

**COUNCIL OF THE COUNTY OF MAUI**  
**ECONOMIC DEVELOPMENT AND**  
**BUDGET COMMITTEE**

September 6, 2019

**Committee**  
**Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Economic Development and Budget Committee, having met on March 29, 2019, August 22, 2019, and August 27, 2019 (reconvene), makes reference to County Communication 17-335, from Councilmember Riki Hokama, relating to the design, construction, and funding for the Wailuku Civic Complex.

Your Committee notes the County website lists the following components of the proposed Wailuku Civic Complex project:

- Three blocks of upgraded water and sewer lines, new storm drains, undergrounding of power and utilities and new sidewalks and road surface;
- 3-story Civic Building;
- 7,510 square foot festival plaza;
- 5,500 square foot covered market lanai;
- Shared access road/promenade off Market Street; and
- 428 stall parking structure.

By correspondence dated March 25, 2019, the Department of the Corporation Counsel transmitted a revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858, BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY

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OF SAID BONDS (DEPARTMENT OF MANAGEMENT - WAILUKU CIVIC COMPLEX).”

The purpose of the revised proposed bill is to amend the Fiscal Year 2019 general fund obligation bond authorization ordinance by decreasing the appropriation under the Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Wailuku Civic Complex, by \$26,963,000.

Your Committee notes the prior Council’s Budget and Finance Committee (2017-2019 Council term) previously reported on the Wailuku Civic Complex through Committee Report 18-28, which recommended adoption of proposed resolutions respectively entitled “AUTHORIZING THE ACQUISITION OF UNITS 100 AND 200 OF THE ONE MEDICAL PLAZA BUILDING” and “AUTHORIZING THE ACQUISITION OF UNITS 300 AND 400 OF THE ONE MEDICAL PLAZA BUILDING”. At its meeting of March 9, 2018, the Council adopted Resolutions 18-21 and 18-22.

Your Committee further notes the prior Council’s Budget and Finance Committee previously reported on the Wailuku Civic Complex through Committee Report 18-87, which recommended adoption of a proposed resolution entitled “AUTHORIZING THE ACQUISITION OF THE PARCELS LOCATED AT 2091 WEST VINEYARD STREET,” be adopted. At its meeting of June 1, 2018, the Council adopted Resolution 18-99.

In addition, your Committee further notes the prior Council’s Budget and Finance Committee previously reported on the Wailuku Civic Complex through Committee Report 18-210, which recommended passage of bills respectively entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF MANAGEMENT, WAILUKU CIVIC COMPLEX; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)” and “A BILL FOR AN ORDINANCE AMENDING THE FISCAL

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YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, WAILUKU CIVIC COMPLEX.” The bills were enacted as Ordinance 4948 and 4949, both of which took effect December 31, 2018.

Your Committee reviewed the infrastructure improvements (Phase 1A) and parking structure (Phase 1B) components of the Wailuku Civic Complex project. These are the components at issue in the proposed bill. Your Committee, Administration representatives, and the public focused their attention on Phase 1B, as Phase 1A appeared to be widely supported.

Your Committee received substantial public testimony both for and against the Phase 1B parking structure, proposed for four stories. Your Committee believes testifiers had the best interests of Wailuku Town and the entire County of Maui in mind, though they expressed divergent views on appropriate County action. Some testifiers emphasized County-funded economic development, while others expressed concern about fiscal management, community character, and historic preservation.

The Managing Director and Maui Redevelopment Agency (“MRA”) staff provided your Committee with copies of the Wailuku Town Parking Study and Parking Management Plan Analysis (2011) (“Parking Study”). Your Committee noted parking issues in Wailuku have been caused by the need for County-employee parking, as “employees are parking in prime parking spaces that should be available to private sector employees, customers, and visitors,” according to page 11 of the Parking Study. The Parking Study, at pages 11-12, advised the County “to take a much more proactive approach to employee parking by increasing parking supply” and by adopting “strategies that help reduce the number of single occupancy vehicles.”

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Your Committee urged the County Administration to invest in employee parking, as recommended by the Parking Study eight years ago.

Your Committee noted the Phase 1B parking structure was designed to accommodate the needs and specifications of the entire Wailuku Civic Complex project. MRA staff cited September 4, 2019 as the closing date for Phase 1B's invitation for bids.

The Chair of your Committee submitted documents regarding funding allocations and general obligation bonds encumbered, expended, and lapsed from fiscal year 2016 through fiscal year 2020. In addition, your Committee discussed projected expenses and revenues regarding the Phase 1B parking structure.

Your Committee notes costs of the project include:

- construction and management of the parking structure;
- related public relations and advertising expenses;
- construction of a temporary parking lot during construction;
- shuttles to and from the temporary parking lot; and
- grants and tax abatements to businesses during construction of the parking structure.

Your Committee discussed its policy objectives, including the following:

- protecting the historic character of Old Wailuku Town;

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- fulfilling the parking and transportation needs of business owners, employees, and residents in Wailuku Town;
- exercising fiscal prudence while promoting economic development in Wailuku, as the seat of County government;
- honoring the work of the MRA and its staff;
- respecting and acting on community input; and
- fulfilling General Plan objectives and policies.

Your Committee approved an amendment, submitted by the Chair of your Committee, lowering the reduction in the general obligation bonds issued for the Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Wailuku Civic Complex, by \$14,233,688.

This amendment results in \$27,766,312 remaining approved, which accounts for:

- all funding needed for the Phase 1A infrastructure improvements; and
- 50 percent of the funding for the Phase 1B parking structure.

Your Committee concluded this action will appropriately allow for the development of much-needed infrastructure, while promoting more employee and customer parking in Wailuku and protecting Old Wailuku Town's historic character. Your Committee acknowledged Phase 1B's scope will need to be scaled back by half.

Your Committee noted the importance of increasing the supply of parking while also promoting multimodal transportation, exercising

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sound fiscal management, and engaging in thoughtful land-use planning, as recognized by General Plan ordinances.

The Maui Island Plan (2012)'s relevant elements include the following:

The Wailuku Civic Center District was established in 1905 when the Territorial Legislature designated Wailuku Town as the County's seat of government. The Civic Center encompasses State, Federal, and County-owned parcels and buildings. The Civic Center is a place of great importance and symbolism. . . Maui's resident population and County government employment have both grown significantly since 1970. However, the supply of office space and parking has not kept pace with the growing demand. (Page 6-47.)

Focus future expenditures for additional government office space, parking, and related facilities in Wailuku's Civic Center District. (Page 6-48.)

Require design enhancement, landscaping, and integration of park and rides, bicycle parking areas, and mass-transit infrastructure to mitigate the effect of parking lots and structured parking on the urban landscape. (Page 7-26.)

The Countywide Policy Plan (2010) also provides several relevant components:

Promote the rehabilitation and adaptive reuse of historic sites, buildings, and structures to perpetuate a traditional sense of place. (Page 51.)

Perpetuate the authentic character and historic integrity of rural communities and small towns. (Page 51.)

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Enhance the funding, management, and planning of public facilities . . . (Page 64.)

Support efforts to improve conditions that foster economic vitality in our historic small towns. (Page 60.)

Reduce the reliance on the automobile and fossil fuels by encouraging walking, bicycling, and other energy-efficient and safe alternative modes of transportation. (Page 67.)

After taking into account public testimony, General Plan and other advisory documents, and substantial deliberations, your Committee voted 6-3 to recommend passage of the revised proposed bill on first reading. Committee Chair Rawlins-Fernandez, Vice-Chair King, and members Lee, Molina, Paltin, and Sinenci voted "aye." Committee members Hokama, Kama, and Sugimura voted "no."

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Economic Development and Budget Committee RECOMMENDS that Bill \_\_\_\_\_ (2019), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858, BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF MANAGEMENT - WAILUKU CIVIC COMPLEX)," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.



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KEANI N.W. RAWLINS-FERNANDEZ, Chair

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_ (2019)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858,  
BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL  
OBLIGATION BONDS OF THE COUNTY OF MAUI  
ISSUANCE, SALE AND DELIVERY OF SAID BONDS  
(DEPARTMENT OF MANAGEMENT - WAILUKU CIVIC COMPLEX)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4858, Bill No. 54 (2018), as amended, is amended by amending Section 1 to read as follows:

SECTION 1. Authorization of General Obligation Bonds. Pursuant to Chapter 47, Hawaii Revised Statutes, as amended, and particularly Part I thereof, there are hereby authorized to be issued and sold from time to time general obligation bonds of the County of Maui, State of Hawaii (the "County") in an aggregate principal amount not to exceed [~~\$76,589,680~~] \$62,355,992 (the "Bonds"), the proceeds derived from the sale of which shall be used to pay all or part of the cost of appropriations for the public improvements of the County described in Section 2 hereof.

SECTION 2. Disposition of Bond Proceeds. All or any portion of the proceeds derived from the sale of the Bonds or any notes issued in anticipation of the Bonds shall be used to pay all or part of the cost of any of the public improvements listed below in accordance with appropriations contained in the Fiscal Year 2019 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2019 (the "Fiscal Year 2019 Budget"); provided, however, that pursuant to Section 47-5, Hawaii Revised Statutes, the part of such proceeds which are in excess of the amounts required for the purposes for which the Bonds are initially issued from time to time, or which may not be applied to such purposes, or which the Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the Fiscal Year 2019 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
A. Department of Environmental Management	
1. Hana Community Plan Area	
a. Sanitation	
(1) Hana Landfill Makai Berm Waste Removal	1,000,000
2. Wailuku-Kahului Community Plan Area	
a. Drainage	
(1) Central Maui Landfill Stormwater Management Improvements	750,000
b. Sanitation	
(1) Central Maui Landfill Monitoring Well Design/Construction	500,000
(2) Central Maui Landfill Land Purchase	250,000
(3) Central Maui Landfill Phase III	250,000
B. Department of Finance	
1. Countywide	
a. Other Projects	
(1) Countywide Equipment	5,684,100
C. Department of Management	
1. Countywide	
a. Other Projects	
(1) Public Safety Radio System Replacement	1,200,000
2. Wailuku-Kahului Community Plan Area	
a. Government Facilities	
(1) Wailuku Civic Complex [42,000,000]	<u>27,766,312</u>
<u>Phase 1A (Infrastructure Improvements);</u>	
<u>Phase 1B (Two-level parking structure)</u>	
D. Department of Parks and Recreation	
1. Makawao-Pukalani-Kula Community Plan Area	
a. Parks and Recreation	
(1) Waiakoa Gym Improvements	175,000
2. Paia-Haiku Community Plan Area	
a. Parks and Recreation	
(1) Alfred "Flako" Boteilho, Sr. Gym Improvements	1,500,000
(2) Paia-Haiku Parks System	950,000

3.	Wailuku-Kahului Community Plan Area	
	a. Parks and Recreation	
	(1) War Memorial Complex Paving Improvements	500,000
	(2) Wells Park Master Plan Implementation	150,000
4.	West Maui Community Plan Area	
	a. Parks and Recreation	
	(1) West Maui Parks System	286,000
5.	Lanai Community Plan Area	
	a. Parks and Recreation	
	(1) Lanai Parks Maintenance Building	1,200,000
	(2) Lanai Community Center Commercial Kitchen	900,000
E.	Department of Public Works	
	1. Countywide	
	a. Drainage	
	(1) Countywide Drainage Improvements	1,300,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Countywide Federal Aid Program	2,000,000
	2. Hana Community Plan Area	
	a. Drainage	
	(1) Mahalawa Bridge Replacement	250,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Kalepa Revetment and Seawall Repairs	500,000
	(2) Maka'ala Road Resurfacing	550,000
	3. Kihei-Makena Community Plan Area	
	a. Drainage	
	(1) South Maui Drainline Repairs	2,300,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) North South Collector Road (Namuau Place to Kulanihakoi Street)	500,000

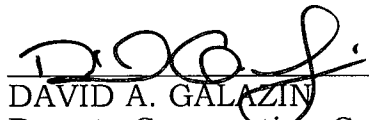
4.	Molokai Community Plan Area		
	a. Drainage		
	(1) Kaunakakai Drainage System B		2,000,000
	b. Government Facilities		
	(1) Molokai Baseyard		250,000
5.	Wailuku-Kahului Community Plan Area		
	a. Drainage		
	(1) Central Maui Drainline Repairs		1,500,000
	(2) Central Maui Drainline Assessment		700,000
	(3) Hauoli Street Drainage Basin & Outlet Repair		1,000,000
	(4) Iao Stream Bank Stabilization at Millyard		500,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:		
	(1) Waiale Road Improvements (Kaohu Street to Waiinu Road)		150,000
	(2) Kamehameha Avenue at Maui Lani Parkway Intersection Improvements		2,865,000
6.	West Maui Community Plan Area		
	a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:		
	(1) Front Street Improvements		1,351,580
F.	Department of Transportation		
	1. Wailuku-Kahului Community Plan Area		
	a. Government Facilities		
	(1) Central Maui Transit Hub		650,000
G.	Department of Police		
	1. Countywide		
	a. Government Facilities		
	(1) Countywide Police Facilities		928,000

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds.

SECTION 3. Material to be repealed is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:

  
\_\_\_\_\_  
DAVID A. GALAZIN  
Deputy Corporation Counsel  
County of Maui  
2019-0098/2019-0483  
EDB-76 2019-08-28 Wailuku Civic Complex