained that the September workshop will showcase a list of potential transportation projects and program measures, but we will not be presenting a specific “draft plan” yet in September. The draft plan step will come in the month of October once we’ve received comments on the potential projects and measures from the public, the Contributors and the county. The consulting work is on schedule, and over the next two weeks the details of traffic forecasts, proposed projects and funding will begin to emerge. Jim noted that up to now it has been hard to wait for the data and specifics to come out and that may have helped raise tension levels. However, we are now moving into a phase when we can begin to work together on specifics.
- Concerning agenda items 2, 3 and 4, Jim noted that he agrees with the concept of coordinating directly with individual Contributors on review and evaluation of their development projects and proposals. The next few weeks provide the opportunity for that kind of project-by-project review. He also observed that the connectivity issue sounds worse than it will likely turn out to be once we start focusing on the actual maps.
- The idea of coordinating with Contributors as their projects come forward for review by the County was emphasized again. Jim stressed that we have to know in advance when specific projects will be coming in for the review, especially those projects that will be coming forward before November 1st. It is difficult for CAI to play a positive role if we get involved only at the last minute. Jacob thanked those who have provided this information so far, but emphasized that we haven’t yet heard from most of the Contributors.
- It was stated that the Shops at Koloa project application will be considered by the Planning Commission on September 26th. Eric Crispin agreed to serve as the point of contact for assembling a list of project review schedules from the Contributors.
- It was then suggested that the Contributors work together on acceptable conditions language for zoning permits and discussion turned to agenda item 1.
- Jim asked that everyone review the conditions language approved as part of the KMP-4 project as well as our previous proposed edits as a starting point. It was suggested that “template language” should be designed to satisfy the community first, which would enhance its attractiveness to the County Council.
- It was noted that Hawai’i County provides an interesting example of an impact fee and Community Facilities District (CFD) approach. Of particular interest was the idea of developing a “fair share assessments” fee schedule that would be slightly less than the impact fees proposed by the consultant and that could be applied in the months or years that might go by while the County takes action on the funding mechanisms recommended in the final report.
- A suggestion was made to that conditions language should address implications and alternatives if the circulation plan is not adopted or implemented by the County.
- The question was then raised about whether it is worth trying to negotiate with the County after the KMP-4 project was approved with what many viewed as even more



restrictive conditions language that represents a de-facto moratorium. It was generally agreed that negotiation is still the best course.

- Discussion returned to how long it will take the County to act on proposed funding systems. It was noted that the other Counties have sometimes taken years to act on proposed impact fees, and that in fact Kauai County had never been able to take action on the previous set of proposed impact fees developed over ten years ago. Jim indicated that one way around this would be to focus just on transportation and just within the Koloa-Po'ipu area. He stated that we have had a positive reception so far for advocating that in the short term, the County should enact impact fees limited to transportation within the Koloa-Po'ipu area. This approach could serve as a prototype for action on other capital programs elsewhere in Kauai.
- There were some questions about how potential federal funding of capital projects should be taken into account in calculating impact fees. Some members of the group had been advised that the County's eligibility for federal funding had been jeopardized by inaction on previous plans.
- There was some discussion about the need to make it possible to have the private sector implement transportation improvements. It was noted that the County has indicated that it might prefer the private sector to build major infrastructure projects to accelerate and streamline the process.
- Discussion then turned to the allowable structure of impact fee systems. Jim explained that impact fees can legally only be used to fund the capital costs required for new capacity, not to address existing backlog.
- Acknowledging the legal constraints of how impact fee revenues can be spent, it was agreed that CFDs may be the right tool for funding the needs for which impact fees cannot be used. One alternative to CFDs might be tax increment financing. Some of the Contributors feel strongly that the County's tax base will increase dramatically as a result of their projects and that County tax revenues will increase by millions of dollars. Why shouldn't some of the future infrastructure needs in Koloa-Poipu be met with these revenues? The issue of tax increment financing (TIF) was then raised; the TIF discussion was deferred until further information comes from Kukui'ula's research into it, but there was some interest in this approach to funding part of the need.
- Jim explained that up to now his understanding of the Administration's position is that tax base increases generated within the area by new development cannot be directly credited back to the area for transportation improvements.
- Jim noted that TIFs and CFDs share the desirable characteristic that they "lock up" funding for a dedicated purpose that could otherwise get lost in the County's general fund.
- There was additional discussion that the conditions language needs to obligate the County to specific implementation actions as well as developers. Jacob pointed out that our suggested edits included such a clause regarding the prompt implementation of a fairshare



funding mechanism by the County to avoid forfeiture of funds paid by private development under such a program.

- There was broad support for the sentiment that there is now a de-facto moratorium based on the highly restrictive conditions language included as part of the Planning Commission's approval of the KMP-4 project. Debate ensued on whether it is even worthwhile to continue any further with the transportation plan. Generally, it was felt that although the County may be in violation of its part of the agreement, the best course of action for the Contributors is to try to make the best of the situation by working through the transportation plan and the consultant to arrive at a better approach.
- It was then suggested that it might be productive to work on wording for the proposed fairshare funding agreement called for in the conditions language. There was support for including wording conveying that applicants would pay a portion of fair share funding up-front, but less than our plan will likely call for as an incentive for the County to adopt and implement our plan. Jim also noted that the proposed Agreement does not need to include specific dollar amounts, but can address guiding principles, and that we need to engage now to move the process forward. However, others felt it might be possible to state dollar amounts per unit now. CAI will work on this over the next few days and propose an approach to the fairshare agreements.
- Finally it was agreed that the group would meet via teleconference again next Thursday at 10:00 am HT. The consultant will prepare meeting minutes, and Jim explained the importance and value of preparing meeting logs and sharing them with everybody on the project web site. Based on a request from Jacob, it was clarified that CAI would take the first shot at drafting language for the fairshare funding agreement and at drafting acceptable conditions language. We also agreed to discuss connectivity as part of next week's meeting.

