

Reviewed and Approved by Executive Director: Way K. K. K.  
August 3, 2022

## FOR ACTION

### I. SUBJECT

Request to Approve the Kalaeloa Community Development District (KCDD) Operating Budget for the Fiscal Year 2022 – 2023 in the amount not to exceed \$958,814 and authorize the issuance of Land User Assessments in the amount not to exceed \$958,814, pursuant to Hawaii Revised Statutes § 206E-196.

### II. BACKGROUND

Act 184, Session Laws of Hawaii 2002 (“Act”), established the Kalaeloa Community Development District (“KCDD” or “District”) and designated the Hawaii Community Development Authority (“HCDA” or “Authority”) to act as the local redevelopment authority to facilitate redevelopment of the KCDD.

The Act does not provide staff and operating funds for the HCDA to administer the KCDD, but HRS § 206E-196 authorizes the Authority to assess all landowners, except the federal government, for their proportionate share of the costs associated with administering and operating the KCDD. The assessments shall be based on each landowner's proportionate share of the total acreage of the KCDD. A copy of HRS § 206E-196 is provided as Exhibit A.

HRS § 206E-196(b) provides that the assessment shall be set by the Authority annually, based upon the operating budget for the District, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget.

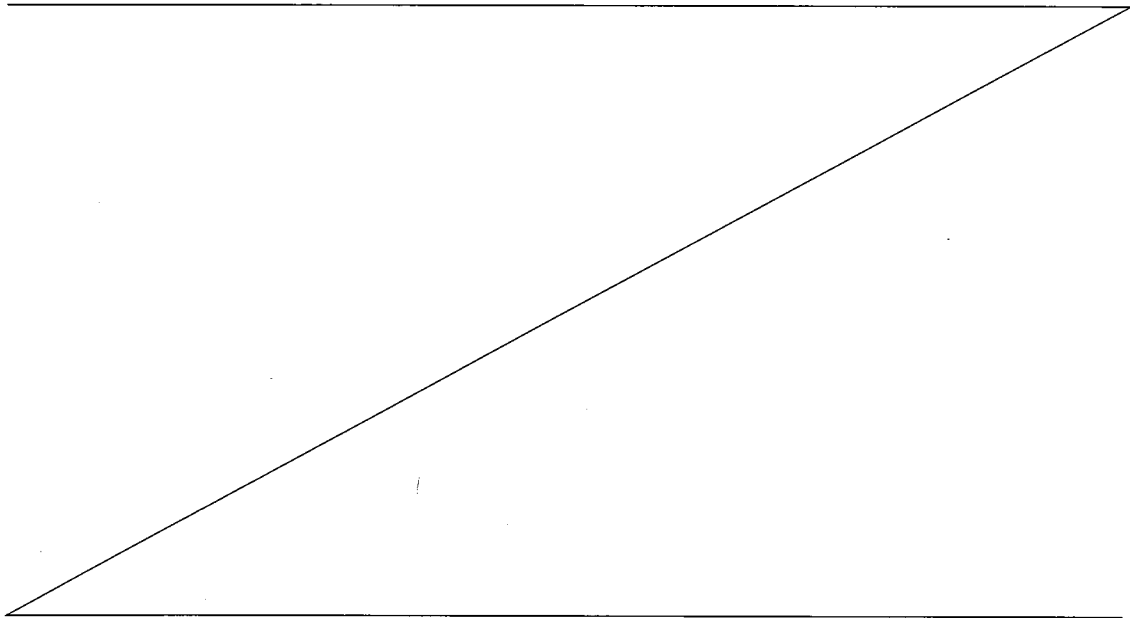
### DISCUSSION

Table 1, on the following page, is a summary of the fiscal year (“FY”) from July 1, 2022 through June 30, 2023 (“FY 23”) proposed Assessment Operating Budget. The FY 23 Assessment Operating Budget was prepared based on the prior FY expenditures, increased by 3% except for staff salary and personal services, which were not increased from the year prior.

**Table 1**

<b>Description</b>	<b>FY 23 Assessment Operating Budget</b>
Revolving	
Salary & fringe benefit	\$510,000
Personal Services	101,400
Contracts	282,000
Supplies	3,240
Postage	960
Telephone	9,548
Transportation & travel	2,334
Equipment rental	4,244
Repair and maintenance	16,974
Service for a fee	16,656
Insurance	3,501
Miscellaneous	1,061
Equipment purchase	6,896
Subtotal	
Total	\$958,814

KCDD landowners, and their corresponding land holdings, were updated with information obtained from data on the Hawaii State GIS Program. Table 2, on the following page, summarizes proposed landowner assessment for FY 23.



**Table 2**

<b>Landowner</b>	<b>Land Area* (Acres)</b>	<b>% of Ownership*</b>	<b>FY 23 Assessment</b>
City and County of Honolulu Board of Water Supply	20.03	0.54%	\$ 5,180
State of Hawaii Department of Education	14.46	0.39%	3,739
Eagle River Investors Hawaii LLC	9.46	0.26%	2,447
GLCJ Holding LLC	0.94	0.03%	242
Hawaii Community Development Authority	157.20	4.24%	40,656
Hawaii Conference of Seventh Day Adventists	1.21	0.03%	312
State of Hawaii Public Housing Authority	12.29	0.33%	3,179
State of Hawaii Department of Hawaiian Home Lands	555.30	14.98%	143,617
Henkels and McCoy	2.04	0.05%	527
Hunt Communities Hawaii LLC	84.43	2.28%	21,836
Kaimana Kalaeloa Owner LLC	17.51	0.47%	4,528
Kalaeloa Ventures LLC	106.14	2.86%	27,451
Kalaeloa Ventures LLC (Leased)	292.15	7.88%	75,559
Kalaeloa Water Company	3.66	0.10%	947
Kapolei Infrastructure LLC	20.96	0.57%	5,421
KPV 11 LLC	26.27	0.71%	6,794
Mahana Kalaeloa Owners LLC	15.92	0.43%	4,117
Makai Kalaeloa Owner LLC	44.50	1.20%	11,509
State of Hawaii Department of Transportation Airports Division	798.19	21.53%	206,435
Cloudbreak Hawaii LLC	6.84	0.18%	1,770
University of Hawaii	4.52	0.12%	1,169
Wakea Garden Apartments	25.05	0.68%	6,479
Roadways	182.05	4.91%	47,083
United States of America	1306.18	35.23%	337,816
<b>Total</b>	<b>3,707.30</b>	<b>100.00%</b>	<b>\$958,814</b>

\*These figures and the proportional ownership may adjust slightly due to parcel size and ownership adjustment/verification, but the total assessment amount will remain the same.

### III. RECOMMENDATION

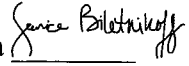
Approve the Kalaeloa Community Development District (KCDD) Operating Budget for the Fiscal Year 2022 – 2023 in the amount not to exceed \$958,814 and authorize the issuance of Land User Assessments in the amount not to exceed \$958,814, pursuant to Hawaii Revised Statutes § 206E-196.

Attachments:

Exhibit A – HRS § 206E-196

Prepared By:

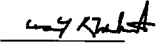
Janice Biletnikoff, AICP, Interim Director of Planning and Development - Kalaeloa



Carson Schultz, AIA, Director of Planning and Development - Kakaako



Reviewed By: Craig Nakamoto, Executive Director



## Exhibit A

**[\$206E-196] Assessment for operating costs.** (a) The authority shall have the power to assess all land users, except the federal government, for their fair share of the costs required to administer and operate the Kalaeloa community development district, which may include costs associated with staffing. Assessments shall be based on each landowner's proportionate share of the total acreage of the Kalaeloa community development district.

(b) The assessment shall be set by the authority annually, based upon the operating budget for the district, and adjusted for any actual expenditures made in the prior year in excess of the prior approved budget. The assessments shall be paid to the authority in semiannual payments commencing thirty days after the beginning of the fiscal year.

(c) The authority may charge interest or other fees on assessment amounts not paid on a timely basis, and may withhold services or approval of governmental permits for land users delinquent in payments.

(d) For the purposes of this section, "land user" includes the owner of land; provided that the landowner may assign the responsibility for payment of assessments to the lessee or licensee of the land. [L 2002, c 184, pt of \$2]