



Developer's millions not the answer, mayor says

By Lester Chang - THE GARDEN ISLAND

Two proposed multimillion-dollar resort developments in Waipouli will create more problems for Kaua'i residents than the \$12.4 million that has been offered to ease traffic congestion and address critical infrastructure problems in East Kaua'i will relieve, Mayor Bryan Baptiste said yesterday.

"Where we are today, the offer has to be something the (Kaua'i County) Planning Commission couldn't refuse," Baptiste told reporters during a meeting in his office at the Lihu'e Civic Center. "What is being offered is not the answer."

Baptiste said he doesn't have a new figure, but noted engineers employed by the developers could produce a figure that could be fleshed out by county leaders and evaluated.

Representatives for the developer said the \$12.4-million offer is on the mark.

"We are disappointed that the mayor has not recognized the many benefits our project will bring to the community in terms of traffic improvements, water storage and sewer upgrades," Mitch Heller, manager of the Coconut Beach Resort, one of the developers, said in an e-mail to The Garden Island.

Heller said, "Our commitment to improve Kauai's infrastructure goes well beyond our statutory requirements and is unprecedented in scope."

Heller said the Coconut Beach Resort's share of the \$12.4 million is about \$8 million. "Our fresh water and wastewater hook up fees amount to about \$3.3 million," Heller wrote.

"Rather than paying the fees for fresh water and wastewater service as we develop our project over the next five to six years, we're willing to pay that sum over the course of the first year following approval of our applications by the planning commission," Heller wrote.

He also said "much of the balance of our \$8 million is voluntary and we've suggested that approximately \$3.75 million should be directed toward property specific and regional traffic improvements."

The overall contribution, which is unprecedented, marks a positive move to try to fashion solutions to infrastructure problems in the region, Heller said.

“Allowing us to be the first of the East and Northside developers who make major impact fee contributions gives the county and the state Department of Transportation the means to complete at least one of the projects on the mayor’s list,” Heller said.

The \$12.4 million offer got a nod of approval from Phil Fudge, one of the owners of Kauai Landmark Realty and a member of the Kapa‘a Business Association, a powerful business group that has lobbied for more traffic improvements. Fudge said he was speaking as a private citizen on the \$12.4 million offer.

“I just felt they were good for the community mainly because they (the developers) brought together the stakeholders, the state, county and community, and business people, something that has never been done before,” said Fudge, who served on a traffic coalition established by the two developers to try to find traffic solutions.

Baptiste said the \$12.4 million offer is welcomed, but noted \$7 million of it is money the developers are paying “up front” now, rather than pay as they build.

The developers would probably pay out those funds later, as part of “the facility reserve charges” that would be imposed on the projects by the Kaua‘i County Water Department and the Kaua‘i County Wastewater Division, he said.

There would be no point for the county to accept money at this time to improve the wastewater treatment plant at Lydgate Park, because a plan to look at how to upgrade the plant is ongoing, said Ed Tschupp, who heads the county’s wastewater division.

“We aren’t even going down that road yet,” Baptiste said. As for the \$12.4 million offer, “the only real money is \$5.4 million,” he added.

Baptiste said preliminary estimates indicated as much as \$40 million would be needed to widen Kuhio Highway between the Kapa‘a Bypass Road and the entry to the Kauai Village Shopping Center to “cover the cost of converting the roadway from two lanes to four.”

Baptiste said the county needs “expedited traffic mitigation projects that provide outlets to Kapahi, Wailua Homesteads, and Wailua Houselots as quickly as possible.”

Extending Pouli Road in Waipouli would provide an “alternate route for Kapahi residents, connecting Pouli Road to Wailua Houselots would allow additional access to this area and having four lanes from the Kapa‘a Bypass to Safeway would greatly alleviate traffic congestion for Wailua Homesteads residents,” Baptiste said.

Currently, Coconut Plantation Holdings is seeking permits from the Kaua'i County Planning Commission to develop a 12-acre project called the Coconut Plantation Village. Coconut Beach Development, meanwhile, is seeking approval to build out a 20-acre project.

The smaller project is proposed to be developed on the north side of the Courtyard by Marriott Kauai at Waipouli Beach. The larger project is to be built on the beach between the Courtyard by Marriott Kauai at Waipouli Beach and the Kauai Coast Resort at the Beachboy.

Baptiste said the proposed developments, as they are envisioned today, are not good for Kaua'i.

He noted:

- Neither project is planned for residents. One is a luxury condominium with a starting price of \$1 million per unit and the other is a timeshare;
- The resorts, if they are allowed to be built, would be located next to a state highway "with terrific problems."
- Without infrastructure improvements, these developments would place undue burden on the area.

When the county's comprehensive zoning ordinance was approved in 1972, the two proposed developments were given zoning and "entitlements without having to pay impact fees or having any conditions placed on them like affordable housing," Baptiste said.

Affordable housing may not have been as needed in the early 1970s, but is sorely needed today to help local residents remain on the island, Baptiste said.

Baptiste said while "case law says we cannot ask these developers for affordable housing, developers will have to import employees to the island, adding a burden to our housing inventory."

At the same time, existing Kaua'i businesses have struggled to fill positions, "so these developments would also impact on our employment pool," Baptiste said.

On the issue of impact fees for dwelling units to be built that would be connected with the two proposed Waipouli projects, a county fee schedule has never implemented due to economic conditions, Baptiste said.

An impact fee study by former Mayor JoAnn Yukimura's administration in 1992 recommended a fees schedule for various categories of housing, including a \$10,000 impact fee for a single-family home, Baptiste said.

Due to economic conditions, however, the fee was never implemented.

At the same time, the cost of doing business has gone way up over the last 13 years, Baptiste said, adding impact fees have at least doubled since 1993.

“Now impacts are greater than they have ever been, and there’s little money to pay for them,” Baptiste wrote.

Baptiste said any developer coming forward to get permits for their projects must “offer enough benefit for the 64,000 people that live here in order to gain approval for the project- infrastructure improvements (road, water and wastewater), along with affordable housing and economic opportunity.”

Over the past 40 years, Kaua’i County hasn’t done a “good job providing infrastructure that allows for growth,” he said.

The county is playing catch-up in trying to build more infrastructure, Baptiste said.

- Lester Chang, staff writer, can be reached at 245-3681 (ext. 225) and lchang@kuaipubco.com

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