

# TOD Infrastructure Financing & Delivery Strategies for TOD Pilot Areas



## Amitabh Barthakur

Partner, HR&A Advisors, Inc.

Amitabh joined HR&A in 2013 and has over two decades of international experience in real estate and economic development. Previously, he was a Vice President and Regional Director for AECOM in India, where he led a multidisciplinary team of economists, planners, and designers to deliver a range of complex urban development, infrastructure, and tourism related projects in Asia and the Middle East. Prior to this, he led AECOM's economics practice in the US-West region and served as the global practice leader for its economic planning and real estate market sector. Amitabh brings a combination of wide international experience with a deep understanding of planning, policy, and market issues pertaining to the Western US and California. He has led a wide range of studies in the area of land use economics, real estate development, economic development strategy, industrial development and tourism development for numerous public and private sector clients. He holds Masters of Urban Planning and Building Science from the University of Southern California and a Bachelor of Architecture from New Delhi School of Planning and Architecture.



## David Anton

Senior Analyst, HR&A Advisors, Inc.

David is experienced in transit planning and financing, real estate market analysis, and economic valuation of infrastructure assets. He currently works with transit agencies, local governments, and developers on TOD plans, resilient infrastructure planning, and assessing opportunities for real estate developments. Prior to HR&A, David worked on user fares and subsidy structure for the Buenos Aires Metropolitan Bus Network and advised Argentina's Department of the Treasury over public-private partnerships programs. David has also worked in international arbitration proceedings, supporting the estimation of economic damages in cases connected to public utilities and real estate developments. He earned his Masters in Public Administration at Columbia University, where he specialized in public policy issues related to affordable housing, transportation planning, and public space improvements. He previously obtained a BS in Economics from the Pontifical Catholic University of Argentina.





# Hawai'i TOD Infrastructure Financing and Delivery Strategy for Pilot Areas

## Progress Update to TOD Council

February 17, 2023



HR&A



# Agenda

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## Presentation by HR&A

**15 min**

Update on work completed to date

Overview of funding/financing/delivery options identified in  
TOD Study Areas

Next steps

## Q&A

**15 min**

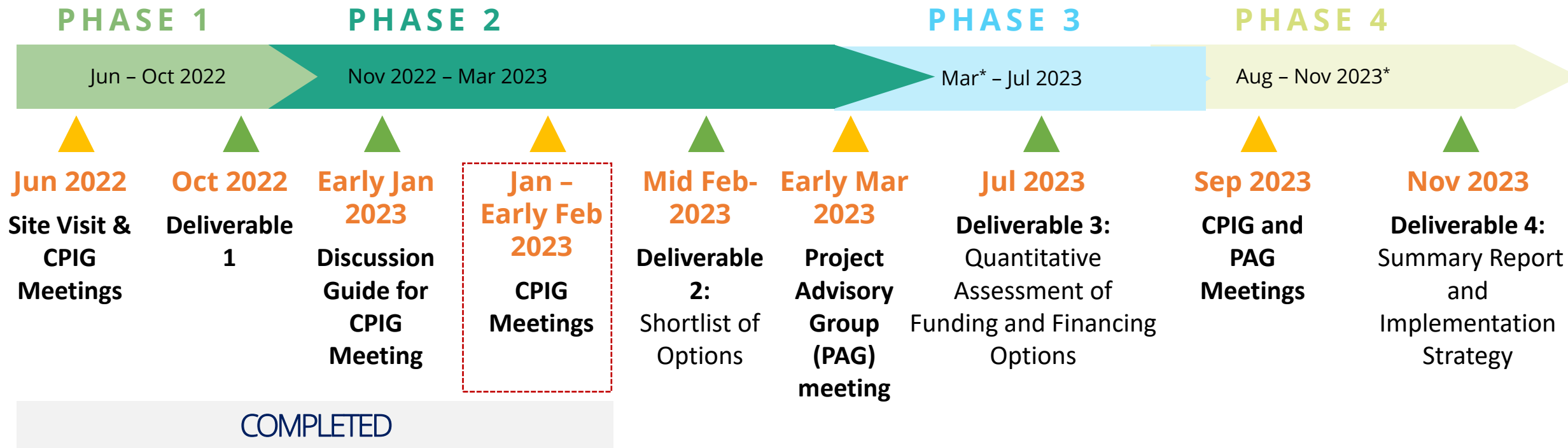


An aerial photograph of a suburban neighborhood. In the foreground, there are several large commercial buildings with parking lots. A multi-lane road curves through the middle ground, separating the commercial area from a residential area with many houses. The background features a large, green mountain range under a cloudy sky. The text "Presentation by HR&A - 15 min" is overlaid in the center of the image.

**Presentation by HR&A - 15 min**

# Timeline

At this point of the study, the Consultant Team has finalized its Phase 2 engagement with the **County Permitted Interacting Groups** (PIGs) on the tools and options identified in the TOD Pilot Areas.



- ▲ Stakeholder Engagement
- ▲ Deliverables

(\*) The Consultant Team will begin preparing financial model and conducting analysis of Phase 3 in Feb-2023, while finalizing Phase 2, in order to prevent delays in the overall timeline.

(\*\*) End of Contract Date.



# Phase 1: Overview of Infrastructure Needs

## Iwilei-Kapalama (Oahu)

- Capacity for 27,500 new residential units, 4.3 million SF of commercial space, and 100,000 SF of light industrial
- **\$667 million** in required infrastructure costs

## Ka'ahumanu Avenue Community Corridor (Maui)

- Capacity for 600 new residential units, 114,000 SF of office space, and community facilities
- **\$7.3 million** required for water capacity and additional funds required for affordable housing development

## Līhu'e Town Core (Kaua'i)

- **Redevelopment potential** lies on government-owned properties and one large private holding
- **\$8 million** in known required costs for water capacity improvements

## Ane Keohokalole Highway Corridor (Hawai'i)

- Development capacity for over 5,000 new residential units
- **\$462 million** in known required costs for improvements, half of which to enable two housing developments

# Phase 2: Funding, Financing, and Delivery Options

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## Objective of Phase 2:

- Provide a **shortlist of funding, financing, and delivery options** for infrastructure needs in TOD Pilot Areas
- **Identify options to be analyzed** in Phases 3 and 4 of the study

## Progress to date:

- Discussion Guide of **Available Funding, Financing and Delivery Options** in Counties and TOD Pilot Areas
- **Completed discussion with County Permitted Interaction Groups** on funding options for prioritization

## Remaining Phase 2 work:

- Submission of **Shortlist of Funding/Financing/Delivery Options** for further analysis
- Discussion with **Project Advisory Group**

# Options Evaluated in Phase 2

## FUNDING SOURCES

### Project-level, Districtwide, and Countywide Sources:

- Value Capture Instruments
- Monetization of Government-Owned Real Estate
- User Charges
- Ancillary Revenue
- Countywide Tax Revenues

### Grants and Government Contributions

- State Loan Funds
- Federal Grants
- Federal Acts Competitive Funding

## FINANCING INSTRUMENTS

### State and County Debt

- General Obligation Bonds
- Revenue Bonds
- Private Activity Bonds
- CFD and SID Bonds
- Special Purpose Revenue Bonds

### Federal Loan Programs

- Transportation Infrastructure Finance and Innovation Act
- Railroad Rehabilitation & Improvement Financing
- State Infrastructure Bank

### Private Options

- Bank Loans
- Private Equity

## DELIVERY MODELS

### Contractual Models

- Design-Bid-Build
- Design-Build
- P3s With Private Financing
- P3s With Private Options and Maintenance

### Governance Models

- Pre-Existing Public Agency
- Formal Agreement Among Agencies
- Dedicated Public Entity
- Public/Private Entity
- Private Entity



# Options for Phase 3 Analysis

## FUNDING SOURCES

### Project-level, Districtwide, and Countywide Sources:

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- Monetization of Government-Owned Real Estate
- User Charges
- Ancillary Revenue
- Countywide Tax Revenues

### Grants and Government Contributions

- State Loan Funds
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- Federal Acts Competitive Funding

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# Funding Options Categorization

		Available and moderate-high revenue	Available but low revenue	Not available but moderate-high revenue	Not available and low revenue
<b>Real Estate Value Capture</b>	Land Value Capture	Development Impact Fees			
		Community Facilities District			
		Tax Increment Financing			
		Special Improvement District			
		Sale of Development Rights			
	Government-Owned Real Estate	Ground Leases			
		Joint Development			
<b>User Charges</b>		Utilities Fees			
<b>Ancillary Sources</b>	Lease revenue for facilities	Sponsorship/Advertisement			
		Retail Concessions			
		Broadband			
		Solar Panel Installation			



# Funding Options (cont.)

		Available and moderate-high revenue	Available but low revenue	Not available but moderate-high revenue	Not available and low revenue	
<b>County Sources</b>	Earmarking Tax	GET surcharge revenue				
	Revenue from TOD Pilot Areas	TAT surcharge revenue				
		Property tax revenue				
		Implementation of new GET surcharge				
	Changes in Tax Rate		Increase in TAT surcharge rate			
			Increase in effective property tax rates			

# Next Steps

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- Feb-March: Consolidate shortlist of options for prioritization and presentation to Project Advisory Group
- Feb-July: Phase 3 Funding and Financing Analysis of shortlisted options
- Aug-Sep: Phase 4 Analysis of Barriers for Implementation
- Oct: Third County PIG meetings to discuss barriers
- Nov: Recommendations for Implementation





**Questions?**