

FOR INFORMATION

I. SUBJECT

Update by the HCDA Staff on the Planning, Designing, and Constructing of Infrastructure in the Pulehunui Community Development District Consisting of Approximately Nine Hundred Eighty-Eight Acres of Land Located in the Moku of Kula, on the Island of Maui and Further Described by Maui Tax Map Key (TMK) Numbers: 2-3-8-008-001; 2-3-8-008-007; 2-3-8-008-037; and 2-3-8-008-038.

II. BACKGROUND

The Pulehunui Community Development District (“PCDD”) was established by the Hawaii State Legislature through Act 190 (Session Laws of Hawaii, 2022).

The Legislature found that “. . . public lands in Pulehunui, Maui, are underutilized. Redeveloping, renovating, or improving these public lands to provide suitable recreational, residential, educational, industrial, governmental, and commercial areas where the public can live, congregate, recreate, attend schools, and shop as part of a thoughtfully integrated experience is in the best interest of the State.” Source: Section 206E-261, *Hawaii Revised Statutes*.

The PCDD comprises approximately nine hundred eighty-eight acres of mostly undeveloped land, consisting of four parcels, as shown below in the map.



The PCDD, located between Kahului and Kihei, was envisioned as an ideal location to serve the Island of Maui’s public benefit, business, commercial, and industrial land use needs.

HCDA’s primary initiative is to plan, design, and build necessary infrastructure improvements within the PCDD that serve planned development on State-owned land, as described below.

The Hawaii State Legislature appropriated, in Act 248 (Session Laws of Hawaii, 2022), sixty-four million dollars (\$64,000,000) to pay for the construction of said infrastructure improvements. The lapse date of these funds, unless encumbered, was June 30, 2024 (the “Lapse Date”).

The funds were encumbered before the Lapse Date under two separate contracts. The first contract was solicited through a Request for Proposals (“RFP”) for a Design-Build (“D/B”) Contractor to plan, design, and construct the infrastructure for the PCDD. That contract was awarded to the Hawaiian Dredging Construction Company in the amount of sixty million dollars (\$60,000,000) (“D/B Contract”). The second contract was awarded through the professional services procurement process to review contract compliance and provide construction inspections. This contract was awarded to SSFM International, Maui Office, in the amount of four million dollars (\$4,000,000). The Notices to Proceed (“NTPs”) for both contracts were issued. It should be noted that additional legislative funding may be needed, depending on the extent and cost of the identified infrastructure necessary to serve the planned development.

The scope of work under the D/B Contract is organized into three separate, but interrelated tranches: planning, design, and construction.

The planning work will be primarily led by the D/B Contractor’s subcontractor, Munekiyo Hiraga (“Munekiyo”). Munekiyo will be engaging with state and county stakeholders, as well as the broader community, to obtain input on the following initiatives for the PCDD. These initiatives have been developed by state and county stakeholders, and their potential benefits are outlined below:

1. Relocation of the Current Maui Community Correctional Center to the PCDD:
 - Alleviates overcrowding at the current Maui Community Correctional Center.
 - Replaces the current outdated Maui Community Correctional Center facility.
 - Assures that incarcerated individuals from the Island of Maui remain on the Island of Maui close to friends and family.
 - Maintains proximity to potential agricultural training sites, reintegration, and work programs to promote rehabilitation and reduce recidivism.
 - Creates more employment opportunities.
 - Serves as a catalyst for development of infrastructure and other public benefits in the PCDD.

2. Development of a Judiciary Building within the PCDD:
 - Reduces the time and related cost to transport detainees to court hearings.
 - Creates an integrated judiciary complex.

3. Development of Infrastructure to Serve Land Owned by the State of Hawai‘i, Including the Department of Land & Natural Resources (“DLNR”):
 - Uses State funding to promote development of State-owned lands that will result in workforce development and/or economic development.
 - Creates lease revenues that will help DLNR to support its programs.
 - Increases County of Maui’s real property tax base with additional development.
 - Develops and expands infrastructure and utility services to the PCDD, including potable water resources, recycled water (R-1) resources to reduce the use of potable water, sewer and/or wastewater treatment, electrical power, telecommunications, roadways, and cultural resources.

4. Inter-Connectivity with Adjoining Agricultural Designated Lands, Including Lands Owned by the Department of Hawaiian Home Lands (DHHL):
 - This may include roadway and utility improvements along Maui Veterans Highway.
 - Sewer improvements connecting DHHL land and parcels within the PCDD along Maui Veterans Highway.
 - Shared use of water resource developments and wastewater treatment in the PCDD.

5. Redevelopment and Improvements at the Maui Raceway Park and Recreational Area:
 - The current users of the Maui Raceway Park and recreational areas lack sufficient utility services like water, sewer, and power. Improvements in the PCDD infrastructure can provide increased utilization for the raceway and surrounding recreational areas providing greater community benefits for the residents of Central and South Maui.
 - Infrastructure improvements at the raceway align with the policy goals of the South Maui Community Plan, currently being reviewed by the Maui Planning Commission.

III. NEXT STEPS

In the immediate future, the following short-term tasks are contemplated:

- Holding a kickoff meeting with the D/B Contractor.
- Establishing a timeline for the project with the D/B Contractor.
- Working with Munekiyo in identifying and developing a community engagement approach and schedule.
- Working with Munekiyo to meet with the State and County stakeholders.
- Presenting the project timeline to the PCDD board at a subsequent meeting.

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