

# Improvement District Process

An Improvement District (I.D.) within the County of Hawaii is a specific area, decided on by the community and approved by the council, as needing improvements, that by scope, necessitate the need for a long term bond to cover costs for construction. The process is covered under HRS 46.80 and Chapters 12 and 32 in the Hawaii County Code.

The process is public input oriented. The I.D. is funded via yearly assessed value payments based on the finished nature of the overall improvements. There are a series of pass/fail votes that shape the nature of the improvement district including but not limited to infrastructure location and build, government bond and payment structure. Roads will be designed by the County of Hawaii, built by a licensed contractor to dedicable standard and at the conclusion of the project will be dedicated to the County of Hawaii. If roads are unable to meet dedicable standard after construction due to physical limitations, a variance allowing the roads to be accepted as built will be drafted to accept as is. Each assessment area can cherry pick roads to be completed or it can encompass all roads and/or just major thoroughfares. All bonds will be repaid by site specific assessments per Chapter 12 in the Hawaii County Code by owners of TMKs who benefit from the improvements.

## The General Steps for the I.D. are as follows:

1. Prepare and pass a resolution to prepare a directors report for a feasibility study for each area (TMK, Subdivision, etc.) and the roads/infrastructure to be improved through the appropriate Department (Dept. Of Public Works, Dept. of Water Supply).
  - a. Improvements are decided by the community.
  - b. The County fronts the costs to do the feasibility study
  - c. Requires the Dept. of Finance to check Revolving Fund/Improvement District Fund
  - d. In sum, this portion finds: the estimated cost of the improvements, the portions of the cost to be borne by the county, and the portions of the cost to be assessed against the assessment units specifically benefitted with the maximum unit of assessment to be made.
  - e. Includes: bond, interest rate on bond, maximum estimated units of assessments
2. Council Resolution to accept Report & feasibility Study Schedule Public Hearing (this hearing is council initiated)
  - a. 1 hearing
  - b. Each homeowner contacted by certified mail/notice.
  - c. Silent/no answer votes are counted as a yes
  - d. If 50% or more of qualified stakeholder say “no”, the resolution dies and the I.D. fails
  - e. If no protest, create resolution to authorize Dept. of Public Works to design and build I.D.
  - f. Cost of project defined

3. Bid goes out for Dept. of Public Works.
4. Accepted bid for work must be within +/- 10% of original bid amount.
5. If bid is with 10% - Adopt council ordinance to form the Improvement District
6. Construction begins

### **Assessment Criteria**

1. The cost of the special improvements as decided by the I.D. process may be based on and/or include:
  - a. Frontage
  - b. The area of the assessment unit
  - c. The Permissible number of dwelling units permitted on each parcel under applicable zoning provisions
  - d. Amount of water allotted to each assessment unit
  - e. Minimum required sewer capacity of assessment unit
  - f. Traffic generation/usage for road improvements
  - g. The square footage of buildings and or other improvements

### **Pros**

Construction by third party

Homeowner fees = assessments

Homeowners association don't act as a middle man

Nice Roads

Decided by community via mail out vote

Overcomes non dedicable standard issues of pre 1966 subdivisions

Possible to combine other projects (i.e. water, Mass Transit, Connectivity) to lower overall project cost and incorporate other funding sources (USDA, HIEMA, FEMA, CDBG, GET)

### **Cons**

Homeowner fees = assessments

Expense (assessment+property tax)

Increased traffic flow on upgraded roads

More accessible roads = more population growth