

MICHAEL P. VICTORINO
Mayor

SANDY K. BAZ
Managing Director

TYSON K. MIYAKE
Deputy Managing Director



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

August 19, 2019

Ms. Michele M. Yoshimura
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

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

For Transmittal to:

Keani N.W. Rawlins-Fernandez, Chair
Economic Development and Budget Committee
Maui County Council
200 South High Street
Wailuku, HI 96793

Dear Ms. Rawlins-Fernandez:

SUBJECT: **WAILUKU CIVIC COMPLEX** (EDB-76)

Thank you for your memo dated April 2, 2019 requesting information to the following questions. Due to the complexity of the request and time to collect or create the requested information, the response was delayed. A flash drive has been enclosed for reference to the below-mentioned exhibits.

1. **Please provide current building specifications and current renderings of the proposed parking structure.**

Please see attached Exhibit A.

2. **Please clearly describe the plan for revenue generation. If multiple scenarios are being considered, please provide all scenarios.**

The projections for revenue generation are provided in the Financing Plan and Tax Increment Assumption tables. There are three scenarios provided on

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Table C-3, Table C05, Table D-3, and Table D-5 (Exhibit B). The Wailuku Redevelopment Area has been designated as such due to the perpetuation of chronic conditions of slum and blight, including sub-standard infrastructure, deteriorating building inventory and high vacancy rates. Bond rating companies have reviewed the proposed projects' intent upon channeling funding toward improvements in a distressed and underdeveloped area as promoting neighborhood stability and inspiring district wide property improvements. The second two scenarios assume the County is only issuing bonds for approximately \$59 million and the remainder is funded in another way (or the project scope is reduced).

Goodwin Consulting Group has extensive experience analyzing the fiscal, financial, and economic impacts of land development, conversion and transition. The Fiscal and Economic Impact A analysis and Financing Plan indicate the cost to service the facility and pay the debt service is far less than the additional revenue the County and State will bring in as a result of the improvements. Please see the above-referenced tables for the details.

3. **What is the net gain in the number of parking stalls associated with the parking structure?**

At the site of the Wailuku Municipal Lot, the number of parking stalls will go from 214 to 428 or double the existing supply. However, taking into consideration the on-street parking being removed from Vineyard and Church Streets to accommodate continuous sidewalks, the total net gain of parking to the area is 171 parking stalls.

4. **What is the most current estimated cost of the parking structure?**

The most current estimate for Phase 1B of the Wailuku Civic Complex is \$29,459,487.

5. **Has a community needs assessment of Wailuku town been conducted? If so, please provide the results and a summary of the community needs assessment.**

The community needs assessed for the purposes of this project included parking, infrastructure, transportation, economic development and County of Maui facility's needs. Individual studies were conducted to assess each of these systems and compiled and summarized within the Environmental Assessment document. A brief description the studies and conclusions can be found below.

- a. **Parking** - The parking needs were assessed in 2011 with the *Wailuku Town Parking Study and Parking Management Plan Analysis* (EXHIBIT C) then updated and expounded upon with the *2018 Parking Action Plan for Wailuku town and Lahaina town* (EXHIBIT D). In summary the parking supply in Wailuku town is poorly managed and is operating at a supply deficit during the work week. In addition, the

existing parking supply is not adequate to support intensification of use in existing buildings (i.e. retail to restaurant) or redevelopment. The parking system throughout the neighborhood requires management that encourages compliance instead of citation. Additional supply is needed most critically within the Central business area where the municipal parking lot is located near the government campuses. A system of management for the district as a whole, such as paid parking, should be established and branded to maximize customer convenience.

- b. **Infrastructure** – needs for Wailuku were evaluated in the **Wailuku Redevelopment Plan Town Assessment** done in 2000. The assessment indicates where existing infrastructure is substandard and what the minimum County requirements would be to provide for the neighborhood. In summary a review of the infrastructure needs prompted the project to be expanded to include sewer, water, storm drains and sidewalks on Vineyard and Church Streets. With the exception of the Vineyard Street water line, all facilities are substandard.
- c. **Transportation – The Traffic Impact Analysis Report (TIAR)** (EXHIBIT E) done for the project evaluated the existing levels of services throughout the neighborhood and made recommendations for impacts resulting from the project and to generally improve circulation and pedestrian and multimodal access throughout the neighborhood. The recommendations included keeping travel lanes relatively narrow to maintain the neighborhood character, but removing on-street parking to incorporate ADA compliant sidewalk facilities. It also recommended the installation of a traffic signal at the intersection of Church and Main Streets and the closing of the driveway on Vineyard Street due to limited sight distance and accident rates on that block. The study also encouraged the installation of two mid-block crosswalks – one on Vineyard between Market and Church, and one on Church in line with the Pili Street access.
- d. **Economic Development** needs were first assessed in 2010 with the Wailuku Market-Based Plan and updated in 2017 with the Market Profile Summary found in the **Wailuku Civic Hub Programming Feasibility Assessment** (EXHIBIT F). These studies evaluate the area's demographics, housing, employment, retail conditions, commuting patterns, tourism and development projects approved for construction within the region. The conclusion of the Market Profile analysis included a high demand for construction of new housing at affordable price points, a demand for new niche/boutique lodging, demand for independent restaurants and casual dining as well as leisure shopping and specialty food from local growers and producers.

- e. **County of Maui Facilities – *The Wailuku Campus Space Study*** (EXHIBIT G) completed in 2009 provides a comprehensive inventory of leased and County owned office space and also identifies office and meeting space allocation projections. The study also provides an analysis of County agency connectivity with the intent of qualifying the functional relationships of various divisions. Page 8 of the executive summary highlights the estimated space needs by functional groups. In 2017 within the Programming Feasibility Assessment, it was determined that Real Property Assessment Division was critical to relocate due to the anticipated lease termination at Maui Mall. The rent recovery of approximately \$2.50/square foot for 11,750 square feet of office space could immediately be applied towards debt service at approximately \$352,500 per year.

Summary – the summary of all of these studies is provided in the ***Wailuku Civic Complex Final Environmental Assessment*** document. The Final EA is on the OEQC online library at http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2018-10-23-MA-FEA-Wailuku-Civic-Complex.pdf

6. **How does the Department of Management provide notice of upcoming public meetings relating to the Wailuku Civic Complex?**

Meetings hosted by the Department of Management have been advertised with a press release and social media announcements. Meetings of the Maui Redevelopment Agency are posted to the County's website and notice is mailed or emailed to those who requested to be informed using the Notify Me system, available online to all members of the public.

7. **Please explain the process, plan, and likelihood of incorporating affordable housing in the Wailuku Civic Complex.**

A preliminary analysis was completed to evaluate the option of including affordable housing as part of the Civic Complex in lieu of the County office space and community rooms on the second and third floors. The height limit at this location is 3 stories or 45 feet, and therefore the only two floors for housing could be built yielding a maximum of approximately 28 units. The process to change the plan to include housing would require a more thorough feasibility analysis including conceptual design alternatives. Then a financial analysis of the costs would need to be developed, and if acceptable, a new Environmental Assessment document developed analyzing the impacts of the change in uses.

The Department of Management is very willing to take a deeper look at this potential use, however the location is highly exposed and not ideal for housing units. In addition, the height limit at this site is likely to prevent these units from being affordably developed. In order to achieve the best value for the

County's dollars, it would be preferred to either rezone the parcel to a higher height limit or request a height variance.

8. Please explain the process, plan, and likelihood of incorporating space for social services in the Wailuku Civic Complex.

If the County does not utilize the second floor of the Civic building for County office space, that floor could be leased to nonprofits or social service organizations for similar office uses.

9. How much will the total bond repayment be, with interest, at the end of the term?

The total bond repayment will vary depending upon the interest rate at the time the bonds are issued and the length of the term. It is estimated that if the county bonds the \$40,000,000 authorized by the County Council, at a 3% interest rate over 20 years, total bond repayment amount will be \$52,994,952.

10. As it pertains to grants to current business owners impacted by construction of the Wailuku Civic Center:

a. How many grantees are currently being considered?

None. No funding has yet been allocated.

b. What is the total amount in dollars allocated to providing business owners with grants?

This has not yet been determined.

c. Is there a cap for the number of grantees to be considered? If so, what is the cap?

No, the cap is dependent on the funding allocated by Council.

d. What is the length of time for each grants?

This has not yet been determined.

e. Will the grant be extended if construction runs over the projected timeframe?

This has not yet been determined.

11. What is the cost of operating the shuttle for employees to expand parking options?

a. Please explain the cost for running the shuttle continuously.

The shuttle costs approximately \$180 per service hour to run using the existing commuter contract price with Roberts Hawaii.

- b. **Please explain the cost for running the shuttle at specific times in the morning and the afternoon only.**

The shuttle costs approximately \$180 per service hour to run using the existing commuter contract price with Roberts Hawaii and does not vary at specific times throughout the day.

- c. **Please explain the plan for employees who work outside of start and end times of 7:45 a.m. and 4:30 p.m., respectively.**

Based upon the employee survey done for the area, 92.5% of employees can be accommodated if the fixed route shuttle runs from 6:45 am to 8:45 am and from 3:30 pm to 5:30 pm. Additional services have not yet been determined.

12. What is the timeframe for piloting the shuttle program?

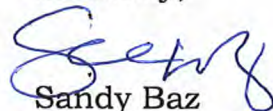
The Department would like to begin operations of the shuttle service in September of 2019.

13. Is there an exit strategy for the County if the project encounters cost overruns or becomes too burdensome? Please explain.

CIP projects throughout the County for all types of projects often require change orders and budget amendments. The roads and infrastructure portion of the project will have the potential to encounter many unknowns given the age of the existing utilities. The MRP is anticipating some level of additional costs associated with the project, but the CE IV position and Construction Manager will be working to anticipate those needs and determine if there are opportunities for cost savings to off-set any additional construction costs. At this time, only the rights-of-way and parking have been planned for construction. The Department intends to complete these critical infrastructure projects.

Phase 2, the civic building and plaza are yet to be finalized. The building size, type, scale, and uses remain subject to change. Once these variables have been finalized, a business plan will be developed for the property. This could include an option for resale.

Sincerely,



Sandy Baz
Managing Director