

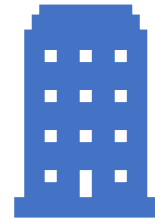
DISTRICT-WIDE IMPROVEMENT PROGRAM

October 3, 2018

DISTRICT-WIDE IMPROVEMENT PROGRAM

HRS §206E-6

“The authority shall develop a **district-wide improvement program** to identify necessary district-wide **public facilities** within a community development district.”



PUBLIC FACILITIES INCLUDE

- Streets and sidewalks
- Street lighting systems
- Utility and service corridor and utility lines
- Water systems
- Storm-water drainage systems
- Sanitary sewer systems



WHAT IS AN IMPROVEMENT DISTRICT (ID)?

- Modeled after Improvement District programs on the mainland and in Hawaii counties
- Within a Community Development District (CDD) special **Improvement Districts (ID)** may be designated to provide financing for improvements to public facilities
- An ID includes an assessment plan. If the state funds 100% of the improvement it does not become an ID



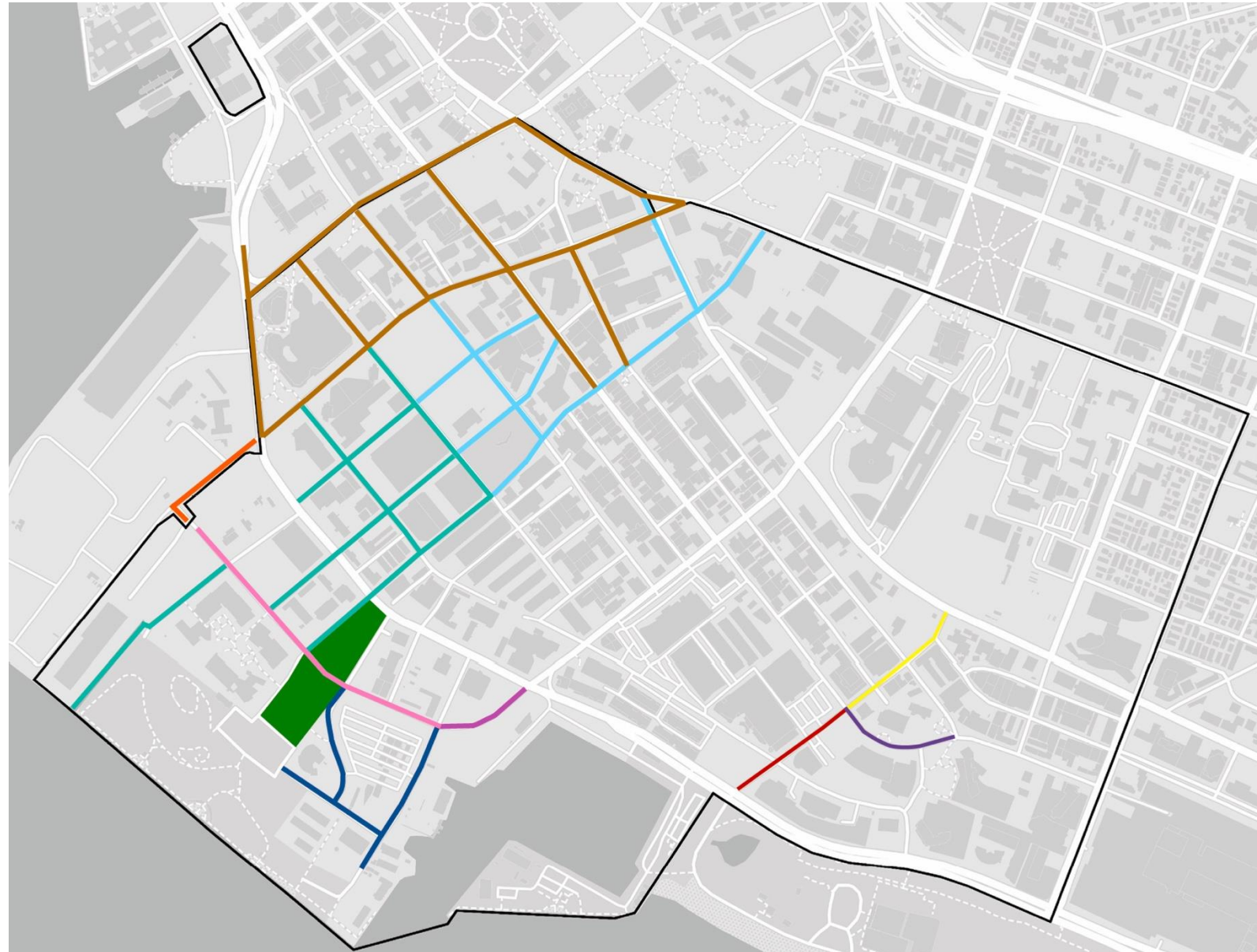
Improvement Districts

- Initiated by HCDA in FY 1984-1985
- HCDA adopted each Improvement District by Rule (HAR 15-20)
- HRS §206E-6

“The cost of providing the public facilities shall be assessed against the real property in the community development district specially benefiting from the public facilities.”

Improvement Districts

11 Implemented
\$210 million state funds
\$16 million in assessments



PHASES

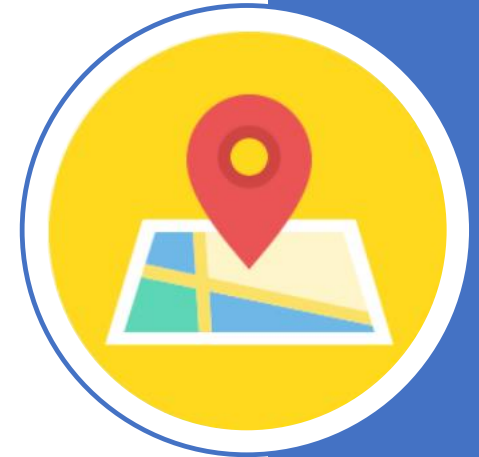
1982 Mauka Area Plan

“As used in this plan, **phasing** means to plan and carry out systematically a sequence of developing units of public facility and utility improvements.”



HOW WERE IMPROVEMENT DISTRICTS PREVIOUSLY SELECTED?

- Early candidates for redevelopment
- Interest by owners/developers to redevelop parcels in the area
- Need to improve major trunk lines for sewer and drainage



Pohukaina Street from Cooke to Kamani Streets

Improvements needed:

- Road/Sidewalk
- Sewer
- Water (Upgrade to 12" line)
- Install drainage
- Underground utilities
- Street lights/Traffic signals
- Landscaping



IMPROVEMENT DISTRICT BENEFIT

Upgrade infrastructure to encourage redevelopment

“Currently, Kakaako’s private landowners are limited or prevented from development of their properties because of inadequacy of infrastructure systems. In most cases, they find it economically difficult to develop their properties since they are required to improve and pay for portions of systems that benefit others.”

Source: HCDA 1984 Annual Report



COMMUNITY DEVELOPMENT DISTRICTS

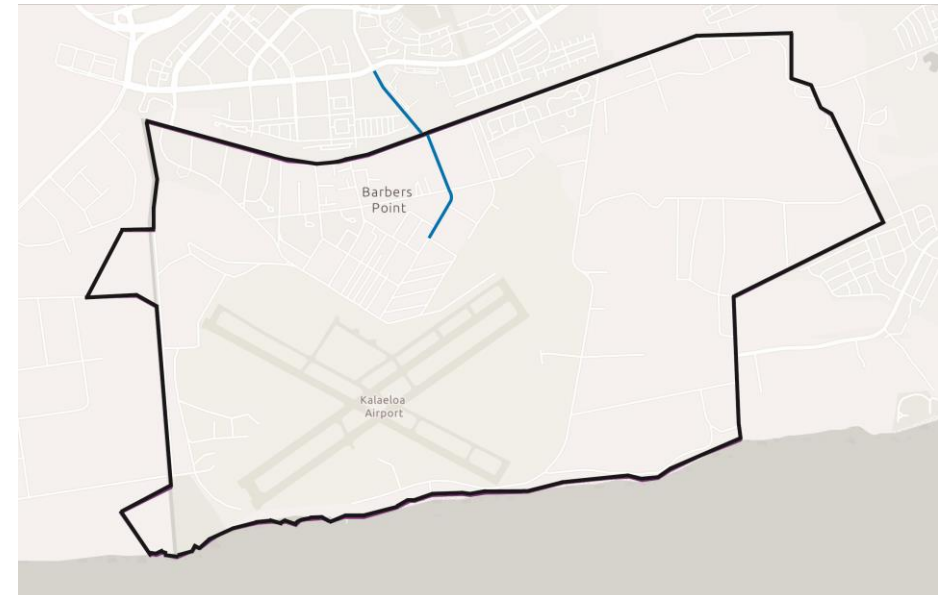
Kakaako

Most streets in Central Kakaako have not been improved



Kalaeloa

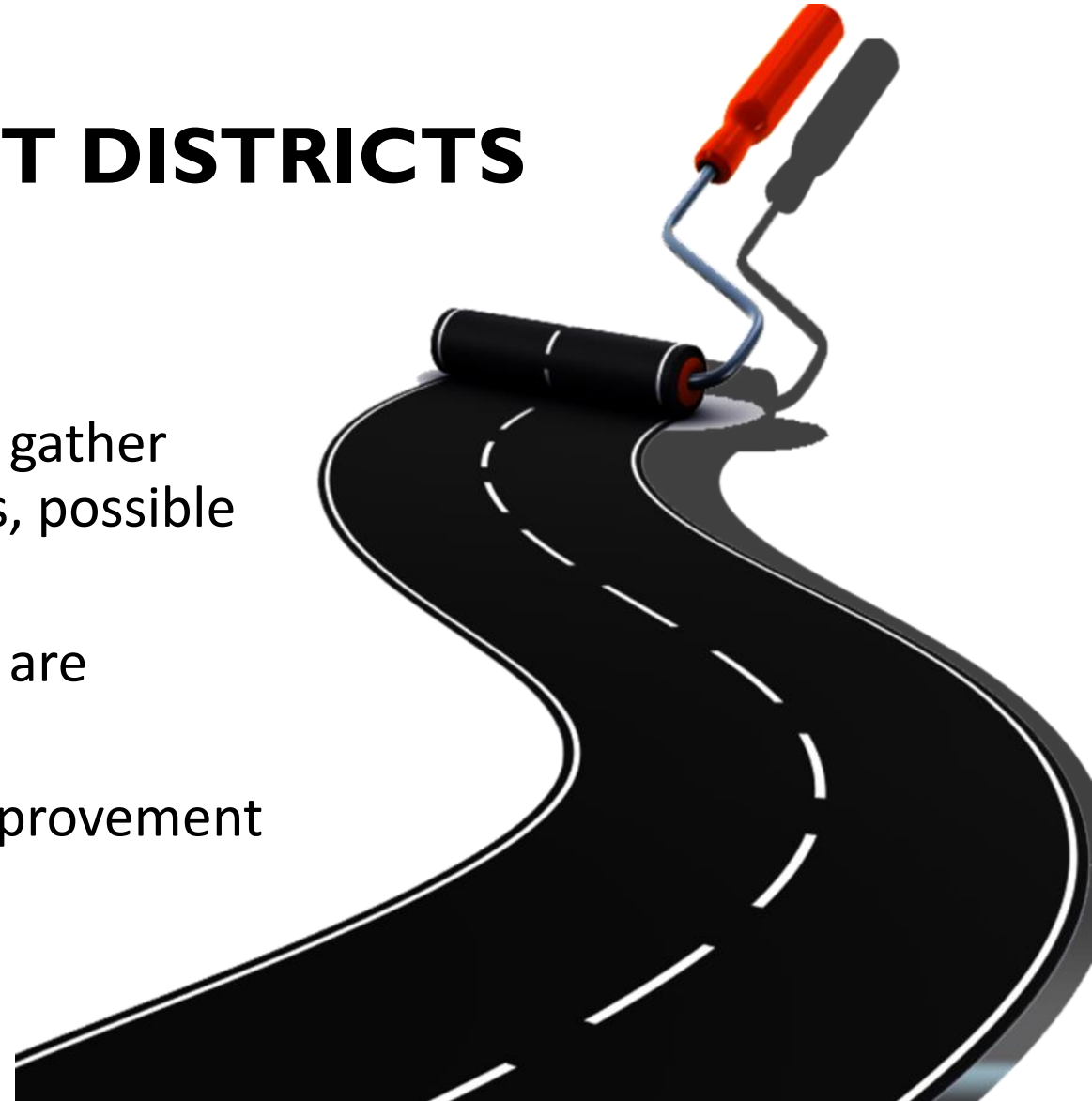
Current existing infrastructure (roads, sewers, water and power) is not adequate to support the development envisioned in the Kalaeloa Master Plan



THE ROAD TO IMPROVEMENT DISTRICTS

From HAR 15-19-21

1. Authority directs the executive director to gather preliminary information on public facilities, possible assessments and other specifics
2. Landowners and affected county agencies are notified
3. After ED report, Authority proposes an Improvement District and assessments
4. Hawaii Administrative Rules are drafted
5. Public Hearings held on Rules



THE ROAD TO IMPROVEMENT DISTRICTS

6. Authority determines whether to proceed
 - Requires two-thirds vote
7. Authority adopts the rules as is or with modifications
8. Construction bids solicited
9. Public Hearing held on final rules
10. Public Hearing on individual assessments for landowners/lessees



ASSESSMENTS

Rules require an assessment report

- Cost borne by HCDA (the state)
- Assessment of utilities specially benefiting from ID project
- Assessment of landowners/lessees is usually based on street frontage



OTHER FUNDING METHOD

- Legislature may choose to fund the project without assessing Landowners/Lessees and Utilities
- If Legislature provides 100% of the funding, Improvement District designation is not necessary



PROPOSED BUDGET REQUEST

Capital Improvement Program
Funds for Planning and Design

Engage Consultants to:

- Update plans and cost estimates
- Identify potential Phasing
- Stakeholder consultation
- Plan and design of Phase 1



BUDGET REQUEST

- District-wide planning to determine need, public support, consult utilities and government agencies, recommend phases
- Once initial data is gathered, Authority may select the precise Improvement District to be approved

