

*~~Chapter 10:~~Chapter 1: Long-Range Implementation
Program Plan*

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Vision without action is a daydream. ~Japanese proverb

T*he Long Range Implementation Plan establishes a general framework for the implementation of the Maui Island Plan. As part of planning for Maui's future, a ~~fiscally sound~~ financial program is needed that contemplates*



Aerial view of Kahului Harbor, Maui, Hawai'i.

the implementation of identified actions and capital improvements. ~~Just as a budget is required to build a home, the implementation plan offers funding options~~ to provide adequate public facilities and infrastructure essential for the growth of communities, the protection of public health and safety, and the enhancement of the natural and built environments. Finally, this chapter ~~establishes a means~~ seeks to prioritize and implement the plan's actions ~~through identification of each action's by identifying~~ priorities, commencement dates, completion dates, estimated costs, funding sources, and lead implementation agencies. ▲

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The overall responsibility of infrastructure and service delivery on Maui has shifted among the Federal, State, and County government and the private sector. During the early to mid-1900s, the sugar and pineapple plantations and ranching played a major role in community building on Maui. The Federal, State, and County governments began to play a greater role in public facilities and infrastructure with the onset of World War II and the phase-out of plantation camps. From 1959 to the mid 1970²s, the Federal government played a significantly greater role than it has in recent decades in funding public facilities and infrastructure, particularly highways and wastewater treatment facilities.

Since the mid 1970²s, ~~F~~ederal funding for public infrastructure improvements began to decrease with more of the cost being shifted to State and local governments. This funding trend has added to the financial burden of State and County governments nationwide. Traditionally, Maui County has relied on

IMPLEMENTATION

property tax revenues and water and wastewater fees as its primary revenue sources for funding infrastructure and public facilities. However, with the increased financial burden imposed by the lack of Federal support and community resistance to increasing property taxes, the County has required contributions and/or fees from developers to help mitigate the impacts resulting from their developments.

Today, Maui is facing several infrastructure planning challenges.

1. ~~A~~aging ~~I~~nfrastructure ~~&~~and ~~P~~ublic ~~F~~acilities;
2. ~~I~~nfrastructure ~~D~~emand ~~O~~utpacing ~~R~~evenues; and
3. ~~I~~ntergovernmental and ~~I~~ntragovernmental ~~E~~oordination; ~~and~~
4. A Need for a Clear County Policy on Infrastructure Provision and Growth.

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~~To meet the on-going challenges of providing public facilities and infrastructure, the County should develop alternative funding sources, improve the planning and implementation process, and seek greater private sector participation in the financing of facilities.~~

This ~~also~~ chapter establishes a broadly defined infrastructure strategy and policy framework to strengthen infrastructure planning and delivery on Maui, and to identify short, medium, and long-term capital projects and costs to address existing service deficits and projected growth to 2030.



Examples of infrastructure/public facilities including water (irrigation ditch), airports (Kahului Airport), parks (Eddie Tam), and roads (Hāna Highway).

COORDINATED INFRASTRUCTURE PLANNING STRATEGY (CIPS)

The Coordinated Infrastructure Planning Strategy (CIPS) is designed to provide an efficient and equitable means of planning and financing infrastructure improvements. The funding strategy will address infrastructure expansion, and existing deficiencies, as well as repair and maintenance of existing systems and facilities.

The CIPS is intended to improve the implementation of infrastructure projects by merging long-term planning, project development, and facility maintenance. CIPS will result in a more coordinated, transparent, and efficient process for linking General Plan goals with infrastructure investment policy. Through CIPS, strategies will be developed to improve interagency coordination on infrastructure, resources, and policy issues, both within the County and between the County and the State. Figure 10-1 depicts the General Plan CIPS framework.

The County's Capital Improvement Plan/Project (CIP) program is an important framework to implement land use policies in the General Plan and various Community Plans as related to public facilities and infrastructure. The CIP process would include an annual reporting requirement/budgeting, a specific six-year plan (specific), and a longer-term plans that consider 20-year plan (very general) forecasts.

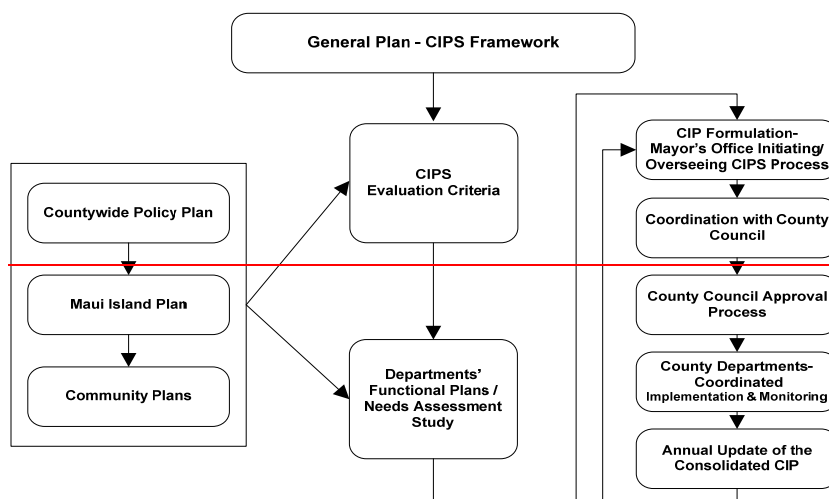


Figure 10-1. General Plan—CIPS Framework Diagram.

The goals of the CIPS are to:

- A. Develop a framework to better link and coordinate capital improvement programming and land use decisions with the urban form and design goals envisioned in the General Plan;
- B. Create a long-term prioritized implementation schedule for major CIP projects;
- C. Develop a long-range budget for major CIP projects and identify major expenditures and controversial or difficult issues in advance;
- D. Implement a consistent methodology for planning, design, construction and maintenance of major assets;
- E. Assess staffing, equipment, and office space needs; and
- F. Train, empower, and retain staff to accomplish identifiable tasks.

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The development of ~~the CIPS program will~~ falls within the framework of the Countywide Policy Plan, Maui Island Plan, Maui's six (6) Community Plans, and the Moloka'i and Lāna'i Community Plans. Population forecasts for a 20-year timeframe and urban and rural growth areas identified in the Maui Island Plan will provide the basis for infrastructure planning for Maui Island. ~~The CIPS will require each department to prepare a 20-year CIP for each island and a broad range of estimated budgets consistent with population forecasts and the Countywide Policy Plan, Maui Island Plan, and Community Plans.~~

~~The Capital Improvement Plan will include maps delineating the location of CIP projects and a summary analysis of the purpose, anticipated cost, priority, and implementation schedule associated with regional and sub-regional projects. Lastly, the CIPS will have an objective rating system which includes criteria that are appropriate for each facility type. Examples of potential criteria include, but are not limited to, legal mandates; public health and safety; major increases to quality of life; efficiency upgrades; planning consistency; and cost-benefit relationship.~~

~~In conclusion, the CIPS is proposed as a framework and process to improve CIP implementation in accordance with the Countywide Policy Plan, Maui Island Plan, and Community Plans. A key emphasis, however, will be placed on flexibility. The plan should be able to respond to changing conditions, taking advantage of new revenue sources, and realizing the fiscal constraints of the County together with the ability to provide and maintain its facilities.~~



Example of a project that could be included in the CIP, storage facility installations.



Main Street in Wailuku-Road improvement projects could be funded through the CIP process.

CAPITAL IMPROVEMENT REQUIREMENTS AND FINANCING

The purpose of this section is fourfold:

1. Provide the County's policy regarding the role and responsibility of the public and private sectors for providing infrastructure and public facilities;
2. Identify major regional capital improvement projects necessary to address existing service deficits and projected growth to 2030;
3. Identify potential funding mechanisms to finance future CIP projects; and
4. Ensure that capital improvement projects are scheduled and constructed in a timely manner.

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The infrastructure funding strategy provides an efficient and equitable means of planning and financing infrastructure improvements. Major County capital improvement projects and potential funding mechanisms are discussed by each County agency and include solid waste, water, wastewater, roads, transit, parks, and public safety.

Infrastructure Planning and Finance Policy Framework

The County CIP funding strategy is comprised of ~~four~~three policy statements with underlying strategies to effectuate the policies.

1. Infrastructure Services Policy:

The County ~~will be~~is responsible for ~~designating new growth areas and new urban service~~determining areas where infrastructure and public facilities will be supported.

~~The County Infrastructure Services Policy shall be implemented by way of the following strategy:~~

~~*Urban/Small Town/Rural Growth Boundaries:~~ Through the General Plan process, Urban, Small Town and Rural growth boundaries will demark the extent to which Maui's urban, small town, and rural areas will be allowed to grow. Urban density development will be allowed only within the urban growth boundaries.

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~~*Urban Service Areas:~~ Urban service areas generally correspond with Urban and Small Town growth areas and will be serviced by infrastructure and public services. Establishing Urban Service Areas allows the County to plan for future growth and make appropriate plans and infrastructure improvements to provide services in the most economical and efficient manner. The County may not support urban density development outside of these areas.

~~*Needs Assessment Study and/or Functional Plan:~~ Each County agency responsible for infrastructure and facility delivery on Maui will periodically conduct a needs assessment study and/or develop a functional plan to assess needed improvements and associated costs to address current infrastructure and facility capacity deficiencies and future requirements generated by new growth. Needs assessments studies and functional plans shall be consistent with, and implement the General Plan. State agencies responsible for infrastructure and facility delivery on Maui will be encouraged to develop needs assessment studies or functional plans.

~~D.Level of Service Standards:~~ The County will establish community appropriate level of service standards, minimum acceptable (baseline) and desired, for each infrastructure and public facility system to ensure adequate services are provided to residents within the urban service areas. The County will encourage State agencies to also establish level of service standards.

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2. Infrastructure Expansion Policy:

Developers ~~will be~~are ~~generally~~ responsible for public facility and infrastructure expansion costs associated with their projects.

~~The Infrastructure Expansion Policy will be implemented by way of the following strategy:~~

~~**A. New Developments/Subdivision Exactions for On-Site Improvements:**~~ As a condition of subdivision or development approval, the County ~~will often~~ requires new developments to construct on-site water, roads, wastewater, park facilities, and other ~~on-site~~ infrastructure and public facilities pursuant to County standards. Upon completion of construction, the County may require the developer to dedicate the infrastructure/facilities to the County. Developments may also be required to donate easements or other types of partial rights to the County. In addition, developments ~~shall provide regular reports on the status of private infrastructure and are often required to~~ provide financial assurance, such as bonding, to ensure enforcement of needed corrective action(s) or uninterrupted operation (in case of bankruptcy, abandonment, or any other default on financial obligation).

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~~***Impact Fees and/or Special Taxing Districts for Regional Improvements:**~~ The County has also ~~considered the imposition of~~ impact fees, ~~which~~ are designed to mitigate the impact of new development on infrastructure and public facility systems. ~~Impact fees are~~ These one-time payments ~~are~~ made by the development; fees are typically passed on to either the seller of land or homebuyer to pay for the cost of infrastructure caused by new development. ~~While the enabling ordinance for traffic impact fees have been enacted, the required studies that determine the actual fee amounts have yet to be adopted; other impact fee ordinances have been discussed but not enacted.~~ These fees would be assigned on a per-unit (residential, visitor accommodation unit) or square footage (commercial/industrial) basis to pay a pro rata share of the projected cost to expand off-site infrastructure and public facility systems. ~~These fees cannot be used to pay for existing deficiencies outside of the scope of the project. Funds generated from the fees would be placed in a trust to pay for designated capital expansion projects within the service district that the project is located.~~

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~~Special Taxing Districts can also be established to help fund regional infrastructure projects. The purpose of these Districts is to create a predictable revenue stream that can pay for all or a portion of the debt service associated with large capital projects. Special Taxing Districts provide several benefits, including:~~

- ~~• **Removal of high up front regional infrastructure costs to developments:** These costs are financed through the issuance of long-term government bonds and paid back through special taxes paid by the landowner/developer and eventually the homebuyer.~~
- ~~• **Reduction in purchase price paid by homebuyers:** The special tax paid by the homebuyer may be less than the cost of financing additional debt in private equity markets to support a higher home price. In addition, special taxes are generally structured to be tax deductible on the Federal Tax Return, which also benefits the homebuyer.~~
- ~~• **County Benefit:** The primary benefit to the County is the avoidance of risk associated with a large capital outlay for infrastructure, since a predictable revenue source is earmarked to pay the debt service.~~

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~~**•Infrastructure Concurrence Policy:**~~

~~Necessary regional public facility and infrastructure capacity improvements shall be constructed prior to or concurrently with development of planned growth areas. Improvements will be constructed in accordance with the County's Needs Assessment Study and level-of-service standards. The Infrastructure Concurrence Policy shall be implemented by way of the following strategy:~~

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~~***Coordinated Infrastructure Planning Strategy (CIPS):** The CIPS is intended to improve the way Maui County implements infrastructure projects by merging long-term planning, project development, and facility maintenance. CIPS will create a long-term implementation schedule and budget for major CIP projects that are coordinated with land use decisions.~~

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~~4. CIP Programming:~~ The County will have a clear and predictable method for CIP programming based on the CIPS. The CIPS will be prepared by County Departments and will be flexible and is subject to final approval, through the budgeting process, by the Maui County Council.

C-Infrastructure Funding Strategy: To ensure that no ambiguities exist regarding infrastructure funding responsibilities, the County may establish thean infrastructure funding strategy. ~~This strategy will to~~ ensure that infrastructure improvements are implemented prior to or concurrent with development by the responsible party depending on the nature of the infrastructure project.

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~~Each agency should prepare a Revenue Expense Analysis analyzing short, mid, and long term capital costs against existing and projected revenues. Based upon this analysis, traditional and alternative revenue sources will be adjusted accordingly to ensure that minimum community Level of Service (LOS) standards are complied with. The following methodology will be used to prepare the Revenue Expense Analysis:~~

Revenue Expense Analysis Methodology

Step 1: LOS Standards

Identify both minimum acceptable and desired LOS standards.

Step 2: Existing Deficiencies

Evaluate existing deficiencies based on established LOS standards and calculate costs associated with addressing deficiencies.

Step 3: New Growth

Identify future infrastructure needs based on projected population growth and calculate costs associated with providing needed improvements.

Step 4: Revenue Expenditure Analysis

Analyze projected revenues and expenditures and identify funding shortfalls.

Step 5: Funding Strategies

Develop a funding strategy to pay for improvements necessary to address existing deficiencies and a funding strategy to pay for improvements needed to accommodate new growth.

Step 6: Revenue Sources

Analyze the desirability of each revenue source for its equity, predictability, risk, and overall cost to the County. Once the funding strategy is adopted, funds collected from each source should be adjusted accordingly to meet the community's minimum LOS standards.

4.3. Existing Deficiencies Policy:

~~Through its CIP program,~~ The County ~~will be is~~ responsible for funding operations and capital improvements to address existing deficiencies of County-owned and operated systems.

The Existing Deficiencies Policy shall be implemented by way of the following strategy:

~~4.4. Identify existing service deficiencies and project future operations and maintenance needs:~~ Using the CIPS ~~program~~, ~~N~~needs ~~A~~assessment ~~S~~studiesy, and adopted level-of-service standards, the County will identify existing service deficiencies and projected operations and maintenance needs. The County will provide revenues sufficient to maintain the minimum acceptable level-of-service standards over the 20-year planning horizon. The County will encourage the State to upgrade its facilities to meet the County's LOS standards.

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~~(2)Address structural imbalance between revenue needs and expenditures for infrastructure systems:~~ Through development of traditional and alternative funding sources the County will

~~address projected revenue and expenditure imbalances necessary to achieve the adopted minimum level of service standards. This strategy will be two fold:~~

~~**a. Increase Revenues from Traditional Funding Sources:** The County and State may need to raise water service fees, sewer rates, land fill fees, gas taxes, property taxes, and other traditional funding sources to ameliorate existing capacity deficits and provide adequate maintenance of existing service systems. Traditional revenue sources will be easier to utilize during the short to medium term because they already exist. However, during the long term, alternative revenue sources may better allocate infrastructure costs to those that are the primary beneficiaries of the subject developments.~~

~~**Develop and Utilize Alternative Funding Sources:** Numerous~~The County could consider ~~alternative funding sources could to be used to finance major CIP projects. Some of these sources are currently available while others would require enabling legislation or voter approval before they could be utilized. Such alternatives include: public-private partnerships, which can save time and costs; strategic budget allocations or trust funds to create special funds for specific purposes; special district financing, such as tax districts or redevelopment districts, where revenues are reinvested in the same geographic area; and peak demand pricing, where the charge for the use of public facilities or infrastructure is increased during periods of heaviest use.~~

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~~Table 10-1 Description of Alternative Revenue Sources, and Table 10-21, Sources of Existing or Potential Revenues for Infrastructure, describes~~ alternative current revenue sources through which that the County could pursue to raises ~~needed revenues.~~

Table 10-1: Description of Alternative Revenue Sources

Funding Source	Description
Public-Private Partnerships	Partnering with private sector providers to design, finance, build, and/or operate infrastructure systems and public facilities may be an appropriate and cost effective alternative to more traditional revenue sources. The chief advantage of such partnerships is that infrastructure can often times be brought to the community faster, and at a significantly lower cost, than projects implemented solely by the public sector. Public-Private Partnerships come in many different forms including Build Operate and Own (BOO), Build Operate and Transfer (BOT), and Private Finance Initiatives (PFI). Depending upon the circumstances, private sector involvement can vary from minimal to extensive.
Strategic Budget Allocations	Strategic Budget Allocations are when a designated portion of a tax bill or a rate bill, such as a sewer rate bill, is deposited into a special fund. The fund is invested, and the interest earned re-invested, with the funds being earmarked for specific future CIP projects.
Trust Funds	Similar to Strategic Budget Allocations, monies in trust funds are generally provided from a percentage of tax revenues that are dedicated to a specific investment area. Trust Funds provide a dedicated funding source and are less expensive in the long-term than bonds or loans. These funds could be established to help pay for major upgrades and repair of existing systems.
Special District Financing	Special District Financing, i.e. Special Taxing Districts, Benefit Assessment Districts, Business Improvement Districts, Redevelopment Districts, can be established to help fund major upgrades to utility services within a designated area. The establishment of these districts often requires the approval of area landowners affected by the improvements. Revenues are typically generated through special levies, assessments, or tax increment financing. This method of funding is equitable since those most likely to benefit from the public investment are those paying for the services. Planned Growth Areas as well as Redevelopment areas are likely candidates for such funding programs.

Funding Source	Description
State and Federal Funding	Although State and Federal funding have declined in the last few years, the County should continue to explore these governmental funding sources to finance major CIP projects. The primary State funding source relied upon by the County is the State Revolving Fund (SRF) for water and wastewater CIP projects. Potential Federal funding sources also include the U.S. Environmental Protection Agency (EPA), U.S. Department of Transportation Federal Highway Administration (FHWA), Federal Transit Administration (FTA), U.S. Department of Agriculture (USDA), U.S. Department of Housing and Urban Development (HUD), and the U.S. Department of Commerce Economic Development Agency.
Congestion Pricing / Tolls / Rental Car Tax	Congestion pricing is the practice of charging motorists more to use a road during periods of the heaviest use. Tolls charge motorists for the use of roads, regardless of the time of use. Congestion pricing and tolls have a high correlation between those that benefit from road use and those that pay for road improvements. Congestion pricing reduces automobile use during periods of peak congestion. Congestion pricing and tolls encourage commuters to use alternative forms of transportation. Many communities levy taxes on rental cars to finance capital improvements. Such a tax can have the added benefit of encouraging transit use.
Urban, Small Town, and Rural Road Maintenance Districts	Urban Road Maintenance Districts (URMD), Small Town Maintenance Districts, and Rural Road Maintenance Districts (RRMD) could be established to help fund roadway operation and maintenance in urban, small town, and rural areas. Revenues generated within the district can be based upon the assessed value of property.
Street Utility Fees	A Street Utility Fee could be established through the current utility billing system to collect revenue to fund capital projects to address current roadway deficits.
Solid Waste Fees	Currently, the County's commercial landfill and refuse collections fees do not cover the full cost of solid waste services. The County could consider implementing a solid waste fee to cover services that are not currently covered by existing fees. For example, currently the County doesn't charge residential customers for landfill disposal. The County could implement a solid waste fee to cover the cost of these services.
Real Estate Excise Tax (REET)	REET consists of money derived from a dedicated percentage of the selling price of real property. Funds collected through a REET can be placed in a special fund to help fund CIP operations, maintenance and expansion projects. REET revenues will fluctuate with the local real estate market, which affects the amount of money collected annually from this source. Several mainland communities currently use REET to help fund capital projects. Set asides typically range from one quarter percent to one percent of the selling price of real property.
Transfer of Development Rights (TDR)	TDR's can be a helpful tool to reduce the cost of acquiring coastal lands and open space. Through a TDR program, the County could relocate potential development from areas where proposed land use or environmental impacts are considered undesirable to another site chosen on the basis of its ability to accommodate additional units of development beyond that for which it was zoned, with minimal environmental, social and aesthetic impacts.
Business Improvement Districts	Business Improvement Districts operate like Benefit Assessment Districts but are directed towards improving the business climate within a defined area. Business Improvement Districts commonly fund activities such as streetscape beautification, park maintenance, and public safety. Maui's various commercial districts, including downtown Wailuku and the surrounding Redevelopment Area, downtown Kahului, Pā'ia, and Kihei could benefit from the establishment of Business Improvement Districts.
Benefit Assessment Districts	Benefit Assessment Districts have become an increasingly popular financing tool used by local governments to help fund park, library, fire, flood control, and other capital projects. Properties within a Benefit Assessment District have an annual levy placed on their properties to help fund projects within the district. Many agencies throughout California have established annual park maintenance and future capital replacement benefit assessments in the range of \$100 to \$300 or more per year. These funds are used to finance capital improvements, land acquisition and related long term debt service, as well as the costs of on going maintenance. A Benefit Assessment can be applied to a neighborhood, special district, or larger geographical areas such as a Community Plan District, or the entire island.

Funding Source	Description
Peak Demand Pricing	Peak Demand Pricing is the practice of charging more to use public facilities or infrastructure during periods of the heaviest use. Typically, users of infrastructure are charged the same rate regardless of the time of use. Peak demand pricing has a high correlation between those that benefit from the use of a service and those that pay for the service. Peak Demand Pricing can also reduce use during periods when demand is the heaviest.
Resource Reserve Fund	A resource reserve fee covers allocation of resource from a given source, most often a natural system or water project. This may be useful in areas where anticipated demand is either higher than natural systems will bear, or where a limited allocation has been granted by the State to a given purveyor, or where a portion of a given resource is to be set aside for ecological purposes, or where other factors could generate competition for the same resource.
Depreciation Sinking Fund	A fund that takes revenues collected towards depreciation and puts them aside for replacement of the assets that are being depreciated. Replacement of depreciated facilities does not cost the same average amount each year, but rises and falls with the expense and number of facilities due for replacement. Such a fund could help to prepare for years when the necessary replacement investment is expected to be higher than average.

Table 10 - 21: Sources of Existing ~~or~~ Potential Revenues for Infrastructure

Infrastructure	Operation & Maintenance	Capital Investment (Deficits)	Capital Investments (Growth)
Wastewater	<ul style="list-style-type: none"> ■ Monthly sewer fees¹ ■ Monthly reclaimed water fees ■ Special District Financing 	<ul style="list-style-type: none"> ■ Wastewater hook-up (impact) fees ■ Bond financing and SRF loans based on rate revenues and fees ■ Special District Financing 	<ul style="list-style-type: none"> ■ Wastewater hook-up (impact) fees ■ Subdivision exactions for on-site improvements ■ Bond financing & SRF Loans based on rate revenues & fees ■ Impact Fees for regional improvements ■ Public-private partnerships ■ Special District Financing
Water	<ul style="list-style-type: none"> ■ Monthly water fees ■ Water system development (impact) fees ■ Special District Financing ■ Peak Demand Pricing 	<ul style="list-style-type: none"> ■ Water system development (impact) fees ■ Bond financing and SRF loans based on rate revenues and fees ■ Special District Financing ■ Strategic Budget Allocations ■ Depreciation-Sinking Fund 	<ul style="list-style-type: none"> ■ Water hook-up (impact) fees ■ Subdivision exactions for on-site improvements ■ Bond financing & SRF Loans based on rate revenues & fees ■ Impact Fees for regional improvements ■ Public-private partnerships / In-kind Contributions ■ Special District Financing ■ Strategic Budget Allocations ■ Resource Reserve Fee
Roadways	<ul style="list-style-type: none"> ■ Federal and State Funding Sources ■ County Gas Tax ■ Urban/Rural Road Maint. Districts ■ County Gas Tax 	<ul style="list-style-type: none"> ■ Federal and State Funding Sources ■ County Gas Tax ■ Congestion pricing / tolls ■ Street Utility Fee 	<ul style="list-style-type: none"> ■ Federal and State Funding Sources ■ Subdivision exactions for on-site improvements ■ Impact Fees ■ Public-private partnerships
Transit	<ul style="list-style-type: none"> ■ Federal and State Funding Sources ■ County Gas Tax ■ Urban/Rural Road Maint. Districts ■ County Gas Tax ■ General Fund ■ Farebox/Advertising 	<ul style="list-style-type: none"> ■ Federal and State Funding Sources ■ County Gas Tax ■ Congestion pricing / tolls ■ Street Utility Fee 	<ul style="list-style-type: none"> ■ Federal and State Funding Sources ■ Subdivision exactions for on-site improvements ■ Impact Fees ■ Public-private partnerships
Parks	<ul style="list-style-type: none"> ■ General Fund revenues ■ Benefit Assessment District 	<ul style="list-style-type: none"> ■ General Fund revenues ■ Bond financing based on GF revenues ■ Maui Open Space Preservation Fund ■ Benefit Assessment District ■ Real Estate Excise Tax ■ Transfer of Development Rights 	<ul style="list-style-type: none"> ■ Subdivision exactions for on-site improvements ■ Impact fees ■ Transfer of Development Rights
Solid Waste	<ul style="list-style-type: none"> ■ Landfill disposal and collection fees ■ Grant Revenues 	<ul style="list-style-type: none"> ■ Landfill disposal and collection fees ■ Grant Revenues ■ User charge & bond financing based on user charge 	<ul style="list-style-type: none"> ■ Landfill disposal and collection fees ■ Grant Revenues ■ Bond financing based on collection fees
Police / Fire	<ul style="list-style-type: none"> ■ General Fund revenues 	<ul style="list-style-type: none"> ■ General Fund revenues ■ Special District Financing ■ Bond financing based on GF & alternative revenue sources 	<ul style="list-style-type: none"> ■ General Fund revenues ■ Impact fees ■ Bond financing based on GF & alternative revenue sources

¹ Revenues that are currently used (existing) are indicated with ■ sign. Revenues that are proposed as potential new funding sources are indicated with ■ sign.

Capital Improvements and Financing

The following section identifies major CIP projects necessary to address existing service deficits and projected growth to 2030, and potential funding sources by infrastructure system. Implementation costs and dates provided below are estimates and have not been adjusted for inflation. Date ranges include: 2010 to 2015; 2016 to 2021; and 2022 to 2030. Identification of projects in this CIP plan does not legally bind the County to implementing these improvements; rather, the plan provides a guide for implementation of major projects to 2030.

WATER – MAJOR CAPITAL IMPROVEMENTS

Major projected capital costs to 2030 will be in the following areas: 1) source development; 2) improvement, replacement, and upgrade of waterlines; 3) construction and replacement of water tanks; 4) expansion and improvement of treatment plants; and 5) construction of new reservoirs. The majority of Maui's water infrastructure systems were constructed decades ago and is in need of major repairs and in some instances complete replacement. According to the Department of Water Supply (DWS), much of the island's water infrastructure is in fair to poor condition, especially transmission lines. Major repairs and replacements will be required to ensure the reliability of the island's water distribution system.

The following is a summary of the major capital improvement requirements for Maui's regional systems as described in chapter 6, Table 6-3. It should be noted that these costs do not include replacement of existing systems reaching the end of their useful lives. Estimated costs for such projects are roughly equal in magnitude for each area.

Table 10 - 32: Major Capital Improvement Projects – Water Systems

Project	Estimated Timing	Estimated Cost
Central Maui Water System		
Source development to meet demand to 2030. The Water Section of Chapter 6 outlined five source development opportunities for the Central Maui Water System. A wide range of costs exist for source development depending on the combination of new sources pursued. Source development costs ranged from \$90 million to \$140 million without large raw water storage reservoirs, and \$140 million to \$217 million with reservoir sizes of 300 million gallons and 1,000 million gallons respectively.	On-going	\$90 million to \$217 100 million
West Maui Water System		
The costs of source development to meet 2030 demand <u>may range significantly due to the sources pursued. from \$25 million to \$40 million based on different combinations of groundwater and water treatment plant expansion strategies.</u> These costs do not include the development of new raw water storage reservoirs. With various new reservoir configurations, source development costs increase to \$40 million to \$80 million.	On-going	\$25 million to \$80 40 million
Upcountry Water System		
<u>Upcountry source development costs are based on satisfying a significant portion of the upcountry water meter waiting list. It should be noted that this demand is far in excess of demand projected in the Maui Island Plan. Source development to meet 2030 demand in the Upcountry area are as follows:</u> 1. \$50 million for reference drill, pump, and boost plan 2. \$70 million to 140 million for various reservoir combinations; and 3. \$120 million for full basal well backup.	On-going	\$50 million to \$140 100 million
East Maui System		
Various combinations of source, storage and transmission improvements.	On-going	\$8 million to \$20 10 million

Current Revenues versus Projected Expenditures

Current DWS (Department) resources will not be able to keep pace with projected expenditures as operating and capital expenses increase.

The Department's CIP expenses can be broken down into the following ~~two~~^{three} categories: repair and maintenance; fire flow improvements; and growth-serving capital improvements. Due to the age of the island's water infrastructure extensive repairs and replacements to water lines, tanks, well pumps, treatment facilities, and other water system components will be necessary to address current deficiencies and ensure the reliability of County water supply systems.

As the island's population grows to 2030, water systems will need to be expanded to serve new growth areas. As such, acquiring additional water sources will be necessary to address the growing demand for water.

Funding Strategy

The County will need to raise revenues from current revenue sources and pursue additional sources to fund the Department's growing operational and capital expenses. The Department's funding strategy will follow the policies and strategies outlined at the beginning of this section.

1. Repair and Upgrades of Existing Facilities

Repairs, maintenance, and upgrades of existing water supply facilities and infrastructure should be borne by all service users. These costs are currently paid for through rates charged to individual customers, which make the distribution of such costs more equitable throughout the community. Water service fees are the primary funding source for maintaining existing facilities.

- **Water Service Charges:** ~~Bi-m~~^{Monthly} water service charges are the primary revenue source for water supply operations, as well as repair, maintenance, and upgrades to existing systems. To address rising operating and maintenance costs and to continue to strive for self-sufficiency, the Department will need to continually increase its rates. The Department has estimated that the County ~~will~~^{may} need to increase water service rates by ~~70%~~^{more than 50%} between ~~2007~~²⁰¹⁵ and 2025 to adequately fund maintenance and upgrade projects.

2. Facility Expansion

Costs associated with water supply storage and distribution system expansion should be borne primarily by new development to ensure that costs are distributed equitably to uses benefiting from the improvements. The primary funding mechanisms for funding infrastructure expansion will be subdivision exactions, water system development fees and impact fees and or special taxing districts. ~~Tables 10-1 (Description of Alternative Revenue Sources) and 10-2 (Sources of Existing or Potential Revenues for Infrastructure) identify additional funding opportunities to support water facility expansion.~~

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ROADWAYS – MAJOR CAPITAL IMPROVEMENTS

The following is a summary of the major capital improvement requirements for roads for each Community Plan region. The primary source relied upon for this section was the *County of Maui Traffic Impact Fee Study, Final Report 4-5* (March, 2013) prepared by CDM Smith-s for the County of Maui, Department of Planning. Both State highway and County road improvements likely necessary to accommodate island growth to 2030 are listed. However, State highway improvement costs are only presented for informational purposes and are not the financial responsibility of the County. Cost estimates for County roads will be funded through a combination of Federal, State, and County funds.

Current Revenues versus Projected Expenditures

Capital Improvement Project expenses can be broken down into the following two categories: repair and maintenance; and growth-serving capital improvements. Due to the level of use of many of Maui's roadways, repairs and replacements such as road resurfacing and bridge replacement will be necessary to ensure the reliability of the island's roadway network.

As the island's population grows to 2030, roadway systems will need to be expanded to service new growth areas.

Table 10 - 43: Major Capital Improvement Projects – Roadways

Project	Estimated Timing	Estimated Cost ²
Central Maui Roadways		
Secure right-of-way (ROW) and construct Kahului Airport By-Pass (State)	2016-2021	(\$63 million)
Secure ROW and construct Wai'ale Connector between Wai'ale and Maui Lani Waiko Road and Honoapi'ilani Highway	2016-2021	\$13-710-15 million
Secure ROW and construct Lono Avenue extension to Kuihelani Highway	2016-2021	\$2-32-3 million
Kīhei-Mākena Roadways		
Secure ROW and construct Kīhei North-South Collector Road	2016-2021	\$37.6 million
West Maui Roadways		
Secure ROW and construct Lahaina Bypass from Keawe Street to Lahainaluna Road (State)	2010-2015	(\$77 million)
Construct Keawe Street extension	2010-2015	\$7.6 million
Secure ROW and construct Honoapi'ilani widening from Aholo Street to Lahainaluna Road (State)	2010-2015	(\$24 million)
Secure ROW and construct Lahaina Bypass from Lahainaluna-Hokiokio Road to Launiupoko (State)	2016-2021	(\$66 million) TBD
Secure ROW and construct Mill Street extension from Aholo Street Honoapi'ilani Highway to Keawe Street (Conceptual)	2016-2021	\$23-820-30 million
Secure ROW and construct Lahaina Cane Haul Road from Ukumehame to Aholo Street (Conceptual)	2022-2030	\$17-515-20 million
Pā'ia -Ha'ikū Roadways		
Secure ROW for Hāna Highway Bypass (State)	2022-2030	(\$12.4 million) TBD

Funding Strategy

To cover growing operational and capital expenses, revenues will need to ~~increase~~ be annually evaluated. Depending on the amount of revenue from traditional funding sources, rates and fees may need to be adjusted. Additionally, Federal funds vary from year to year but, overall, have been very consistent for the last 20 years or so. Addressing escalating expenses will require a combination of increasing current revenue sources and pursuing additional sources.

1. ~~Repair and Upgrades of Existing Facilities~~ County Funding Sources

Repairs, maintenance, and upgrades of existing roadways should be borne by all service users. These costs are currently paid by the highway fund which is funded by the fuel tax, franchise tax, and weight tax. These taxes ~~could be increased to provide more funding for repairs, maintenance, and~~

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² Baseline cost estimates were prepared in 2010 dollars.

upgrades to existing roads need to be evaluated annually, as each revenue source is dependent on fuel consumption, vehicle registration and electricity demand.

- **Fuel Tax:** The fuel tax is based on the number of gallons of fuel purchased. It ²is one of the most direct user-related sources of funds available since the amount paid by drivers is proportional to trip length and vehicle weight.
 - **Franchise Tax:** The franchise tax is collected from a tax on 2.5% of annual gross receipts from electric light and power companies operating as public utilities in the County of Maui. In exchange, Maui Electric Company has the right to use County rights-of-way for the transmission of electricity to their customers.
 - **Weight Tax:** The weight tax is collected at a rate of one and one-fourth cents per pound of net weight for passenger vehicles, trucks, and non-commercial vehicles not exceeding 6,500 pounds, and two cents per pound of net weight for all other motor vehicles. This tax is collected as part of the annual vehicle registration process.
- ~~• **Congestion Pricing / Tolls:** Congestion pricing and tolls can be an efficient and fair tool to raise revenues for roadway construction and maintenance since there is a high correlation between those who pay for the use of a road and those who pay for road improvements.~~

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2. Facility Expansion State Funding Sources

~~The primary funding mechanisms for funding infrastructure expansion will be subdivision exactions, impact fees, and/or special taxing districts. Tables 10-1 (Description of Alternative Revenue Sources) and 10-2 (Sources of Existing or Potential Revenues for Infrastructure) identify additional funding opportunities to support roadway expansion. State funds are occasionally available, as certain projects can receive state funding generally as a match to County funding. This funding source is highly variable and unpredictable. Even if funds are placed in the State budget, there is no guarantee that they will be released.~~

3. Federal Funding Sources

Federal tax funds are redistributed to the states, who in turn sub-allocate their allotments to local jurisdictions, such as the County. These funds can only be used on roads designated for Federal funds, which are typically major collector roads. The enabling Federal legislation changes from time to time, but in general, the County has been able to secure between \$8M and \$12M+ annually for new construction, and reconstruction of roads and bridges.

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4. Private funding sources

New projects and subdivisions may have requirements to complete new roads or portions of new roads to service the project or subdivision. Such requirements must meet a 'rational nexus' test, i.e. the requirements must be based on a rational evaluation of existing safety and traffic needs. Additionally, the opportunity for public-private partnerships is always a possibility, as new projects that are only required to partially develop a road can partner with the County to fully develop the road.

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TRANSIT – MAJOR CAPITAL IMPROVEMENTS

Three major projects have been identified by the County Department of Transportation (CDOT) as necessary to accommodate projected population growth to 2030. Capital improvement projects are discussed from an island-wide standpoint rather than by region due to the interregional applicability of the projects.

Table 10 - 54: Major Capital Improvement Projects – Transit

Project	Estimated Timing	Estimated Cost
Maui Public Bus System		
Acquire land and construct transit center/baseyard in <u>develop plan for Central Maui transit hub/park-n-ride</u>	2016-2021	\$25 4 million
Acquire land and construct <u>develop plan for West Maui</u> transit hub and park-n-ride in Maalaea	2016-2021	\$4 million
Acquire land and construct <u>develop plan for South Maui</u> transit hub and park-n-ride in Central Maui	2016-2021	\$4 million

Current Revenues versus Projected Expenditures

To accommodate projected expenditures for transit operations, current revenues will need to significantly increase. ~~The transit system is currently operating at~~ primarily operates with one hour headways. As headways decrease across the system to every half hour, operational expenses will double; this necessitates a considerable increase in funding. Additionally, as service routes are added and expanded, operating costs will again increase.

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~~Due to the infancy of~~ As Maui's transit system matures, service, repair and maintenance expenses have been minimal. ~~However, these expenses are likely to increase as buses age and require more repair and maintenance.~~ Transit-supportive infrastructure will also require ongoing upkeep and repairs ~~after their installation~~ throughout the island.

Growth-serving capital improvements will place a large burden on the Department's budget as the transit system expands and improves. Three major transit facilities are needed in the near future to address current and anticipated demand. Costs associated with these facilities will be significant due to the need to acquire land and plan, design, and construct the facilities. Current revenue levels will not be able to cover projected capital expenditures.

Funding Strategy

The County will need additional funding to operate and expand the County's public transit system to 2030. The Department's funding strategy includes increasing current funding sources and pursuing new sources to cover system repairs, upgrades, and expansion.

1. Repair and Upgrades of Existing Facilities

To fund operations, repair, and maintenance of the transit system the County will continue to rely on the General Fund, Highway Fund, ~~and~~ FTA grants, farebox revenues and advertising revenues.

- **Bus Fares:** One-way bus fares are ~~one~~ two dollars for most routes with daily and monthly passes also available. Transit fare revenues are deposited into the General Fund. By charging for all Maui Bus routes and increasing transit rates across the system, transit fare contributions to the General Fund could be significantly increased.

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2. Facility Expansion

The primary funding mechanisms for funding infrastructure expansion will be subdivision exactions, impact fees, and ~~or could possibly include~~ special ~~taxing~~ districts. ~~Tables 10-1 (Description of Alternative Revenue Sources) and 10-2 (Sources of Existing or Potential Revenues for Infrastructure) identify additional funding opportunities to support transit expansion.~~ Other potential funding sources include:

- Federal Funding:** The County Department of Transportation should continue to rely on FTA grants for both operating and capital expenses. To fund the three major capital improvement projects previously discussed, the Department should apply for FTA grants. Under this program, grant recipients are required to supply ~~20%~~ matching funds for capital projects. The purchase of the land for the facilities could qualify as the ~~20%~~ local match, with planning, design, and construction expenses covered by the Federal grant. Funds may also be available once a Metropolitan Planning Organization entity is formed and enabling legislation enacted.
- Public Private Partnerships:** Many entities in the private sector benefit from the County transit service as an alternate mode of transportation for customers and alternate to providing employee parking. The County should continue to partner with the private sector to establish mass transit within the community. The private sector's involvement can vary from having service clubs maintain bus shelters to the dedication of land for transit purposes.

WASTEWATER – MAJOR CAPITAL IMPROVEMENTS

Major projected capital costs to 2030 will be in the following areas: 1) repair and upgrades to the existing aging plant and collection systems; 2) compliance with Environmental Protection Agency (EPA) Consent Degree requirements for continuing investigations and replacement of aging/leaking transmission lines; 3) expansion of wastewater reuse and distribution in Central, South, and West Maui; and 4) tsunami and shoreline erosion protection; ~~and 5) major repair, upgrades, and plant expansion to the Lahaina Wastewater Reclamation Facility.~~

Although the County's existing wastewater infrastructure was largely constructed during the 1970's and 1980's, the Department of Environmental Management, Wastewater Reclamation Division, indicate that with ongoing maintenance and upgrades ~~to the existing~~ physical treatment plants, collection, and transmission systems can be maintained in fair to good condition.

The following is a summary of the major capital improvement requirements for each system.

Table 10 - ~~65~~: Major Capital Improvement Projects – Wastewater

Project	Estimated Timing	Estimated Cost
<i>Wailuku-Kahului Wastewater System</i>		
Implement and maintain shoreline erosion and tsunami proofing of Wailuku-Kahului Wastewater Reclamation Facility <u>Repairs, upgrades, compliance, expansion, protection</u>	On-going	TBD
<i>Lahaina Wastewater System</i>		
Expansion of reclaimed wastewater system based on needs and cost effectiveness <u>Repairs, upgrades, compliance, expansion, protection</u>	<u>2010-2015 On-going</u>	TBD

Current Revenues versus Projected Expenditures

The Division's CIP expenses can be broken down into the following two categories: rehabilitation and replacement; and growth-serving capital improvements. Due to the age of the island's wastewater infrastructure, extensive repairs and replacements to sewer lines, force mains, pump stations, laterals, and treatment facilities will be necessary to ensure the on-going reliability of County wastewater systems. These CIP expenses will be considerable due to the extensive network of facilities.

Growth-serving capital improvements will also be a large component of the Division's future budgets. As the island's population grows to 2030, system capacity will need to be expanded to treat additional flows. Conservation of portable water resources will also create a greater demand for higher levels of

treatment and expanded reuse distribution systems to make treated water available. Both installing new infrastructure and expanding wastewater reuse will increase the Division's budgetary needs considerably.

Figure 10-2 identifies cumulative CIP costs over 5-year intervals from 2000 to 2030. Between 2005 and 2010, cumulative 5-year CIP costs ~~are anticipated to~~ increased from \$44.9 million to \$121.8 million, an average annual increase of 22%.

From 2010, these costs will increase at an average annual rate of 10% to \$197.2 million. To finance the increase in CIP, sewer rates will need to increase considerably to pay additional debt service. In addition to increasing sewer rates, greater use of alternative funding sources should be considered.

Funding Strategy

To cover the Wastewater Reclamation Division's growing operational and capital expenses, revenues will need to increase. The funding strategy should address costs associated with both repair and maintenance of existing facilities, as well as plant and collection system expansion.

1. Repair and Upgrades to Existing Facilities

Incremental repair, maintenance, and upgrades of existing facilities should be borne by all service users. These costs are currently paid for through sewer and reclaimed water rates. These revenue sources are further described below.

- **Sewer Rates:** Monthly sewer and cesspool fees are the primary revenue source for wastewater operations as well as repair, maintenance, and upgrades of existing systems. Cash from sewer rates is used to pay for capital projects or to pay down debt service associated with these improvements. It is important to note that these funds are not used to finance facility expansion, but only repair and maintenance of existing systems.

Due to rising costs associated with operating and maintaining the County's aging wastewater infrastructure, wastewater fee increases have occurred over seven of the last ten years. Since 2003, wastewater rates have increased by ~~50.75~~%, and are projected to increase by approximately 83% per year for the next five years.

- **Reclaimed Water Rates:** Like sewer rates, reclaimed water rates need to reflect more of the actual cost of delivering this resource to users. Significant expansion of reclaimed water distribution would require a considerable increase in rates due to debt service and pumping costs. This cost may actually be more than what it would cost to deliver potable water for non-potable uses. However, the external benefits associated with water conservation and reducing the island's reliance on injection wells also needs to be considered.

2. Facility Expansion

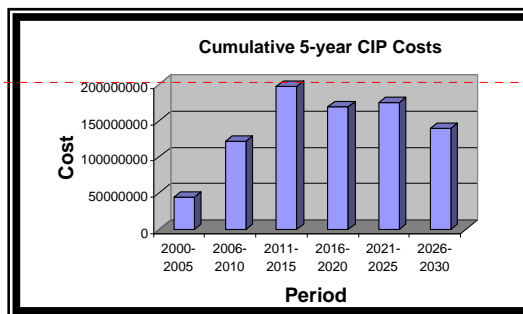


Figure 10-1. Cumulative 5-year CIP Costs.

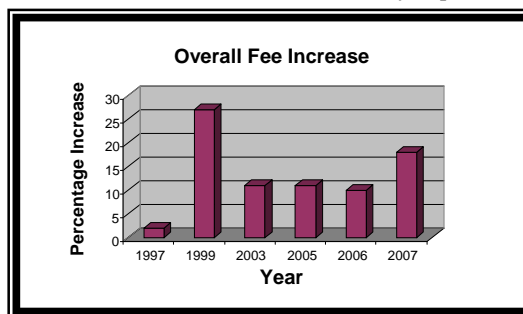


Figure 10-2. Overall Sewer Fee Increases.

The primary funding mechanisms for funding infrastructure expansion will be required subdivision ~~exactions~~improvements, impact fees, and/or special taxing districts. Tables 10-1 (~~Description of Alternative Funding Sources~~) and 10-2 (Sources of Existing ~~or Potential~~ Revenues for Infrastructure) identify ~~ies additional existing~~ funding opportunities to support wastewater facility expansion.

SOLID WASTE – MAJOR CAPITAL IMPROVEMENTS

Major projected capital costs to 2030 are expected to be in the following areas: 1) solid waste facilities design, permitting, and construction; 2) landfill expansion and closure; 3) recycling facilities and improvements; 4) implementation of the Integrated Solid Waste Management Plan (2009); 5) compliance with State Department of Health (DOH) and Environmental Protection Agency (EPA) permits and legal requirements; and 6) compliance with State and County Special Use permits and conditions.

~~The following is a summary of the major capital improvements requirements for the Department of Environmental Management, Solid Waste Division to 2030.~~

Table 10 - 76: Major Capital Improvement Projects – Solid Waste

Project	Estimated Timing	Estimated Cost
Central Maui Landfill		
Materials recovery facility	2010-2015	\$5 million
Central Maui solid waste facilities	2010-2015	\$15.5 million
Close Phase IV	2010-2015	\$2.5 million
Acquire land and construct Phase VI	2016-2021	\$10 million
Acquire land and construct Phase VII	2022-2030	\$17 million

Current Revenues versus Projected Expenditures

The Division's budget is driven by the handling and management of solid waste to achieve efficiency, diverting more tonnage of waste from landfills and implementing innovative options for managing waste as well as compliance with State DOH and EPA permits and requirements of State and County Special Use permits. Implementation of the ~~County of Maui Integrated Solid Waste Management Plan through various programs and projects would also significantly increase the Division's expenses. As waste generation grows on the island and the Integrated Solid Waste Management Plan (2009) is implemented, the Division's operating and CIP expenses will also increase.~~ programs and projects identified in the Division's Integrated Solid Waste Management Plan significantly increases the Division's operating and CIP expenses.

Growth-serving capital improvements account for the majority of the Division's CIP expenses. Major growth-serving capital improvement projects include land acquisition and landfill construction. As the island's population grows and the Integrated Solid Waste Management Plan (2009) is implemented to manage growing waste, solid waste capital improvements become necessary and funding will be needed.

Funding Strategy

The solid waste system is different from other County infrastructure and facilities in that implementing the Integrated Solid Waste Management Plan (2009) and construction and expansion of facilities will be needed regardless of population growth. Due to this fact, costs associated with solid waste system operation, repair, maintenance, construction and expansion should be borne by all users to ensure that costs are distributed equitably and the cost of financially sustaining the Solid Waste program and projects is maintained.

Implementation

The County will need to increase revenues to cover the Division's growing operational and capital improvement expenses. Addressing escalating expenses will require a combination of increasing current revenue sources and pursuing additional sources. Currently, general obligation bonds are used to fund the majority of the Division's capital improvement projects. These bonds will likely remain an important CIP funding source. The following solid waste funding strategy will ensure an efficient and equitable means of programming and paying for Solid Waste Division expenses.

1. Repair, Upgrades, and Expansion of Existing Facilities

- **Landfill Disposal Fees:** Landfill disposal fees are charged to commercial dumpers for disposal of waste at the County's landfills. Disposal fees include the tipping fee; green-waste disposal fee; bio-solids disposal fee; fats, oil and grease fees; and the recycling surcharge. To more closely cover the actual expenses of the landfill, rate increases will be needed.
- **Refuse Collection Fees:** Refuse collection fees are charged to residents for curbside waste collection services. The County will need to increase both landfill disposal fees and refuse collection fees as operation and maintenance expenses rise

Tables 10-1 (Description of Alternative Funding Sources) and 10-2 (Sources of Existing or Potential Revenues for Infrastructure) identify additional funding opportunities to support the expansion of solid-waste disposal services.

PARKS – MAJOR CAPITAL IMPROVEMENTS

Major projected capital costs to 2030 will be in the following areas: 1) acquisition of undeveloped park lands to address existing deficiencies and accommodate the projected population growth; 2) development of new park facilities and supporting infrastructure; and 3) on-going repair and maintenance of the existing facilities.

The following is a summary of some of the major long-range capital improvement projects being considered by the Department of Parks ~~&and~~ Recreation ~~(Department)~~.

Table 10 - 1: Major Capital Improvement Projects – Parks

Project	Estimated Timing	Estimated Cost
Central Maui		
Central Maui Regional Park and County Fairgrounds <u>Development</u>	2016-20 <u>24</u> 30	\$50 <u>160</u> million
Kīhei-Mākena		
South Maui Community Park Phase 1B & 1C <u>Development</u>	201 <u>06</u> -20 <u>15</u> 30	\$13 <u>70</u> million
South Maui Community Park Phase II <u>East Maui Park Development</u>	2016-20 <u>24</u> 30	\$20 <u>60</u> million
West Maui		
Kā'anapali West Maui Regional Park <u>Development</u>	2016-2030	\$40 <u>140</u> million
Pā'ia-Ha'ikū		
Baldwin Park Acquisition and Expansion	2016-2030	\$7 million

~~Other major park projects, or related projects, include the realignment of North Kīhei Road (Keālia), the Ho'okipa Expansion and Highway Realignment, the Pali to Puamana Parkway, and the Kā'anapali District Park.~~

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Current Revenues versus Projected Expenditures

With the island's growing population greater demand is being placed on the Department's facilities, the majority of which were constructed an average of 47 years ago. These aging facilities, designed for smaller populations, are maximized to over-capacity, impacting their operations and maintenance. The Department's budget is becoming increasingly inadequate to sufficiently address the island's recreation needs as a result of steadily increasing operating expenses.

Unlike water and wastewater where fees are collected and deposited into a special fund to finance operations and capital expenditures, the Department is funded predominantly through General Fund revenues. Because the General Fund is the primary source of funding for numerous other public programs and projects (such as the police, fire, highways, transit, and housing) it is especially difficult for the Department's projects to compete for limited General Fund dollars. The Department also receives funding from developers through the payment of park assessment fees. However, these monies are only sufficient to mitigate the impact to park facilities caused by new development, and are not intended to address existing deficiencies.

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With a growing population, and an economy and lifestyle that are highly dependent upon active and passive recreation, it is important that the Department explore avenues to develop additional revenue sources.

Funding Strategy

The County will need to increase revenues to cover the Department's growing operational and capital expenses. The County can achieve this through a combination of increasing current revenue sources and pursuing additional sources. ~~New funding sources should be targeted to acquiring land and facilities for active and passive recreation, including shoreline lands.~~

~~1.~~ Acquisition of Land and Facilities

All Maui Island residents should help fund the acquisition of park land and facilities to address existing deficits. However, new development should bear the cost associated with the acquisition of land and facilities to serve new growth. The following funding ~~strategy is designed~~ strategies are

currently utilized to increase park resources, and ensure an efficient and equitable means of programming and paying for the acquisition of park land and facilities.

- **Park Assessment (Impact) Fees:** Based on a level-of-service standard of 10-acres of sub-regional park land per 1,000 resident population, as described in the *Public Facility Assessment Update* (2007), and an average of 2.7 persons per dwelling unit, each new residential unit should contribute approximately 1,176 square feet of land area for parks and playgrounds. This is more than double the 500 square feet per unit that is currently required of new subdivisions. To address this inconsistency, the County should conduct a detailed level-of-service analysis, and thereafter, adopt level-of-service standards for each region of the island. The County's park assessment requirements should be adjusted to reflect the adopted standards.

- **Open Space, Natural Resources, Cultural Resources and Scenic Views Preservation Fund:** In 2002, seventy-three percent of voters in Maui County approved a Charter amendment mandating that a *minimum of one percent* of annual property tax revenues be placed into a special fund for the preservation of open space, natural and cultural resources, and the preservation of public access to coastal lands. In 2006, approximately \$1.56 million was placed into the Maui Open Space Preservation Fund, which was established to collect these monies.

~~• **Real Estate Excise Tax (REET):** REET consists of money derived from a dedicated percentage of the selling price of real property. Set-asides typically range from one-quarter percent to one percent. Assuming Maui County had such a program, in 2003 approximately \$9.2 million (1/4%) to \$36.8 million (1%) could have been generated to fund park projects based on the value of land transactions that year. If given authority by the State, REET could be considered as a potential funding source to support park land and open space acquisition programs.~~

~~• **Benefit Assessment Districts:** Benefit Assessment Districts have become an increasingly popular financing tool used by local governments to help fund park projects. Many agencies throughout California have established annual park maintenance and future capital replacement benefit assessments to help finance capital improvements that provide benefits to a specific district. These funds are used to fund capital improvements, land acquisition and related long-term debt service, as well as the costs of on-going maintenance.~~

~~The County should consider establishing such districts at a regional scale to help fund sub-regional park facilities, and at an island-wide scale to fund regional or island-wide park facilities.~~

- **State and Federal Funding Sources:** Certain park land acquisitions may qualify for State and Federal funds. Potential Federal funding sources include the National Oceanic and Atmospheric Administration (NOAA), the United States Department of the Interior, Fish and Wildlife Service (USFWS) Coastal Wetlands Acquisition Program and acquisitions associated with the USFWS Endangered Species Act. The Legacy Land Conservation Program and the Hawai'i Coastal and Estuarine Land Conservation Plan are also important potential funding sources.

2. Streetscape Beautification and Landscape Maintenance

~~• **Business Improvement Districts:** Business Improvement Districts operate like Benefit Assessment Districts but are directed towards improving the business climate within a defined area. Maui's various commercial districts, including downtown Wailuku and the surrounding Redevelopment Area, downtown Kahului, Pā'ia, and Kihei could benefit from the establishment of Business Improvement Districts. Business Improvement Districts commonly fund activities such as streetscape beautification, park maintenance, and public safety.~~

PUBLIC FACILITIES – MAJOR CAPITOL IMPROVEMENTS

This section discusses CIP projects and funding for fire control, police, government offices and parking.

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IMPLEMENTATION

The following is a summary of the major capital improvement requirements for public facilities to 2030. ~~The primary sources relied upon for this section were personal interviews with the Fire and Police Departments and general cost estimates for expanded government offices and parking facilities.~~

Table 10 - 2: Major Capital Improvement Projects - Public Facilities

Project	Estimated Timing	Estimated Cost
Regional Fire Facilities		
A new centrally located fire station which will include a fire training facility, Mechanic Shop, Storage Building, and Administration Building	2016-2021	\$31.2 million
Regional Police Facilities		
Kihei Police Station (to alleviate hardship to the Wailuku Police Station)	2010-2015	\$40 35 million
Government Offices and Parking		
Kalana O Maui, Old Courthouse, and Kalana Pāku'i improvements	2016-2021	\$50 million
New parking structure at the Municipal Parking Lot site		
Redevelop Old Wailuku Post Office		
Additional parking structure in the Civic Center District		
Additional office building in the Civic Center District		

Funding Strategy

The County ~~will~~may need to increase revenues to cover growing expenditures for public facilities to 2030. The primary funding sources for fire and police facilities together with government offices and parking capital costs are the County General Fund and G.O. bonds. As public facility expenditures increase to address existing facility deficits and projected needs, revenues from these two primary funding sources ~~will~~may need to increase. ~~However, since these two funding sources are also heavily relied upon by numerous other County agencies, it would be prudent for the County to pursue alternative sources of funding to augment the General Fund and G.O. bonds.~~

Facility Expansion

~~Tables 10-1 (Description of Alternative Funding Sources) and 10-2 (Sources of Existing or Potential Revenues for Infrastructure) identify additional funding opportunities to support public facility expansion.~~

PROJECT AND OPERATIONS MANAGEMENT

Implementation of the Maui Island Plan will require a coordinated effort from County and State agencies, the private sector and nonprofits, and the community. Implementation mechanisms include planning and regulatory approaches, capital improvement programming, ~~special implementation programs and~~ monitoring and evaluation. Managing and facilitating the plan's implementation will require the establishment of an efficient and comprehensive project and operations management approach.

Planning Department

The Department of Planning's ~~Long Range Division~~ will facilitate the implementation of the Maui Island Plan. The Maui Island Plan has many policies and requirements which contain action words such as: "encourage," "support," "ensure," "prohibit," and "protect." The ~~Long Range Division Department~~ will initiate studies, make proposals, and propose legislation to implement the Plan's policies and actions. The Planning Director may also adopt rules to facilitate the implementation and administration of the Maui Island Plan.

IMPLEMENTATION

The ~~Long Range Division Department~~ will work with ~~the various other~~ County ~~D~~departments, State agencies, Planning Commissions and ~~County Boards other decision-makers~~ to facilitate the Plan's implementation.

Coordinated Infrastructure Planning Strategy (CIPS)

~~The Mayor's Office should have primary responsibility to initiate and oversee the CIPS process. In addition, the Finance Department will need to coordinate with the Mayor's office and various departments to develop long-range funding plans for the CIP projects.~~

Monitoring and Evaluation

~~The Department of Planning will conduct monitoring and evaluation of plan implementation through its annual progress report to the Mayor and County Council. This effort will require close coordination with stakeholder agencies, community groups, and the private sector.~~

Implementation Program Schedule

As part of the Implementation Strategy, MCC Chapter 2.80B030.G.4 mandates the development of an implementation schedule to facilitate the implementation of Maui Island Plan policies and actions. The Implementation Program Schedule includes all proposals for action from all Maui Island Plan elements as well as major CIP projects. CIP projects identified in the schedule are derived from agency 6-year CIPs and long-range plans. The schedule does not represent a comprehensive list of all CIP projects; rather, major region-serving projects with an estimated cost over \$1 million are included to facilitate capital improvement programming and serve as a ~~heads-up~~ guide for forthcoming large infrastructure budget items. The list does not include repair and maintenance projects.

Components of the Implementation Program Schedule include a brief description of the project or initiative, priority, timing, lead implementation agency, ~~order of magnitude cost estimate,~~ and potential funding source(s). ~~A rationale code is provided to identify whether the action is required for public health and safety; required by legal mandate; required to prevent the loss of an irretrievable resource; required to improve efficiency; or required to improve the quality of life.~~ The Implementation Program Schedule is attached as Appendix ~~—~~ "A".

OTHER IMPLEMENTATION MECHANISMS

The Implementation Plan is intended to identify ~~specific programs, and projects and regulations that will need to~~ should be developed over the twenty-year planning period to help implement the Maui Island Plan.

In each chapter of the Maui Island Plan, there are implementing actions that set forth a procedure, program, or technique for effectuating the intent of the supporting policy or policies within its subsection. The County's role in realizing an action can vary depending upon how the implementing action is worded, and what resources exist to support its development. In some cases, the County may act as a support mechanism; in others as a direct contributor.

There may be programs, projects and regulations that have not been considered as part of this Plan, but will later be identified and receive support by their own accord or as a result of the policies or programs within this Plan. The Implementation Program should provide enough flexibility over the life of the Plan to allow for reprioritization, re-scoping, and adjustments to level of funding. ~~Most of the actions that will serve to implement the plan come in the form of the implementing mechanisms listed in this section.~~ Implementation of the actions listed within Appendix "~~()~~A." and within the Maui Island Plan elements are subject to available funding. ~~The estimated cost and proposed timing of each action may be revised annually within Implementation Plan status reports as new information is obtained.~~

Land Use

The primary means of implementing the directed growth strategy will be through the land use regulatory controls and programs. Existing and proposed planning and regulatory controls necessary to realize the recommendations of the directed growth strategy include:

- **State Land Use Law (HRS, Chapter 205):** State land use districting has helped to contain urban development to urban and rural designated areas. The County will need to work with the State to ensure consistency with the directed growth strategy.
- **County Zoning (MCC, Title 19):** Zoning is the primary land planning tool used on Maui to implement the desired pattern of future development. Updates to Title 19 will be necessary to implement this Plan. In particular, the lot size and density permitted in the agricultural district ordinance and expanding some districts to allow for mixed uses will be necessary to implement this directed growth strategy.
- **Urban Growth Boundaries (MCC, CH 2.80B):** Delineation of future urban, small town, and rural development is a key component of the County's managed and directed growth plan. The UGBs, STBs, and RGBs provide a consistent approach for deciding where urban, small town, and rural growth can occur, indicating the long term limits of development, and where non-agricultural values and land uses should prevail.
- **Urban Service Areas:** Service Areas closely follow UGBs and identify areas ~~that will and will not to~~ be supplied with County infrastructure and services. Both the UGBs and the Urban Service Areas are major tools for achieving the goals of the Maui Island Plan and will play a key role in guiding future growth on the island.
- **Transfer of Development Rights:** A TDR program allows for the transfer of development rights from an area with important natural, agricultural, or scenic resources to a designated area, which is suitable for development. ~~The~~ TDR program ~~is should be~~ designed to support the land use guidance system, particularly agricultural zoning and the establishment of urban growth boundaries. ~~The TDR program will need to and can~~ be utilized to preserve a combination of working farm lands and prime urban fringe agricultural lands that function as greenways and open space buffers.
- **Time Limits on Development Approvals:** ~~The County may place time limits on development approvals, or remove land from the urban, small town, and rural growth boundaries, to ensure that land within growth boundaries is used efficiently; newly adopted regulations and management systems can be applied; and changes in community values can be addressed.~~

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~~Development Impact Studies and Related Information~~ Environmental Review

Proposals to change land uses and the environment are often accompanied by an environmental assessment (EA), ~~or~~ environmental impact statement (EIS), ~~or similar development impact study when triggered by HRS, Chapter 343.~~ These studies provide a standard process and format to acquire, analyze and report the anticipated impact of development on the ~~natural, social and built~~ environment.

~~Proposals that require an environmental assessment (EA) or environmental impact statement (EIS) are typically prepared by a consultant hired and paid for by a project applicant. This can create the appearance of a conflict of interest. The County should ensure impartiality in the preparation of these documents. To achieve that, the County should work with the State to develop procedures that make the impact review process more transparent and effective.~~

The County should ~~also~~ ensure that the information provided in all permit and entitlement applications is current and can be used to effectively analyze existing conditions and projected impacts. Therefore, the County may require applicants to update required plans and studies when current data and information is needed to properly assess the impacts of a project.

Development Character & Density

The County's Community ~~and Specific Area~~ Plans, as well as various components of the development review and regulatory process, affect the character and density of new development. Each implementation mechanism provides the opportunity to carry out the development and land use goals and policies of the Maui Island Plan by creating both a framework and rules by which future development must conform. Each implementation mechanism is further described below:

- **Community Plans;**
- ~~Specific Area Plans;~~
- **Zoning;**
- **Subdivision Approval;**
- **Building Permits; and**
- **Design Guidelines.**

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The ~~County will update all~~ six Community Plans on Maui ~~will be updated~~ to reflect Countywide Policy Plan and Maui Island Plan goals and policies as they pertain to each specific region. Community Plans are more detailed than the Maui Island Plan and contain more region-specific policies and actions. Community involvement and input is an integral part of the Community Plan ~~update~~ process which ensures that each plan addresses its community's distinctive needs and concerns. Future updates to the Community Plans will place more emphasis on developing policies and programs to promote the formation of more livable communities at the town and neighborhood scale.

~~Specific Area Plans are even more detailed and are tailored to a specific geographic area. The specific plan process ensures that development of the area will proceed according to specific use, design, phasing, and financing provisions customized to the character and circumstances of that area.~~

~~Existing specific area plans, such as the Wailuku Redevelopment Plan, will be updated to reflect the goals of the Maui Island Plan and new specific area plans will be developed for other areas as needed. Additionally, developing specific area plans, with accompanying model ordinances (form based codes), for Project Districts and Planned Growth Areas is an important mechanism to ensure that these large-scale developments are planned and built pursuant to the land use policies of the Countywide Policy Plan and Maui Island Plan.~~

Zoning, subdivision, and building permit requirements are also important elements of the land use regulatory process and have a considerable influence on the character and density of new development. Zoning regulations control the use, intensity, and character of development on the land. The Maui Island Plan makes recommendations for urbanization of certain non-urban lands. These recommendations will require that the zoning on these lands be changed from predominantly agriculture, to a non-agricultural use. Moreover, there are numerous recommendations for revisions to the zoning code to allow for more mixed-use and higher density development within our existing and planned urban areas as well as changes to our rural and agricultural zoning policies and standards. This should comprehensively rezone lands to implement updated community plan map designations.

The subdivision approval process requires project improvements, which may encompass on-site grading, roadways, curbs, gutters, sidewalks, sewer, water, and electric, to conform to zoning and infrastructure standards. Subdivision requirements can have a significant impact on the character and form of development as well as the probable environmental and socio-economic impacts associated with a project. The requirement for issuance of building permits prior to construction helps to ensure that the approved

site and architectural design for the project is implemented and that the project complies with the Uniform Building Code (UBC). The Maui Island Plan makes recommendations for revisions to the subdivision standards and building permit process. The Planning Director and the Director of Public Works shall have the authority to adopt rules to facilitate the implementation and administration of some Maui Island Plan policies and actions.

HERITAGE RESOURCES, HOUSING, AND ECONOMIC DEVELOPMENT

~~Heritage Resources, Housing, and Economic Development goals, objectives, and policies will be implemented through the Directed Growth Plan, revisions to existing planning and regulatory approaches, establishing various incentives, implementing special programs, and developing the CIP in accordance with the Maui Island Plan's goals, objectives, and policies.~~

Planning and Regulatory Approaches

~~Numerous Federal, State, and County planning and regulatory approaches exist to protect heritage resources, provide affordable housing, and stimulate economic development. Such planning and regulatory approaches at the State level include a combination of plans, programs, and regulations such as the State's Land Use and Coastal Zone Management Laws, Polluted Runoff Control Program, Hawai'i Ocean Resources Management Plan, and various agricultural and economic development programs. Such planning and regulatory approaches at the County level include the community plans, zoning, subdivision requirements, and various plans and programs to support public transit, agriculture, economic development, the environment, and the socially disadvantaged. Existing planning and regulatory approaches will be updated through the adoption or revision of ordinances and rules to implement the policies and actions of the Maui Island Plan.~~

Incentives

~~Incentives are also an important method of implementing Maui Island Plan goals and policies. Various incentive programs will be implemented related to Heritage Resources, Housing, and Economic Development. Incentive programs include permit streamlining, density bonuses, tax incentives, and various forms of government subsidies. Ensuring greater predictability in the development process and providing increased timeliness in all planning and regulatory processes is a key incentive program recommended in the Maui Island Plan.~~

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Special Implementation Programs

~~Numerous special programs and initiatives are proposed in the Heritage Resources, Housing, and Economic Development Elements which are key components of implementing Maui Island Plan goals, objectives, and policies. Many of the proposed special programs are inventories, studies, or plans. New inventories and studies will serve as information gathering and analysis tools and will provide a foundation for planning and decision making. Existing plans will be updated and new plans will be drafted as needed to manage heritage resources, housing, and economic development in accordance with the Maui Island Plan. Existing programs will be expanded and new programs developed and implemented such as the establishment of a Transfer of Development Right (TDR) program, expansion of the County's agricultural parks program, and establishment of a Beach Management District program.~~