



# W A I K I K I I M P R O V E M E N T A S S O C I A T I O N

## HONOLULU CITY COUNCIL BILL 82 (WAIKĪKĪ BEACH SPECIAL IMPROVEMENT DISTRICT)

(1) What will Bill 82 do if enacted as a City and County of Honolulu ordinance?

The ordinance will create a Special Improvement District to focus exclusively on the long-term maintenance and restoration of Waikīkī Beach.

(2) What is a Special Improvement District?

A SID (aka a business improvement district, community improvement district, or community revitalization zone) is a defined geographic area in which specified property owners pay assessments to fund specific projects within the area that are supplemental to government services. SIDs are among the most effective ways of forming and funding public-private partnerships to muster resources to tackle especially complicated challenges.

(3) What are examples of SIDs in Hawai'i?

The best-known example of SIDs is the Waikiki Business Improvement District which was formed in 2000 under an ordinance virtually identical in approach to Bill 82.

(4) Why the need for a Waikīkī Beach Special Improvement District?

Waikīkī Beach is a world-famous icon of Hawaii and among our most precious resources both for our local lifestyle and culture and as an engine of our economic growth. Yet the reality is that Waikīkī Beach is eroding away and without a comprehensive effort by all concerned may be gone within a very few years. A SID focused only on saving Waikīkī Beach will harness the resources of the private sector to partner with government in this effort.

(5) What is the physical area of the SID?

All of Waikīkī from the Ala Wai Harbor to Kaimana Beach and from the Ala Wai Canal to the submerged lands and coastal waters 150 feet makai of the shoreline.

(6) Why such an extensive SID?

There is no one isolated part of Waikīkī Beach that acts on its own; it is all one marine coastal system and must be addressed comprehensively and over the long term. Additionally, all property owners in Waikīkī benefit from a world-class Waikīkī Beach, and the more property owners within the SID, the more the overall private sector contribution to saving Waikīkī Beach is distributed fairly over beneficiaries and the lower the assessment for each owner.

(7) How many properties will be assessed under the SID and how much?

The SID will cover all Waikiki properties zoned or utilized commercial (not residential) as those properties have the most direct economic benefit from a world-class Waikīkī Beach. There are over 6,000 such parcels and they would be assessed a set rate on tax assessed value so that more valuable parcels pay a higher proportion of the overall assessments. Bill 82 sets that rate at 7.63 cents for every \$1,000 of assessed value which in total will fund the proposed annual SID budget of \$600,000. Individual assessments will range from tens of thousands of dollars per year for the large beachfront parcels to under a hundred dollars for the smaller off-beach parcels.

(8) Who will decide how the SID's money will be spent?

Under the ordinance a private non-profit entity will be formed to govern the SID. The entity will be directed by representatives of Waikīkī property owners and other stakeholders and by state and county government designees.

(9) What will the SID entity do initially?

The only specified projects in the ordinance are to develop a comprehensive Waikīkī Beach Management Plan (in conjunction with the University of Hawaii Sea Grant Program), retain a project manager to oversee development and implementation of the plan, and provide a required private sector match to an already approved and publicly funded Royal Hawaiian groin replacement project. That particular groin is in imminent danger of collapsing, in which case the entire beach Diamond Head of the groin to the Kūhiō Beach Basins is in danger of disappearing. Any and all other projects would be subject to approval after full public discussion and coordination with government and other stakeholders.

(10) How long will the SID last?

Under the ordinance the SID will continue for five years, and then automatically year-to-year after that unless the City revokes the authorizing ordinance.

(11) What will happen if the ordinance is not passed and the SID is not implemented?

First, without comprehensive long-term action the strong likelihood is that Waikīkī Beach will continue to erode away with devastating effects to our local lifestyle and culture and to our visitor industry. It is clear that government can't and won't do the job alone and that only a solid public-private partnership can do so. It is also clear that spot fixes in reaction to crises such as at Kūhiō Beach in 2012 will not save Waikīkī Beach; that will only happen if a comprehensive long-term plan for all of Waikīkī Beach is developed and implemented. The SID is a proven mechanism for the Waikīkī business community to do its part.