

Meeting with Peter Nakamura, County Clerk

August 9, 2006

Participating:

Peter Nakamura

Charlier Associates: Jim Charlier, Jacob Riger

Notes:

- Jim began by explaining that we're seeking advice about what funding mechanisms work in Kaua'i, such as Community Facility Districts (CFDs).
- Peter noted that there is an enabling state statute for CFDs, and that Kaua'i's CFD ordinance came after Maui and the Big Island.
- For Kaua'i, Peter noted that the impetus was the Kukui'ula project which changed significantly last year, and that it is in their zoning ordinance to build major facilities.
- Peter explained that the County Council is concerned that a CFD is a tool to accelerate development, and that the Council has been feeling the cyclical economic cycle and accompanying development pressure for three to four years.
- He also noted that Kaua'i already has standard improvement districts that are more restrictive, and that it is not difficult to get a standard improvement district off-track. He also explained that a standard improvement district can be implemented if no more than 25 percent of affected property owners do not object.
- Jim noted that our interest in CFDs or another mechanism stems from the fact that impact fees cannot pay for everything. In particular, how do we address the "middle projects" - those that have been approved but not yet built?
- Peter shared that an impact fee study was done in the 1980s but not implemented. The County does have an "environmental impact assessment fee" for new development, but this is not a traditional impact fee.
- Peter was not entirely sure of the legal and regulatory framework for impact fees in Hawai'i, but noted that there is enabling legislation for impact fees. He also noted that, at one time, there was an option to implement a half cent gas tax for transportation, with Honolulu as the impetus, but that it was not pursued in Kaua'i and that option is no longer available.
- Finally, Peter noted that the primary is on September 23rd, and that the first working day in December is when the new County Council will be seated.

