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OFFICE OF THE
COUNTY COUNCIL

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QUESTIONS RELATED TO THE WAILUKU CIVIC COMPLEX (WCC)

Here are some questions regarding the proposed Wailuku parking garage and civic center aka Wailuku Civic Complex (WCC).

1. Cost of Studies? Leading up to approval of financing of the Wailuku Civic Complex (WCC) consisting of parking garage, office and retail space and public plaza voluminous studies were done that run to thousands of pages. Who authorized and paid for these studies? What is the total cost of all the studies and plans (Including EA, traffic studies, market analysis, etc.) so far?

2. Business Plan? Though there are many many planning documents related to WCC none of what has been written resembles a business plan and shows how the WCC would generate income, what kind of income would be generated, allowances for vacancies, cost overruns, staffing etc. or says specifically how any of the costs would be recovered? Where is the business plan for this project that shows projected profit, loss, break even, staffing, phasing? Income and expenses projections?

3. Cost to maintain on an annual basis? Where is the documentation of maintenance costs on an ongoing basis? What are the projected annual costs to operate the new WCC "superblock" if built. One consultant study says it expects to have a minimum of 40+ full time employees. Are these public employees, what about ongoing expenses like cleaning, repairs, security, garbage collection, etc? Has there been a full review of anticipated maintenance to keep the WCC running? (Those who worked on the Maui Arts and Cultural Center -which is now 20 years old- discovered that the maintenance costs to operate the center far exceeded what had been anticipated, and as a result the prices to use the MACC became too costly for the average community group to use.) Will this be the case with WCC?

4. Cost of Debt Service? Where is the documentation or estimates of the cost to borrow the proposed \$82.2 million? What is the cost of debt service across the life of the bonds? How much will the county pay in interest?

5. Actual Net parking gain vs losses of on-street parking EV and ADA use? Various studies note that the net parking gain for the garage if built is only about 160 stalls. That is because all the on street parking is removed on Vineyard and Church. Also presently a total of 40 stalls are designated for electric vehicles (EV) and the plans say that potentially another 40 stalls would be designated for EV at a later date cutting down considerably on the number of stalls available for the average vehicle. As of 2019 what is the total net gain of spaces that will be available to a person who wants to park in the structure, when adjusted for the number of spaces that will be

lost in other areas or will be limited to special use like EV or ADA? How many ADA spaces are contemplated and where are they located?

6. Transitional parking plan? With ground breaking scheduled for June 2019 what is the transitional parking plan?. How much longer will the municipal parking lot remain open? What date is it scheduled to close? Will it close entirely or partially? When it closes where will alternate parking be located? The MRA has indicated that the Wells St. Park Ballpark and the War Memorial Gym are two locations under consideration. Is this correct? Are there any other areas being considered? How many spaces will be available at these locations? Who will be able to park there? Will it be free or will there be a charge? It has also be suggested that a shuttle will be provided. How much will the shuttle cost? Who will pay for it? How frequently will it run? Is any security contemplated for those who need to reach their cars after dark?

7. Offsite improvements phase 1-A? What is the month by month timetable for Vineyard and Church improvements? Will both these streets be closed down at the same time during the construction phase? How will the businesses and residents along these two streets be able to operate during phase 1A which is anticipated to begin June 2019 and run through late 2020 or longer? Will these businesses have to suspend operations during construction? Have they been notified? With the Vineyard St. corridor at least partially closed for a long period of time what are the alternate routes that drivers can take while construction is in progress? Will Market, Main, High, Central and Lower Vineyard be able to absorb the additional traffic? These streets are already heavily traveled. Where will construction workers park during the construction?

8. Zoning Changes - plans? Where is the complete text of zoning for the MRA Wailuku district. It is reported that the MRA has changed the height limit in the Wailuku district from max. 4 story building to max to 6 story height limit. When was this change made? Who authorized it and what was the vote? Was it reviewed by the council? Can a non-elected body consisting of only 5 appointed members few of whom actually live or work in the district make such far reaching decisions? Can these decisions be challenged or reversed by the council? What are the other zoning changes that have been made or are being considered? Can the council amend/modify/reverse changes made by MRA?

9. Parking Changes? The MRA has proposed a very elaborate parking system but a comprehensive view of exactly what is in it does not seem to be easily available. What is the new proposed parking program for Wailuku both in the garage and on street? Is all parking paid or does any free parking remain? Who operates the parking concessions? If private who selects the vendor? Has there been any oversight of these plans by council, admin, or public? A change to the size of the stalls has been announced making them larger and eliminating the "compact" designation. Who authorized this change? Was it voted on? Can it be reversed?

10. Hotels, Judiciary, other Government offices, housing? Is there any comprehensive development plan that shows how the various components (Hotel, commercial, government,

residential) in the core area would be sequenced in future years or whether they are desired or necessary?

A least two new hotels are being proposed for the Wailuku district to follow on after superblock. The community has not been made aware of these projections, though at least one of the developers has met with MRA staffer Erin Wade. In the studies by various consultants buildout timeline is estimated more like 15 years than 2 years because a upsizing of the entire district is envisioned though not specifically disclosed. The State Judiciary and the County of Maui both have plans for new construction that would call for substantially more parking than is presently available or would be likely to be accommodated by existing sites. The area also contains a substantial number of residential homes, condos, and a few apartments.

9. Tax incentives/abatements? What are the proposed tax abatements for NEW commercial construction? Are any similar incentives offered to remodel or rehabilitate existing structures both residential and commercial? There has been MRA discussion of NEW commercial building. What is status for residential property, old commercial property, vacant land?

10. Loss of income? Is there any provision to mitigate the loss of income to those business directly impacted by Phase 1-A and later phases?

11. Lack of transparency suppression of information not favorable to WCC plan and other MRA activities? The MRA was established by a council resolution. Can it be abolished or modified by a council resolution? Can it be compelled to hold its meetings at a time the public can attend? Currently the only criteria for membership is a three year Maui residency. Can it be compelled to change the criteria to require that the majority of members actually live/work/own property in the district? Can council oversight of all building, zoning and parking regulations be required?

As it is now MRA meets monthly on a Friday at 1 pm. This is a time not conducive to public participation. Almost all its activities have been directed toward the commercial side of the proposal and little has be said or studied about how it will impact area residents, the many nonprofits and churches located in the area and those who pass through the district on the way to other places.

The MRA has been very selective in who and how they have released information. Though they have hosted many “events” and “informational” meetings these have been either thinly attended (At several of these meetings the county staff and consultants outnumbered those from the public and those from the public were almost exclusively merchants and or commercial landlords.) Many questions are still unanswered. In the outreach efforts the comments of those who lived/worked/owned property outside the district carried the same weight as those who lived inside the district.

They have stressed their participation in First Friday. Most merchants and businesses along Market St. are closed during these monthly events. The reactions are random comments from people going to a free party many of whom live in other parts of Maui or are visitors. All the presentations have lacked detail.

The MRA consists of 5 members appointed by the mayor, three members make a quorum. Over the years very few of those sitting on the MRA have actually owned property, conducted business or lived inside the district. Most of the establishing documents for the MRA are nearly 20 years old and conditions have changed considerably in that time. There have been four different parking structure planned for this community in that time. Three of them have failed due to public opposition, and this one is facing many questions about costs, viability and expenses vs. benefits, and assertions that it is not a priority item for public funds at this time.

Can the rules be changed so that none of the regulations take effect without a majority vote of ELECTED council members, rather than a vote that can be as little as three appointed MRA members?

NB: Ferraro Choi made a very informative video which was posted on the reWailuku.org site and also on YouTube. This video was a 3D virtual walk through of the project as it would look after construction. Once the video went up there were many negative reactions. A short time later the video disappeared from the internet. Is it possible to compel the MRA & redevelopment office to leave this video up? It was made at public expense and gives a true picture of what is being considered. Is the video being suppressed because the reaction was largely negative and the MRA only wants positive response, and will not listen to those who do not go along with this project?

12. Redevelopment office? What specifically are the duties and area of authority of MRA staffer Erin Wade? She began as a member of the planning department staff and not long ago was transferred to something known as the Redevelopment office under the Managing Director? What is this office, who authorized it, what are its duties, when was it reviewed and by whom? Right now Erin Wade is the only person who staffs this office assisted by personnel from other departments and consultants, but the construction plans for the Civic Center show a large office for this new department. Has the council reviewed it? Has the current administration reviewed it? Does the public know about it? Can an entirely new department be created without public review?

13. Too limited in scope? Given the pending plans for the State Judiciary and the need for additional space for County and other government offices is this plan already obsolete before it is built?

14. Why is this project being financed with public funds? Merchant related and commercial parking is usually developed by private sector and paid for by the owners of the property it benefits. Why is this low priority project which benefits only a few in a limited geographic area

being paid with taxpayer dollars? . Why isn't it financed privately, or in a public-private partnership or by special purpose bonds as authorized in original documents that set up the MRA?

End

Wailuku Civic Complex: 'Winner' or 'Monstrosity'?



By Susan Halas

The Wailuku Parking Garage and Civic Complex project, with an estimated cost of \$84.2 million, is the biggest number in the county's FY2019 budget. The first phase of the project is set to begin mid-year. If fully funded, it will create a "super block" on the two-acre county municipal parking site which currently offers 214 spaces of free parking (see map, next page).

As the time approaches to break ground, the project has become controversial. Advocates say it will be an economic driver for the area while opponents call it an expensive, low-priority project designed to develop the town for the enrichment of a few.

Many who spoke with *MauiTime* are in the middle. They feel that they do not have enough information about what is planned, which could include changes to the zoning code that would raise the height limit from four to six stories, modify the parking code to increase the size of stalls, and add paid parking to Wailuku.

In Support



Riki Hokama is a prominent supporter. He has referred to the project as his "legacy" and a "regional economic driver." He is confident it will bring tourism and hotels to Wailuku and make it more like Pa'ia and Lahaina. Hokama, a longtime Maui County councilmember and former chair of the Budget and Finance Committee, advocated for \$40 million in funding during the FY2019 budget sessions, and

then supported efforts for an additional \$40 million in funding which was appropriated (but must still be authorized). If the additional sum is authorized by the new council, the total bonds authorized for this project would rise to more than \$80 million (see graph, next page).



Also in favor is Realtor **Carol Ball**, who chaired the Maui Redevelopment Agency until March 2018. The MRA is a county board which oversees the planning, zoning, and parking for the 60-plus acre core of Wailuku Town. In 2017, Ball wrote in support of the project, "the complex will bring energy to the adjacent businesses and the entire Wailuku commercial sector to develop, improve and reinvent; bringing life and vitality once again to Wailuku town."



Other staunch supporters include **Jonathan Starr** and **Helen Nielsen** who own most of two blocks along Main St. between Market St. and Central Ave. Property tax records show the transfer of four of five of these properties to Main & Market LLC (see map, #23 and #24). Starr said he created Main & Market LLC to separate the property from his other holdings on the Big Island. Starr has expressed an interest in redeveloping his properties. "It is time to recreate the town center and build a sense of place," Starr said in an email. "[This] will be a very appreciated and transformative combination to get Wailuku and Maui residents out on the streets and active in our town."



Erin Wade has been the primary contact for this project for many years. She joined the County of Maui as a senior planner in 2006, and was designated "Small Town Planner" in 2008. According to her LinkedIn bio she is "currently on special assignment with the Mayor's Office assisting in the redevelopment efforts of Wailuku, spearheading the *reWailuku* planning movement, and staffing the Maui Redevelopment Agency." Its website can be found at reWailuku.com.

"I think it's a winner for Wailuku," said **David Dwyer**, owner of three parcels of property off Vineyard St. (see map, #19) which will benefit directly from the estimated \$10 million of offsite improvements including sewers, storm drains, and electrical upgrades that will be installed in the first phase of construction. Dwyer added that although the construction phase might be "disruptive... once it is done it will be a big plus."



Megan Kanekoa, owner of the Wailuku Coffee Company on Market St., is also a backer of the plan. Kanekoa said she is "pretty familiar with the project" and thought that creating more parking was a "good idea." A business owner for 11 years, she leases from the Aluli Trust. She felt comfortable with the proposed construction, saying "it is a clear vision and plan." As for the timeline, which could slow business in Wailuku for two years or more, she said that she expected her popular gathering

spot would pick up business from workers on the construction site.

Against

Others are opposed or undecided on the project. Some, such as a religious leader and private residents, requested anonymity. The thing they have in common is they live in and work in Wailuku Town. Rather than rejuvenate the town, they expressed concern the project would "super size" and negatively alter the town's character. They also said that proposed code changes pave the way to add hotels in the area.

According to several, the town is already improving. They pointed to the \$5-million purchase of commercial property by the Maui Academy of Performing Arts on Main, to the new Kamehameha Schools administrative center now open on Market, and the large Tamura's grocery scheduled soon to open in the Millyard as examples of positive economic growth.

Those opposed said this project is not a priority for Maui, citing the more affordable homes and rentals as Maui's top need. There is not a single unit of housing in this costly project. Some echoed the sentiments given by a testifier at the council's Dec. 27 meeting: He called it an "overblown monstrosity... It's money unwisely spent for things we don't want."

Some mentioned that it focuses on the commercial side, ignoring the impact to residential properties, and predicted gentrification would bring raised rents and displacement of current Wailuku area residents.

Continued on page 18

APPROPRIATION FOR WAILUKU CIVIC COMPLEX COMPARED TO OTHER BUDGET PRIORITIES

\$200,000	- Clean & Safe Program
\$1,000,000	- Affordable rental housing programs
\$1,600,000	- Homeless programs
\$2,000,000	- First-time homebuyers program
\$2,600,000	- Environmental protection, coqui frog and miconia eradication
\$3,500,000	- Maui Lani roundabout
\$6,300,000	- Countywide road resurfacing
\$8,000,000	- Public transit
\$12,500,000	- Upcountry water reliable capacity projects
\$84,200,000	- WAILUKU CIVIC COMPLEX

Source: FY 2019 Budget documents, Maui County Council. Total budget is \$800,736,328 million.

MAP KEY: WHO ARE THE PLAYERS?

Get to know the large landowners around the proposed Wailuku redevelopment

YELLOW - OWNED BY MAUI COUNTY

1. Current municipal parking lot, site of proposed parking structure, offices, and public space (WCC).
2. Iao Theater
3. Pono Weinberg Center

GREEN - OWNED BY NONPROFITS AND CHURCHES

4. Lokahi Pacific AIDS housing and other nonprofit uses
5. Jodo Mission
6. Mental Health Kokua (a)
7. Mental Health Kokua (b)
8. Mental Health Kokua (c)
9. Bishop Estate, Kamehameha Schools administrative office
10. MEQ, leased by Aloha House
11. Good Shepherd Episcopal Church, smaller portion is commercial
12. Pentecostal Missionary Church of Christ

BLUE - EXISTING LARGE PARCELS NOT LIKELY TO BE REDEVELOPED

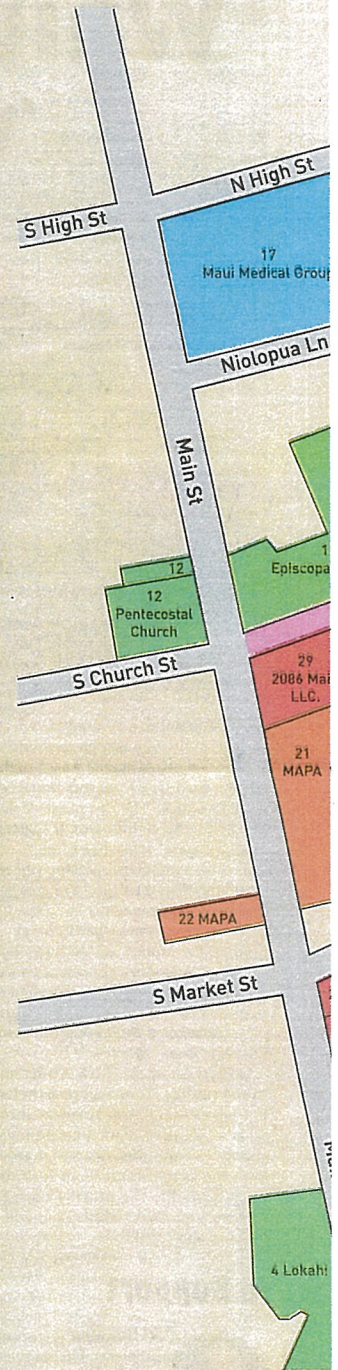
13. Aluli Trust, leased by small businesses
14. Aluli Trust, leased by Calvary Chapel
15. HMU (Unemori) office building with large parking lot in rear
16. Takitani, Executive Center, a multi-story office building directly adjacent to parking structure
17. Maui Medical Group, services and parking
18. Hart & Partners
19. David Dwyer
20. Furtado

ORANGE - MIXED USE CULTURAL AND COMMERCIAL

21. Maui Academy of Performing Arts (MAPA), Main St. Promenade
22. MAPA, formerly Dollar Store

RED - LANDOWNERS WITH REDEVELOPMENT PLANS OR REDEVELOPMENT POTENTIAL

23. Starr, presently in commercial use. Starr has stated a desire to redevelop
24. Market & Main LLC, multiple parcels also owned by Starr, also a potential redevelopment site
25. Kato, presently in residential and some commercial.
26. Ranken, presently office and residential. Large enough for development
27. Cabebe, presently residential. Large enough for other use or infill
28. Holmes, presently interior design, offices, restaurant, and parking. Considering other uses /upgrades
29. 2086 Main LLC, owner is considering six-story Marriott Hotel
30. Ng, commercial and residential. Ng has stated a desire to upgrade



JUNE 2019

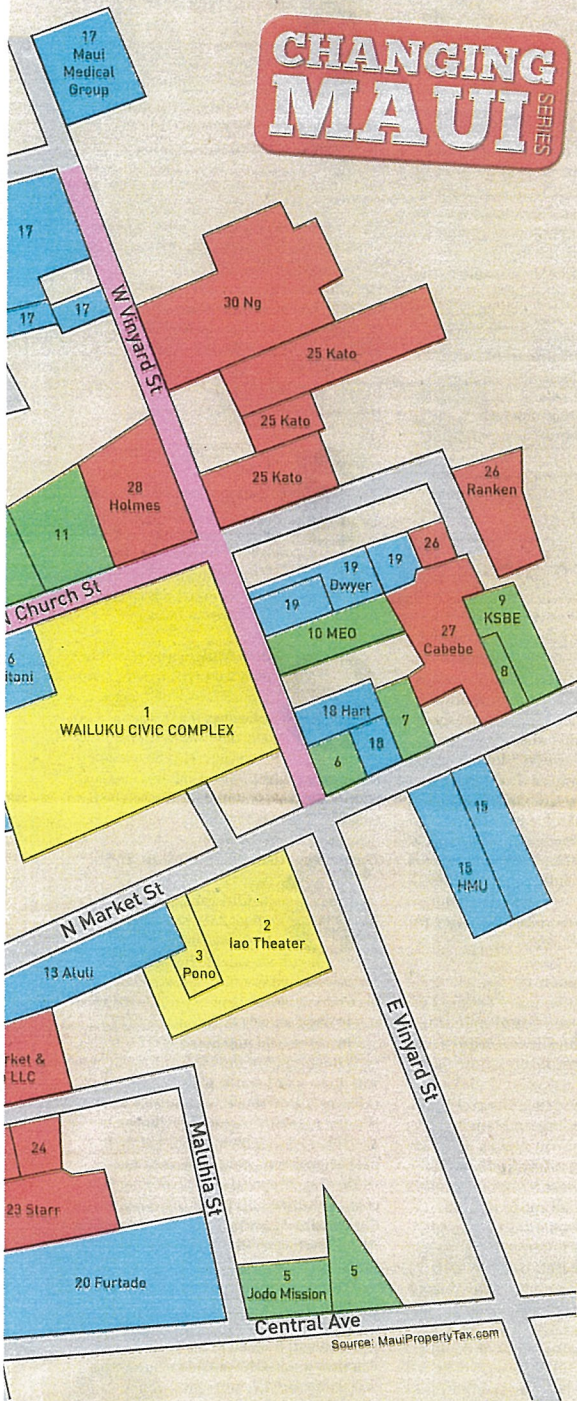
SEPT. 2019

JAN. 2020

Source: Dec. 2018 Maui Redevelopment Program newsletter.
Estimated costs from Maui Redevelopment Agency Draft Environment Assessment, Sept. 2018

JUN





WHAT'S THE PLAN?

The total project includes:

- Three-story Civic Building with a footprint of approximately 15,000 square feet.
- A 428-stall paid parking structure, operated by a vendor, with a percentage of fees collected by the county, estimated to be approximately \$160,000 annually at a rate of \$25 for a monthly permit or \$0.50 an hour.
- 7,510 square foot festival plaza and 5,500 square foot covered lanai.
- Shared access road/promenade off Market St.
- A community gathering space designed for outdoor dining, performances, food trucks, and a relaxed atmosphere.
- The county is not developing housing as part of the complex.
- A projected \$484 million in taxable value which would generate an average of \$6 million a year in real property taxes to the county (over the life of the bond), according to a Fiscal Impact Analysis by Goodwin Consulting Group, Inc. The Civic Building and Plaza are expected to bring approximately \$435,000 in leases, rentals, and saved rent from the county offices.
- Considering raising Wailuku Town's current four-story height limit to a six-story height limit.

PINK - OFFSITE IMPROVEMENTS ON VINEYARD AND CHURCH ST.

- Three blocks of upgraded water and sewer lines, new storm drains, underground power and utilities, and new sidewalks and road surface. Total: \$9.7 million

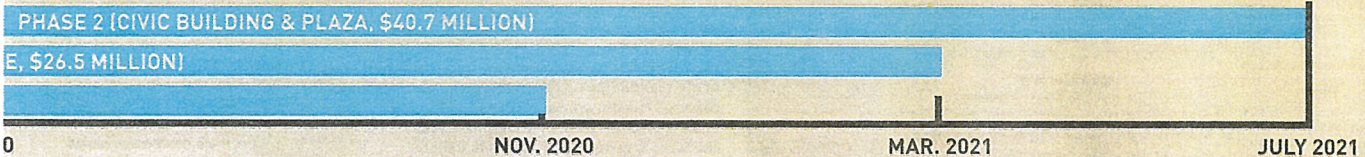
The Civic Building includes:

- Ground floor retail space
- County of Maui office space
- A high-tech, 150-seat public hearing room and space for community groups in the evening
- A third-floor rentable community pavilion designed for events for local families and organizations. It has a 2,500 square foot open air event deck.
- A ground-level plaza space designed for community festivals and cultural celebrations, and rentable for public events
- 1,000 square feet on the ground floor interior for cultural and historical exhibit space

Source: Maui Redevelopment Agency FAQ and related documents: MauiCounty.gov/192/Maui-Redevelopment-Agency

The next meeting of the Maui Redevelopment Agency will be held on Jan. 25 at 1pm in the Planning Department Conference Room.

TIMELINE OF PROJECT CONSTRUCTION





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A few observed that the publicly financed off-site improvements are beneficial to a handful of property owners, some of whom have vigorously lobbied for this venture. Several thought the construction would create massive traffic jams for two years or longer and be detrimental to their businesses.

Proposals are on the table to offer tax abatements to owners who build new commercial structures. Few incentives are available to those who renovate or who would suffer hardship during the construction phase. Nothing is available to the owners of residential properties.



Some, like Council Chair **Kelly King**, questioned the project's return on investment, saying she has yet to see a business plan. Some mentioned that significant

cost overruns and delays are the signature of large government-funded projects in Hawai'i, and that even \$82 million was likely to be a lowball figure.

Need More Info

The majority of those who spoke with *MauiTime* were somewhere in the middle. Most approved of offsite improvements like upgrades to drains, sewers, electrical, roads, and sidewalks, saying these improvements were long overdue. Consensus ended there.

Most said they didn't know enough; they had no comprehensive idea of what was coming or the impact. Few knew of the projected costs or that construction would shutter Wailuku for two years or more. The county council has yet to host a full-scale, nighttime (so working members of the public can attend) detailed review of the entire project as it would be built, including the proposed related changes to zoning and parking codes.



"Wailuku is perfect just the way it is... and getting better," said **Stephanie Ohigashi**. She was supportive, but unsure about the details. A native of Wailuku and

a former chair of the MRA, she and her husband own a building on Main St.

Ohigashi thought the town's difficulties with street safety, individuals in need of mental health support, and homelessness were all more immediate and less costly concerns that need prompt action. She reiterated that she wanted to see increased parking and to encourage a lively night scene, but she wanted to see the Wailuku Clean and Safe program (a program that links houseless individuals to jobs and support services) expanded first.

Additionally, she emphasized the importance of "in-depth due diligence." How would this plan dovetail with other things in the works at the state and county? How would it impact residents? How would it fit with new developments being planned just a few miles down the road in Waikapu where everything would be new and up to code, Ohigashi asked. She wasn't against the project, but she had many unanswered questions.



State Rep. **Troy Hashimoto** (D-Dist. 8), whose district includes Wailuku, had similar questions: How would this fit in with the future plans of the State Judiciary?

Would the expensive new parking structure really provide enough parking to meet community needs or would the county still need to build its own parking structure as well? Were the civic center, retail space, and plaza really the best use of public funds?

Hashimoto acknowledged that during the 2018 campaign the Wailuku Civic Center was rarely mentioned as a priority (affordable housing, however, was). What is state's role in the financing and what would state money (if authorized) be used for, he wondered.

He said he had not yet discussed the matter with Mayor Mike Victorino. Victorino was unavailable for comment.



Newly elected Councilmember **Alice Lee** (Wailuku-Wailuku-e-Waikapu) knew that a major project was in the works, but was unfamiliar with the details of the plan. She definitely

thought housing was Maui's top priority. "For me," she said, "learning about this [redevelopment project] is on the front burner."



Nane Aluli, a trustee of the Aluli Trust which owns almost a whole block on Market St. (see map, #13), said he was only dimly aware of the parking structure. He knew nothing

of the civic center proposal and had no knowledge of the costs or timetable, nor had he been consulted at any point in the planning process.



Likewise, **Sean Housman**, pastor of the Calvary Chapel (a Christian congregation of about 350 members; see map, #14) was also not sure how

he felt about the plan. Housman recently learned that his flock would be expected to vacate the church because site work might begin as early as the end of 2019.

The pastor said his church had hosted several meetings of the MRA and thought he was up to speed on the plans, so the news came as "a total shock." Housman said he was not necessarily against the project but he needed to know a lot more, including how his congregation could be forced out.

The Dec. 27 special council meeting in council chambers during the daytime between Christmas and New Year's also drew comment. At this meeting an additional \$40 million in funds was appropriated by lawmakers.

"That meeting seemed strange," said a Wailuku resident who is active in a local religious organization. "It didn't seem like [the council] listened to the testimony or that they wanted the public to know what was going on. They just rammed it through, 5-0... I agreed with those who requested [the council host] a full public hearing in the evening that would be convenient for our town. I'm not sure of where I stand on the project," he said. "That's a huge amount of money and I have a lot of unanswered questions."

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