



# OahuMPO Technical Advisory Committee

January 11, 2019



- I. Call to order by Chair
- II. Introductions/Roll Call



## III. November 9, 2018 Meeting Minutes



## IV. Reports

### A. Executive Director



## V. Old Business None



## VI. New Business

### A. Ewa Transportation Impact Fee Program Update



# EWA IMPACT FEE

2018 Update

Regional Planning Branch (RPB)  
Department of Transportation Services (DTS)

October 2018

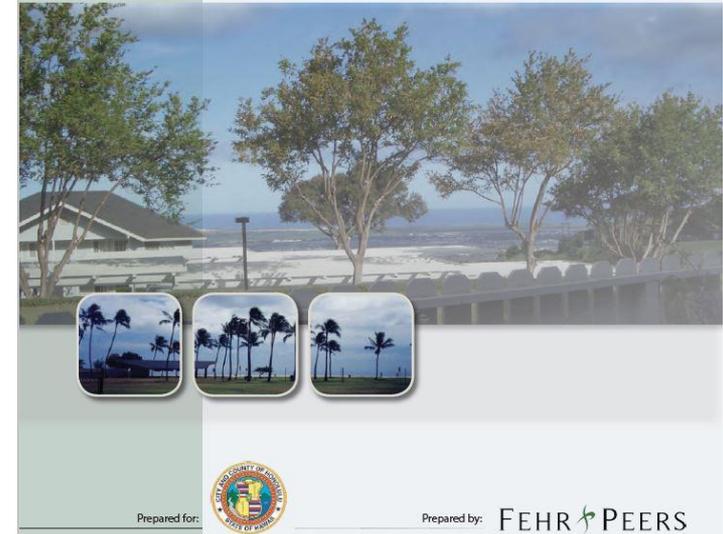


# PURPOSE

## WHY impact fees?:

Provide fair share of funding for roadway projects to support growth in Ewa:

- Use land use projections and OahuMPO model to identify deficiencies
- Prepare cost estimates and determine share among agencies and new development



# Impact Fee 101 - The Fundamentals

- Established in areas anticipating substantial growth and major infrastructure needs
- Development exactions must be roughly proportional to development's impact.
- Link fees charged for each land use category to their respective demand for services
- Reflects changing fiscal landscape
- Provides certainty to developers regarding costs and to agencies regarding additional funding

# Impact Fee 101 – Fundamentals (cont.)

- Impact fees don't pay for:
  - ▣ Existing deficiencies
  - ▣ Operating/maintenance/non-capacity expenses
  - ▣ On-site/frontage improvements
  - ▣ Cost paid by taxes, grants, other user fees, etc.
- Issues
  - ▣ Focused growth areas
  - ▣ Infrastructure needs
  - ▣ Housing supply pressures
  - ▣ Economic considerations
  - ▣ Limited local, state and federal funding

# Impact Fee 101 – Fundamentals (cont.)

- Trend in Preparing Fee Programs:
  - ▣ 10yr+ program tied to planning horizons but more frequent updates
  - ▣ Simpler programs with fewer zones
  - ▣ Higher rates
  - ▣ Inclusion of multi-modal improvements
  - ▣ Annual inflation



# HISTORY

## **Plans, Ordinances, and Agreements:**

- Ewa Highway Master Plan from May 31, 2002
- ROH Chapter 33A -1.6 (i) from 2002:
  - “shall review the Ewa highway master plan once every five years...”
- RESO 07-005 IGR with DTS and HDOT
- OahuMPO OWP WE 203.75-09/14
  - Draft reports in 2011, 2015, and 2017



# NEW PROJECT SUMMARY

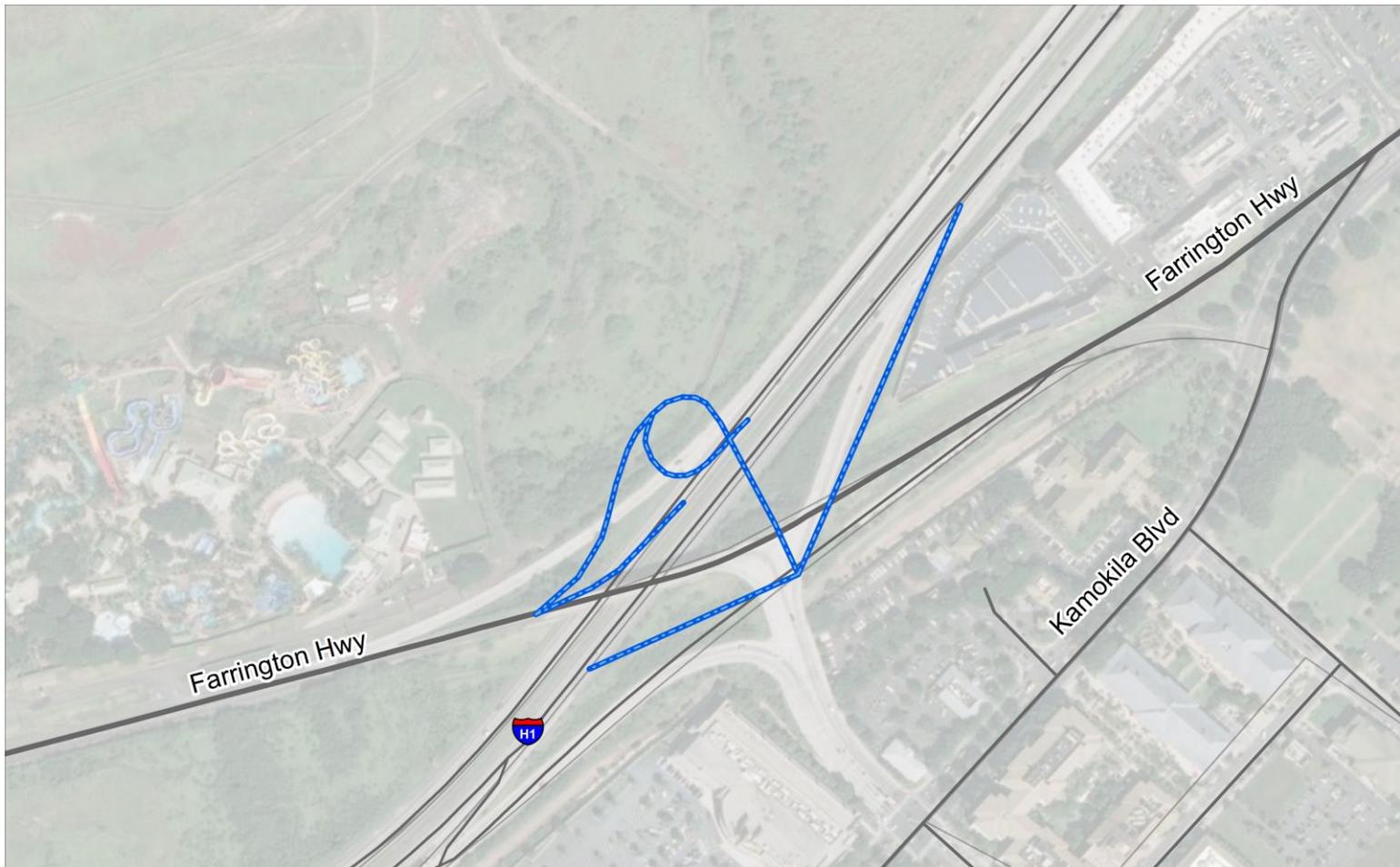
## **Plans, Ordinances, and Agreements:**

- 10 improvement projects
  - Draft reports in 2011, 2015, and 2017



# NEW PROJECT SUMMARY

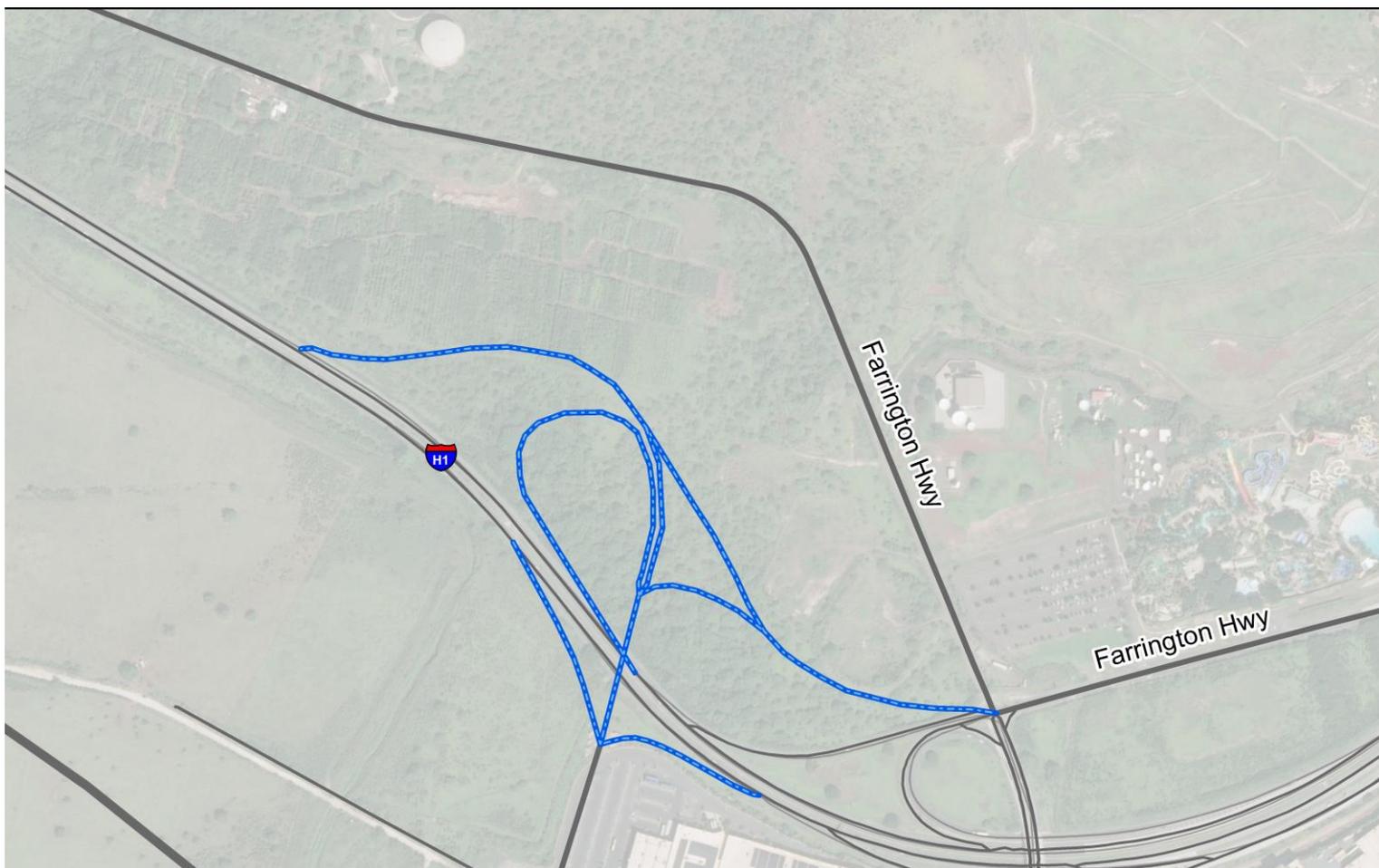
## Kapolei Interchange - Phases 3 and 4





# NEW PROJECT SUMMARY

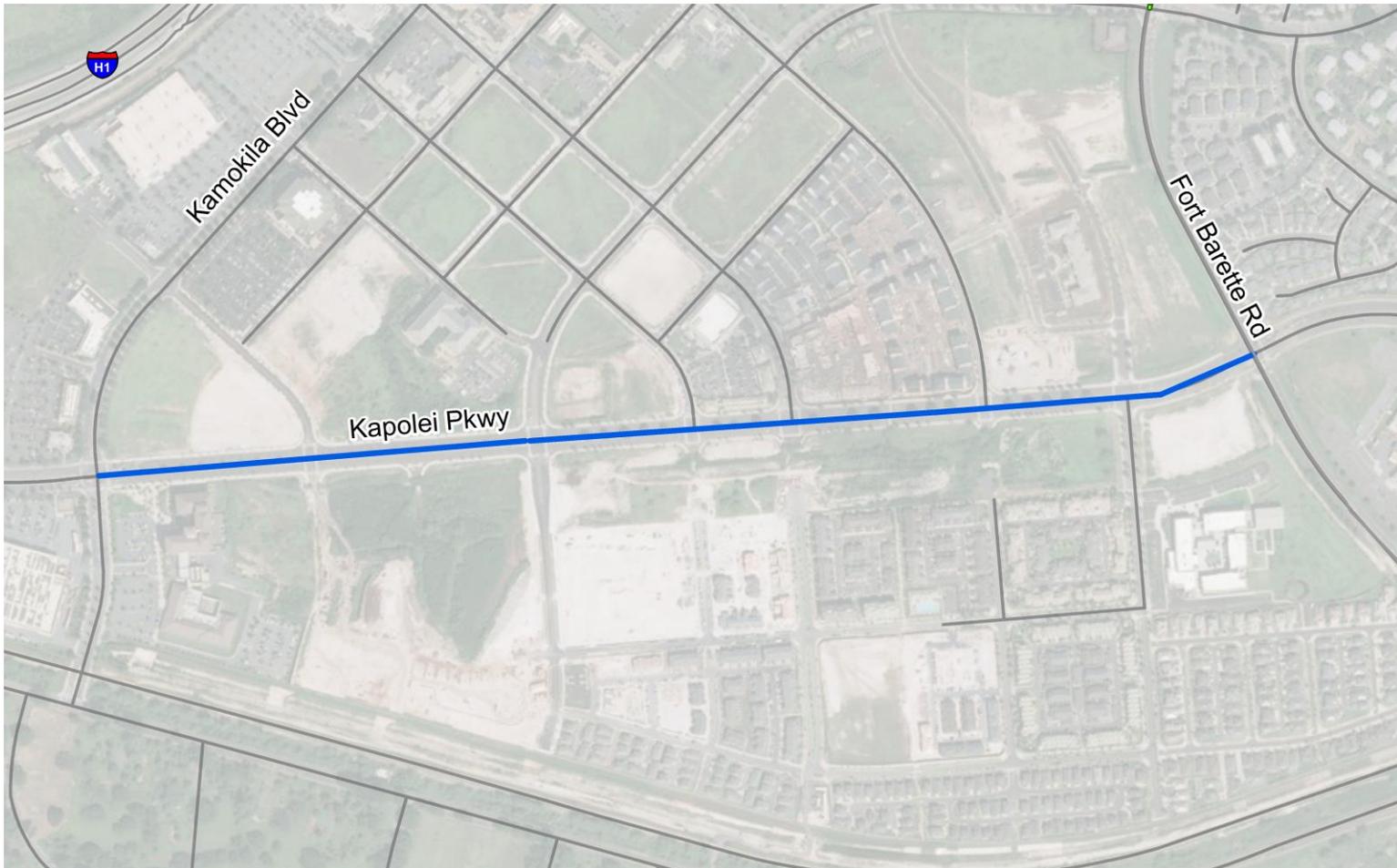
## Palailai Interchange





# NEW PROJECT SUMMARY

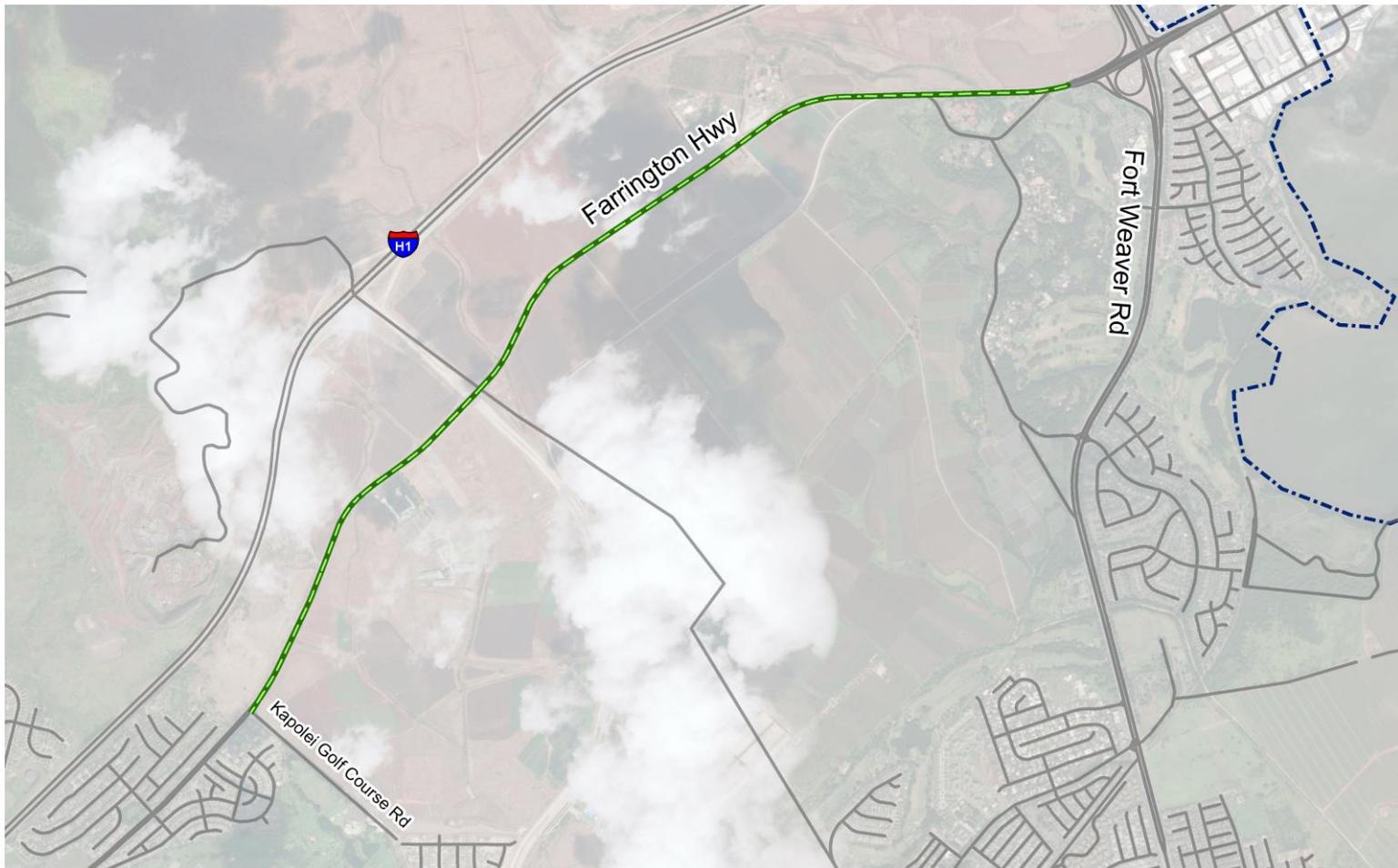
## Kapolei Parkway Gap Closure





# NEW PROJECT SUMMARY

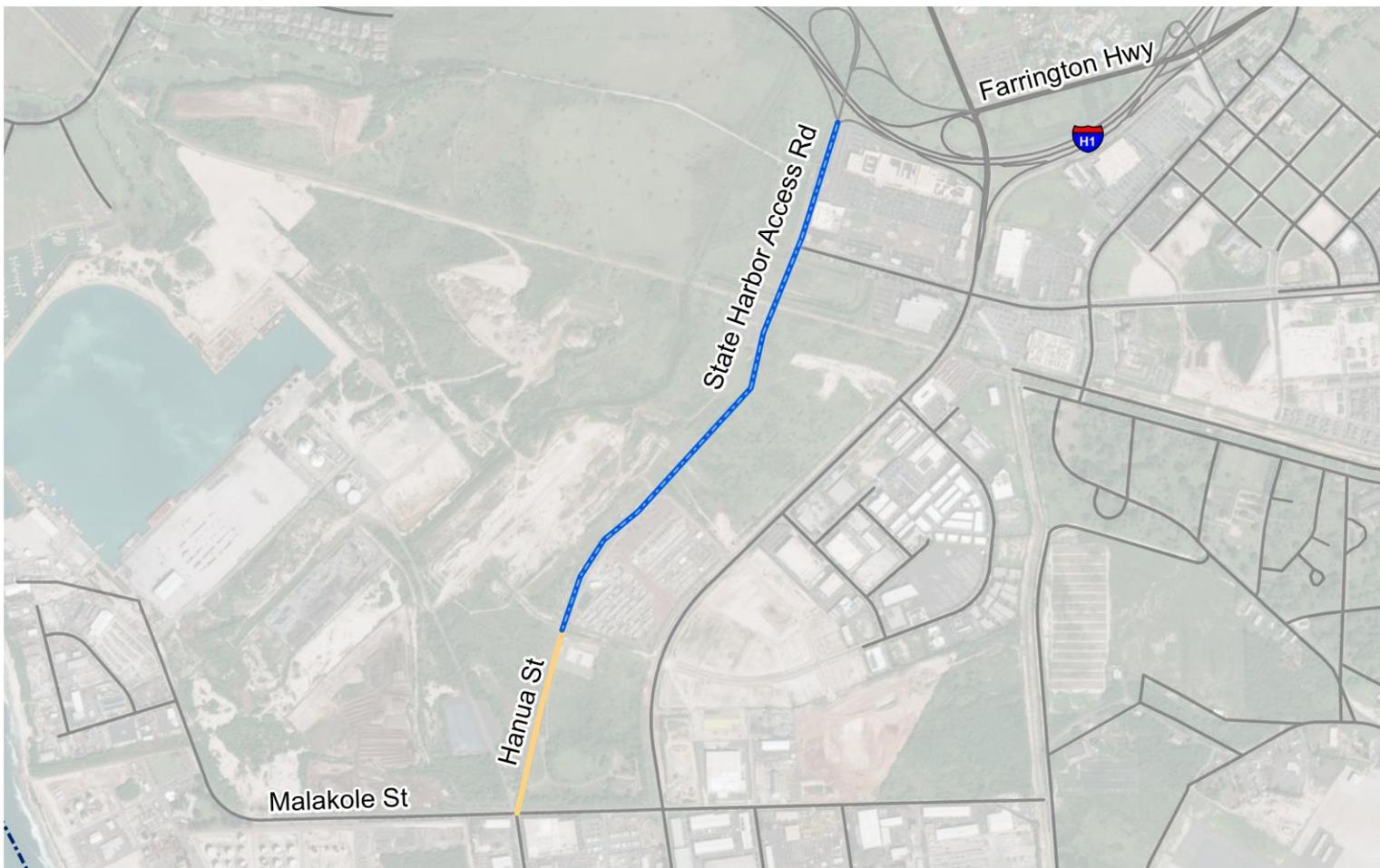
## Farrington Highway Widening





# NEW PROJECT SUMMARY

## State Harbor Access Road





# NEW PROJECT SUMMARY

## Fort Barrette Road Widening





# NEW PROJECT SUMMARY

## Kapolei Parkway-Alii Nui Extension





# NEW PROJECT SUMMARY

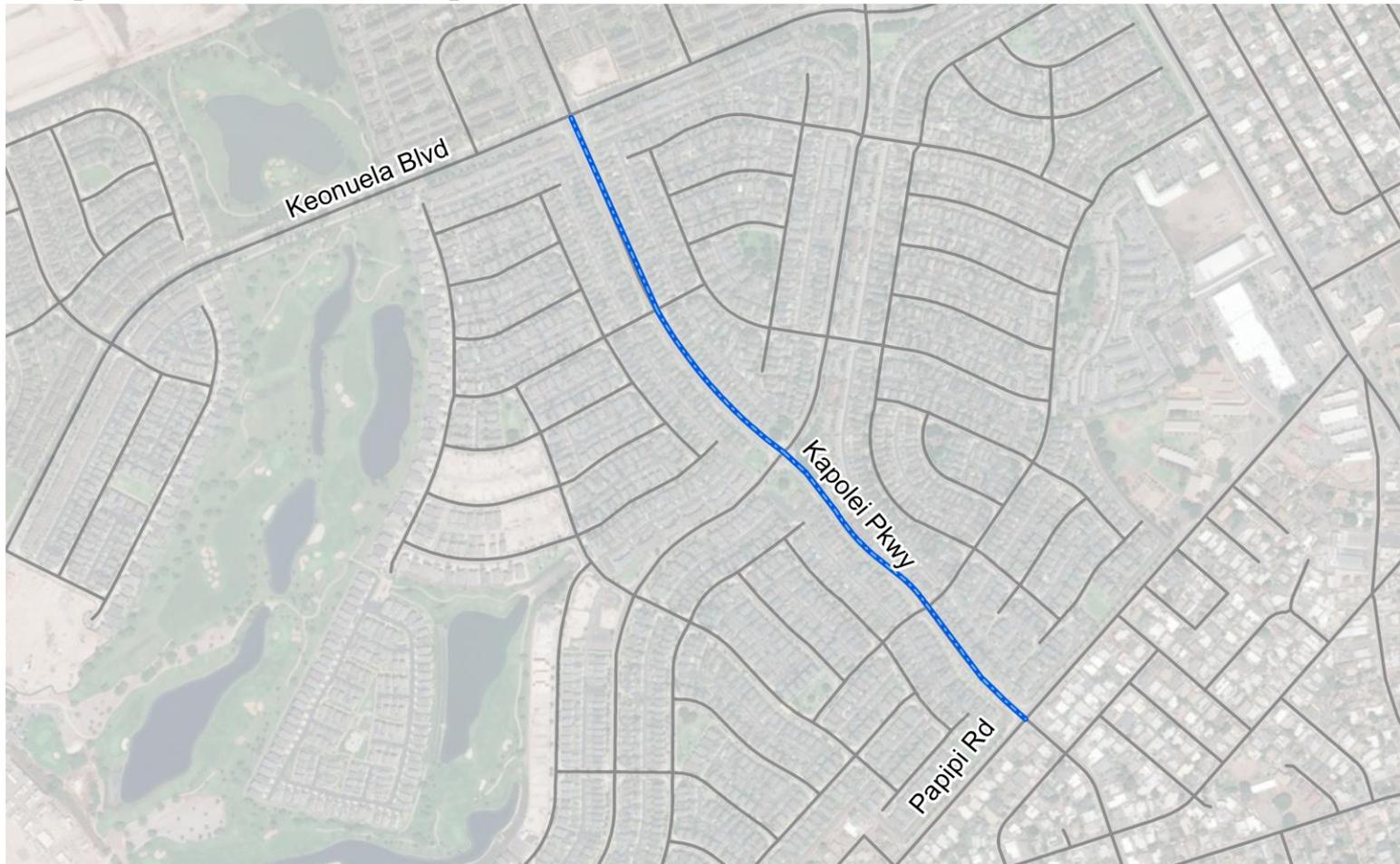
## Kualakai Parkway Extension





# NEW PROJECT SUMMARY

## Kapolei Parkway Widening





# WHERE ARE WE NOW?

## □ **Executive Committee**

- 11 Meetings from 2009 – 2017
- DTS, DPP, and Property Management
- HDOT-HWY, DHHL, HCDA, UHWO, HHFDC
- LURF, Kapolei Property Development, Ko Olina Resort, D.R. Horton, Haseko, Gentry Homes, Gentry Homes, and Castle & Cooke Homes Hawaii

## □ **Documents for Review**

- Ewa Transportation Impact Fee 2020 Update: Final Compilation Report - September 2017
- Ewa EC Draft Comment Matrix
- Draft Bill for Ordinance Update



# Comments

- 29 Comments from The Resort Group, Kapolei Properties LLC, HHFDC, DTS, HDOT, Gentry Homes, and HCDA as of October 6, 2016

Type	# of Comments
Escalation	1
Subsidize	4
Administration	3
Add Project	9
Correct	4
Update	8



# Escalation

## **Reduce Escalation:**

- The use of a 4% escalation factor is supported in the report. Future updates to the report should reevaluate the escalation factor.



# Subsidize

## **Change Fair Share back to 20% (4 comments):**

- City Council could identify an alternative funding source to subsidize the developer's share. This is a policy option that will be presented to Council.
- Use of a "rational nexus" between the fee and the needs created by development and the benefits received by the development is the most common approach to impact fees nationally.
- Government agency could receive credits if they build a roadway that was expected to be partially funded by developers.



# Administration

## **Refunds, credits, and community benefits:**

- Section 33A-1.9 (a) provides the option to refund fees.
- If HHFDC remains the applicant, then the credits would be allowed.
- Affordable housing is the first item listed under community benefits in DPP's application instructions. DTS expects that the practice of transferring credits to affordable housing projects can continue.



# Add Project

**Add back projects eliminated prematurely, issue credits for “oversized” projects, and fund active transportation share (9):**

- H-1 Kapolei Interchanges (\$93,850,000);
- Kapolei Parkway (\$32,442,600); and
- Bicycle, Pedestrian, and Transit Access (\$26,355,600) for an
- Additional Fair Share to be Borne by New Development of **\$94,596,417**.



# Correct

**Locations listed is incorrectly, statement on economic impacts, and HDOT authority:**

- All corrections made.



# Update

## **Go back to the drawing board and use 2017 or 2018 as the baseline year in order to make the Update**

- The Ewa highway master plan shall be reviewed once every five years. Funding will be sought to perform the next scheduled update.



# Update

**HSDA is working toward adopting a Community Development Plan for the District that will look at strategies for bring roads within the District up to standard working with landowners, City, and HDOT.**

- Projects should be included in the Oahu Regional Transportation Plan (ORTP) before being funded in the Ewa Highway Impact fee program.
- The Keoneula Boulevard Extension doesn't have a project sponsor and is estimated to cost more than \$227 million, which is beyond the scope of the fee program.



# Update

## **Update include real-time and measurable planning information:**

- The purpose of the plan is to "establish a developer impact fee to help contribute to building roadway infrastructure" not to be a real time progress report.
- Completed projects must often remain in the program because they were constructed with other financing means and "credits" issued remains outstanding.
- This is an update not a new program.



# Comparison to Other Jurisdictions

## □ 2015 Survey Data

Jurisdiction	2015 Roadway Impact Fee			
	SFR (/du)	MFR (/du)	Office (/sf)	Retail (/sf)
Ewa (Raw)	\$7,641	\$4,168	\$13.20	\$14.38
California	\$6,272	\$4,120	\$6.41	\$10.15
Florida	\$3,307	\$2,346	\$3.21	\$5.77
Maryland	\$4,890	\$3,458	\$2.93	\$3.31
Oregon	\$3,923	\$2,638	\$4.46	\$8.74
Washington	\$2,871	\$1,776	\$5.51	\$7.53

Source: 2015 National Impact Fee Survey (Duncan Associates)



# Ewa Impact Fee Update

**Options for Discussion**



# PROJECT TIMELINE: 2018-19

## Next Steps:

- Transmit report to Mayor and Council\*
- Transmit revised ordinance to Mayor and Council
- Revise fees and ordinance as needed
- Present to City Council for review and approval

\*Report also needs to be presented to the OahuMPO TAC / PB



# The End

Mahalo!

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## Requested Action

- *Recommend Policy Board approval as evidence that the work was carried out and direct staff to use the study recommendations in the OahuMPO's planning processes.*



VII. Invitation to interested members of the public to be heard on matters not included on the agenda

VIII. Announcements  
Next meeting is scheduled for February 8<sup>th</sup> at 9 am in the HART Board meeting room

IX. Adjournment