



HAWAII INTERAGENCY COUNCIL FOR TRANSIT-ORIENTED DEVELOPMENT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

OFFICE OF PLANNING DIRECTOR
CO-CHAIR

CRAIG K. HIRAI
CO-CHAIR

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DTS201901301438BE

February 1, 2019

The Honorable Ronald D. Kouchi, President
Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
Thirtieth State Legislature
State Capitol, Room 208
Honolulu, Hawaii 96813

The Honorable Sylvia Luke, Chair
House Committee on Finance
Thirtieth State Legislature
State Capitol, Room 306
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Chairs Dela Cruz and Luke:

Subject: Hawaii Interagency Council for Transit-Oriented Development,
Support for Transit-Oriented Development CIP Requests, Fiscal Year 2020

On behalf of the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) established pursuant to Act 130, Session Laws of Hawaii 2016, we are pleased to transmit for your consideration a list of recommended State and county agency transit-oriented development (TOD) capital improvement project (CIP) budget requests, which are being requested by the respective entities for State funding/appropriations for Fiscal Year 2020.

The TOD Council is charged with reviewing TOD-related CIP budget requests to the Legislature pursuant to Hawaii Revised Statutes (HRS) Section 226-63(b)(5). At its January 8, 2019 meeting, the TOD Council reviewed and endorsed the projects on the attached list for funding by the Legislature for Fiscal Year 2020. The Department of Land and Natural Resources and the Hawaii County projects are projects in the *State TOD Strategic Plan* issued by the TOD Council. The Maui County project funding request would fund planning for a transit corridor master plan that would link major TOD projects included and discussed in the *Plan*.

As co-chairs of the TOD Council, we are fully cognizant of the budgetary constraints the State faces. We respectfully submit that State investment in these TOD projects will provide long-term benefits to the communities they will serve—laying the groundwork for more affordable housing, better access to State services, more livable communities, new business opportunities, and more revenue-generating opportunities for the State and its counties.

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We hope that legislators also find these projects worthy of funding.

Sincerely,



Rodney Funakoshi
Co-Chair Designee, TOD Council
Planning Program Administrator,
Office of Planning



Craig Hirai
Co-Chair, TOD Council
Executive Director, Hawaii Housing Finance
and Development Corporation

Attachment

c: David Y. Ige, Office of the Governor
Roderick Becker, Department of Budget and Finance

Transit-Oriented Development CIP Funding Requests Fiscal Year 2020

Recommended for funding by the Hawaii Interagency Council for Transit-Oriented Development (TOD Council)



A DLNR 101—Proj LNR906—ENVTL STUDIES VARIOUS PROJECTS, STATEWIDE: [East Kapolei Master Plan EIS] ▶ \$1M
DLNR Request, East Kapolei Lands TOD: \$1,000,000 in Lump Sum CIP for preparation of an Environmental Impact Statement for the East Kapolei Lands Master Development Plan. DLNR is currently preparing a master plan for approximately 175 acres of prime State lands at and surrounding the Keone`ae rail transit station at UH West Oahu. East Kapolei is a priority TOD area for the State. Revenues generated will help the DLNR to fund its conservation programs. The master plan is expected to be completed in late 2019, after which an EA/EIS will need to be prepared for subsequent development of these prime parcels. Funds to be allocated from Lump Sum CIP as needed.

B COUNTY OF HAWAII—KEAAU VILLAGE PROJECTS, KEAAU, PUNA [See projects below]
Two projects identified in the *State TOD Strategic Plan* are being pursued to support the County's disaster recovery efforts in the wake of the destructive 2018 Kilauea Volcano lava flows. The projects are consistent with the County's *Puna Community Development Plan*, and are needed to create residential and mixed-use opportunities in Keaau Village Center to enable it to become a public transit hub and commercial and residential center for outlying communities in the Puna District.

B1 KEAAU VILLAGE TRANSIT HUB ▶ \$200,000
County of Hawaii Request: \$200,000 in planning funds for the preparation of plans for a public transit hub in Keaau, a large commercial area at the crossroads of upper and lower Puna. The project is facilitated by a willing major landowner and is consistent with the County *Puna Community Development Plan* and the County's transit plan.

B2 KEAAU VILLAGE WASTEWATER SYSTEM ▶ \$500,000
County of Hawaii Request: \$500,000 in planning funds to study and prepare plans for the construction of a wastewater system for Keaau Village to catalyze the development of affordable housing in a mixed-use village center supported by urban infrastructure and public transit. The project is facilitated by a willing landowner and is consistent with the *Puna Community Development Plan*.

C COUNTY OF MAUI—WAILUKU-KAHULUI TRANSIT CORRIDOR MASTER PLAN, KAHULUI ▶ \$500,000
County of Maui Request, Wailuku-Kahului Transit Corridor: \$500,000 in planning funds to prepare a master plan for public facility and multi-modal transportation improvements for the transit corridor connecting Wailuku and Kahului, and related civic improvements and affordable housing to increase livability of the Wailuku and Kahului town centers. Capitalizes on the construction of the new Central Maui Transit Hub that will be the transit focal point for the Kahului end of the corridor, as well as redevelopment initiatives in Wailuku Town.



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The Honorable Sylvia Luke, Chair
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Thirtieth State Legislature
State Capitol, Room 306
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Chairs Dela Cruz and Luke:

Subject: Hawaii Interagency Council for Transit-Oriented Development Support for
Request for Operating Funds for P3 Program Office and Personnel, Department of
Accounting and General Services

The Hawaii Interagency Council for Transit-Oriented Development (TOD Council), established pursuant to Act 130, Session Laws of Hawaii 2016, is charged with reviewing TOD-related CIP budget requests to the Legislature pursuant to Hawaii Revised Statutes (HRS) Section 226-63(b)(5). At its meeting of January 8, 2019, one of the projects reviewed and felt to merit TOD Council support was the Department of Accounting and General Services' (DAGS) request for operating funds for the establishment of a Public-Private Partnership (P3) Office in DAGS. The request is described as follows:

AGS-221, DAGS-P3 Program Office, \$156,453: Operating funds for a new P3 alternative financing system office for State CIP projects, to include one P3 manager and 2 P3 Specialists, "to assess the financial risks and related financial costs and benefits of transactions involving the potential investment by the private sector (Public Private Partnership structures) in the development of large capital assist projects. These risks go beyond the transfer of risks during design and construction through the design-build delivery methods but also to the potential financing, operating and maintenance of such capital assets after construction."

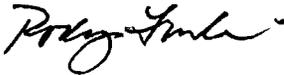
The *State TOD Strategic Plan* issued by the TOD Council, recommends greater use of P3s and alternate delivery systems to expand the tools available for TOD implementation. The establishment of a P3 program and dedicated personnel with expertise in P3 and alternative delivery systems was one of the near-term recommendations in the Plan.

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At the January 8, 2019, the TOD Council voted to support and recommend to the Legislature that the DAGS P3 Office funding request be appropriated. The Neighbor Island County representatives on the TOD Council expressed strong support for a State P3 program office that could give the smaller counties access to technical assistance, expertise, and training—much as the State Procurement Office does with training and technical consultation on Hawaii’s procurement codes—which would enable the counties to pursue P3 and alternative delivery systems for their TOD and facility projects.

We hope that legislators will agree that this initiative is worthy of funding.

Sincerely,



Rodney Funakoshi
Co-Chair Designee, TOD Council
Planning Program Administrator,
Office of Planning



Craig Hirai
Co-Chair, TOD Council
Executive Director, Hawaii Housing Finance and
Development Corporation

c: David Y. Ige, Office of the Governor
Roderick Becker, Department of Budget and Finance