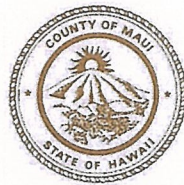


MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

February 25, 2022

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

APPROVED FOR TRANSMITTAL

Michael P. Victorino 3/1/22

Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Infrastructure and Transportation Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: TRAFFIC IMPACT FEES (IT-22)

Pursuant to your letter dated February 14, 2022, the Department of Finance has reviewed the proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING TITLE 14, MAUI COUNTY CODE, RELATING TO IMPACT FEES FOR TRANSPORTATION IMPROVEMENTS ON MAUI, HAWAII." Below are the Department of Finance's questions/comments regarding the proposed bill:

1. 14.80.070 Assessment and collection of impact fees:
Please clarify what department will be responsible for the assessment and collection of impact fees as provided in 14.80.060.E.
2. 14.80.808 Traffic impact fee study:
The proposed bill indicates that date of the impact fee study completed, November 16, 2021, by CDM Smith as the preparer. Typically, a fee study for cost recovery purposes needs to be updated every so often due to changes to cost, organizational changes, or inflation. Based on the proposed language, will an amendment to Maui County Code will be required prior to the County using an updated fee study?
3. 14.80.090. Impact fee improvement fund:

RECEIVED
2022 MAR -2 PM 2:34
OFFICE OF THE
COUNTY COUNCIL

a. 14.80.090.A.:

- i. The following language in the proposed bill, “*A. The department of finance must establish an impact fee improvement fund for each benefit zone, as designated by this ordinance for which an impact fee is imposed, and **monies collected must be deposited by the department of finance** in such fund according to the benefit zone*” seems contradictory to the language provided in 14.80.060.E. relating to the Assessment of cost, which states, “*...**The department of public works must compute and collect the impact fees from applicants upon issuance of building permits.***” Typically, when a department collects a fee from customers, the deposits are made by the department in to the County’s appropriate bank account and posted to the appropriate fund as created by the Department of Finance pursuant to the applicable laws or regulations. The Department of Finance would like to propose amending this section to be consistent with other funds already established.
- ii. The Department of Finance would like clarifications on what type of event would prompt the collection of an impact fee improvement fund for fees collected for state highway improvements and who will be administering this fund as referred in the proposed bill, which states, “*...The department of finance may also establish an impact fee improvement fund for fees collected for state highway improvements that must be transferred to the State of Hawaii under an executed intergovernmental agreement.*” Additionally, it is important to note that fees collected on behalf of other jurisdictions are held in a different type of fund (i.e. Trust and Agency Fund) and not in a Special Revenue Fund that will be typically established for the proposed Impact Fee Improvement Fund.

b. 14.80.090.C.:

- i. Revise the 2nd sentence, “*The funds may also be used to pay debt service on any portion of any current or future general obligation bond or revenue bond that was used to create capacity of the type reflected in the title of the account that will be available to serve development occurring after the effective date of this chapter*”, to read as follows:

“Moneys deposited in an impact improvement fund as set forth in A above may be used to pay principal and interest on any general obligation bond or revenue bond, or portion thereof, issued by the County the proceeds of which were used to pay for public facility capital improvements in the benefit zone related to the impact fee improvement fund after the effective date of this ordinance.”

Honorable Yuki Lei Sugimura
Chair, Infrastructure and Transportation Committee
February 25, 2022
Page 3

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7474.

Sincerely,



SCOTT K. TERUYA
Director of Finance