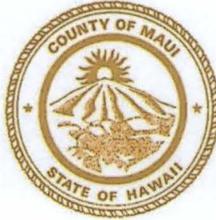


MICHAEL P. VICTORINO  
Mayor

SANDY K. BAZ  
Managing Director

JOSIAH K. NISHITA  
Deputy Managing Director



DEPARTMENT OF MANAGEMENT  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

August 18, 2020

OFFICE OF THE  
COUNTY COUNCIL

2020 AUG 19 PM 2:37

RECEIVED

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Michael P Victorino*  
Mayor

8/18/20  
Date

For Transmittal to:

Yuki Lei Sugimura, Chair  
Water, Infrastructure and Transportation (WIT) Committee  
Maui County Council  
200 South High Street  
Wailuku, HI 96793

Dear Ms. Sugimura:

**SUBJECT: TEMPORARY PARKING EXPANSION AT THE KALANA O MAUI CAMPUS**

Thank you and the WIT Committee for providing a thorough review and evaluation of the proposed resolution to approve the disposition of structures attached to County real property for the purposes of the Kalana O Maui Campus Parking Expansion. We appreciate the questions that were raised by members on August 10, 2020 and would like to provide the following responses to these inquiries.

**Value of Existing Structures on-site and potential for Revenue**

The County's Real Property Tax records indicate that the yellow house located on the 251 Napua Street lot is assessed at \$119,600. The house located behind the two-story house on the 2154 Kaohu Street lot is assessed at \$106,100. It should be noted that the assessed value represents the structure as is, with the existing utility connections, foundations, and authorizations.

When evaluating the feasibility of moving a house, the potential buyer will need to consider not only the cost to hire a professional house moving company to move the structure, but to get permits for the new site, construct a new

When evaluating the feasibility of moving a house, the potential buyer will need to consider not only the cost to hire a professional house moving company to move the structure, but to get permits for the new site, construct a new foundation, create new utility connections, and reinforce and prepare the home for a physical move. The cost of the move itself will depend upon the distance the house is moved, the conditions of the route and any tree trimming, traffic signal, utility line, sign and light post impacts that may need to be addressed along the route. These factors can cause a high degree of variability in the amount a buyer can bid on the property. Several structure moving companies in the continental United States estimate house moving to cost between \$20,000 and \$200,000. As with other construction costs in Hawaii, it should be assumed that on Maui a move such as this will be more expensive than it would be in the continental U.S.

While there is not likely to be much revenue to the County by allowing bidders to purchase the yellow house, it is estimated the County will be able to save most of the \$85,000 planned to demolish and haul away the structure. Any revenue that might be received from the purchase of the house would be returned to the County's General Fund.

### **Cost/Benefit Analysis of Removing the Two-Story House**

The Department of Management evaluated the benefits of removing the two-story Miyahira house to build additional employee or fleet vehicle parking. An initial site analysis indicated there was a potential to build up to 51 parking stalls at the 2145 Kaohu site. This is 14 more stalls than the preferred alternative the Department settled upon with the decision to keep the house.

Exhibit A illustrates the initial site layout that was contemplated. This alternative requires the removal of all structures, all landscaping - including the mature mango tree at the front of the property, and grading and fill work on the makai side of the house to make up for the topography change. This scenario provides 24 tandem-parked stalls parallel with the makai property line. This layout represents the maximization of parking stalls at the site.

In evaluating this option there were a series of issues to consider. Below please find an in-depth overview of each issue considered in a cost/benefit analysis.

1. Cost - County office space/rent - The white, two-story house located at 2145 Kaohu, known as the Miyahira House, is 2,682 square feet. The County currently houses the Community Development Block Grant program staff as well as the Department of Housing and Human Concerns staff. On average, the County pays approximately \$3.10 per square foot for rented office space (includes rent and CAM). To relocate the programs occupying the Miyahira house, we would expect to pay approximately \$100,000 a year with a 2% annual escalation if they were moved off County property.
2. Cost - Construction and demolition costs associated with removing the 2-story house. Unlike in the two structures that are proposed to be

removed, there are no known hazardous materials in the 2-story house, therefore the cost for demolition would be less per square foot. However, the land under the house and in the sideyard on the makai side of the building slopes down and away from the building. Should the house be demolished, this area would have to be filled and compacted, and a retaining wall built in order to park cars in the area where the house currently sits. The demolition, grading and filling could have a cost of up to \$50,000.

3. Benefit - Employee parking revenue – each stall created and rented out to employees has the potential to generate revenue for the County. Under the current employee parking fee schedule, the temporary parking area utilizing the recycled asphalt product, the County charges \$10/month for the stalls and oversells the lot by 20% (would result in 16 employees). If this strategy was followed for the maximized scenario, the County could generate \$1,920 annually for those 14 additional stalls.
4. Benefit – Lost productivity of employees not having to move cars. Employees parked in 2-hour parking stalls spend an average of 13 minutes every 2 hours moving their car to avoid getting a parking ticket. During an 8-hour day, an employee has to move their car at least twice, (not including during their lunch hour), to avoid violating the 2-hour parking limit. Utilizing the average wage rate for Maui County, this constitutes a cost of lost work of about \$7.04 a day (Bureau, 2014-2018). Assuming those employees worked 250 days out of the year, the cost of lost work time is \$1,760 per employee or \$28,160 annually for all 16 employees that could be saved if they had dedicated parking and did not need to move their car.
5. In summary – for the 5-year period the temporary parking is expected to be in place, the cost/benefit analysis is as follows.

**Table 1: Cost/Benefit Analysis of Removing the 2-Story Miyahira House**

<b>Cost</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Office Rent	\$ 100,000.00	\$ 102,000.00	\$ 104,040.00	\$ 106,120.80	\$ 108,243.22	\$ 520,404.02
Demolition/Disposal	\$ 33,400.00	0	0	0	0	\$ 33,400.00
Fill/Grade/Retain	\$ 16,600.00	0	0	0	0	\$ 16,600.00
						<b>\$ 570,404.02</b>
<b>Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Employee Parking Revenue	\$ 1,920.00	\$ 1,920.00	\$ 1,920.00	\$ 1,920.00	\$ 1,920.00	\$ 9,600.00
Lost Work Cost Recaptured	\$ 28,160.00	\$ 28,723.20	\$ 29,297.66	\$ 29,883.62	\$ 30,174.05	\$ 149,876.36
						<b>\$ 159,476.36</b>

To make up for the cost of rent for the offices, and demolition, grading and retaining at the site of Miyahira house, the County would need to charge over \$440/month for those 14 stalls. A number of assumptions went into this calculation, but it provides a rough estimate of likely costs and revenue associated with the alternative. It should be noted that at this time there is no contemplation by the administration to raise the employee parking fees.

**Kalana O Maui Campus Parking**

During the August 10<sup>th</sup> meeting a question was raised regarding the total number of parking stalls that would become available with the relocation of several departments to the County Service Center early next year. The Department of Management is working to finalize the estimated number of stalls that are expected to be gained with both employees and fleet vehicles expected to move off campus. A more thorough presentation of those changes will be offered at the August 24, 2020 Water, Infrastructure and Transportation Committee meeting.

Our staff is looking forward to discussing this topic further. Please let us know if there is any additional information requested before the meeting.

Sincerely,



Josiah Nishita  
Deputy Managing Director

# EXHIBIT "A" Parking Maximizing Alternative

