

NET-ZERO

TRAFFIC IMPLEMENTATION PLAN NORTH BEACH SUBDIVISION

Kaanapali, Maui

NOVEMBER 2007



Charlier Associates, Inc.
2511 31st Street
Boulder, CO 80301

STARWOOD

HOTELS & RESORTS WORLDWIDE, INC.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
TABLE 1: SUMMARY OF PROPOSED TDM PROGRAMS	4
INTRODUCTION	6
PROGRAM 1: AIRPORT SHUTTLE	9
PROGRAM 2: EMPLOYEE TRANSPORTATION ALLOWANCE	11
PROGRAM 3: GUARANTEED RIDE HOME (GRH) PROGRAM	15
PROGRAM 4: LUAU SHUTTLE	17
PROGRAM 5: LAHAINA SHUTTLE IMPROVEMENTS	18
PROGRAM 6: AUGMENT AND IMPROVE TRANSIT SERVICE	19
PROGRAM 7: INCREASED LAHAINA SHUTTLE FREQUENCY	20
PROGRAM 8: EDUCATION AND INFORMATION	22
CHART: PERCENT CONTRIBUTION OF EACH PROGRAM TO NET-ZERO	23
ANNUAL COST OF TDM PROGRAMS	24
MONITORING PROGRAM	25
PROGRAM ACCOUNTABILITY	27
CONCLUSION	28



EXECUTIVE SUMMARY

PURPOSE

This Net-Zero Traffic Implementation Plan is being proposed by SVO Pacific, Inc. (SVOP) to mitigate the traffic anticipated to be generated by the proposed Lot 3 Westin Kaanapali Ocean Resort (KOR) Villas Project. The Plan proposes a comprehensive package of Transportation Demand Management (TDM) measures (eight programs in total) that will result in a net-zero traffic impact for the Lot 3 project. 'Net-zero impact' means that through the implementation of TDM trip reduction throughout all of the Westin Kaanapali Ocean Resort, the net number of trips added to Honoapi'ilani Highway from the proposed Lot 3 project will be zero. This document shows the percent contribution that each TDM program makes in obtaining this goal, as well as annual costs of implementation. The monitoring section of this Plan also includes a discussion of penalties that SVOP would pay should the TDM programs fail to meet their desired goal.

BACKGROUND

SVOP is committed to providing viable alternatives to driving for both their employees and their guests. In June 2007, the Maui Planning Department approved and Maui Planning Commission reviewed the North Beach Transportation Management Plan (NBTMP) which presented a set of TDM programs achieving the goal of a 30% reduction in employee vehicle trips. Moreover, in discussions with the Planning Commission during the June 2007 review of the NBTMP and in anticipation of reducing the net traffic impact of the proposed Lot 3 project, SVOP has committed to an additional set of TDM programs that reduces overall (employee and guest) vehicle trips by 30%. These programs will create a net-zero vehicle impact on the regional transportation network through innovative approaches to resort guest transportation, and will create real commuter options for SVOP employees already burdened with expensive commutes.

TDM PROGRAMS

The TDM programs, summarized in Table 1 below, have been carefully developed by SVOP to maximize the potential overall vehicle trip reduction, leading to a net-zero impact from Lot 3 on the transportation network. The total recurring annual cost for the eight TDM programs described in this report will be approximately \$1,250,000. The programs are described in more detail following this Executive Summary.



TABLE 1: SUMMARY OF PROPOSED TDM PROGRAMS

TDM PROGRAM	PROGRAM DESCRIPTION	ESTIMATED TRIP REDUCTION
PROGRAM 1: Airport Shuttle	SVOP will begin a pilot program shuttle service to and from the West Maui airport and develop capabilities for guests to rent cars on-site or nearby the resort.	1%
PROGRAM 2: Employee Transportation Allowance	SVOP will provide a transportation allowance to all employees, giving them the choice of a free parking permit; a free monthly transit pass; or cash for those who walk, bike or are passengers in a carpool.	9%
PROGRAM 3: Guaranteed Ride Home (GRH) Program	SVOP will implement a Guaranteed Ride Home Program allowing all employees taking alternative transportation to work to get a free ride home in case of an emergency.	2%
PROGRAM 4: Luau Shuttles	SVOP will develop a new complimentary guest shuttle service to and from evening luaus, the most popular guest activity for KOR guests.	10%
PROGRAM 5: Lahaina Shuttle Improvements	SVOP will extend the hours of service of the Lahaina Shuttle to allow North Beach employees with early morning start times or evening finish times to utilize this free service. Additionally, SVOP will work with transit authorities to optimize the connection between the Lahaina Shuttle and any future regional transit stop near North Beach.	5%
PROGRAM 6: Augment And Improve Transit Service	SVOP will work with Maui County Department of Transportation (DOT) and other West Maui employers to augment and improve transit service in West Maui, increasing the ability for SVOP employees to take transit to work.	5%
PROGRAM 7: Increased Lahaina Shuttle Frequency	SVOP will double the frequency of the popular Lahaina Shuttle Service to attract additional riders. While targeted toward guests, this program will also attract employees.	43%
PROGRAM 8: Education And Information	SVOP will market the above-mentioned TDM programs to both employees and guests through in-room table-tents with transportation information and shuttle schedules and through internal guest communication media .	9 %
Existing Alternative Transportation	Vehicle trip reduction from employees that already take transit, carpool, walk or bike to work.	16%
Transportation Coordinator	While not a TDM program per se, SVOP's current transportation coordinator will oversee program implementation and ensure that trip reduction goals are met.	-
TOTAL		100%



MONITORING

Each year SVOP will monitor vehicle trip reductions at KOR to assess compliance with the net-zero goal. SVOP will produce an Annual Mobility Report Card, submitted at the end of each calendar year summarizing the effectiveness of the TDM programs. The monitoring process will include onboard shuttle surveys, guest departure surveys and traffic counts. This annual report shall be filed with the Department of Public Works for review and comment.

CONCLUSION

Over the past few years, SVOP has been leading the effort to improve mobility in West Maui. Examples of SVOP's ongoing commitment include funding of regional transportation planning efforts such as the Lahaina Design Charrette and the West Maui Commuter Needs Survey. This document demonstrates the continued effort of SVOP to improve mobility in West Maui. The 30% overall vehicle trip reduction is unmatched by any other resort in Hawaii. It is with this aggressive TDM program that SVOP can state that there will be no net increase in traffic upon occupancy of the Lot 3 Project.



INTRODUCTION

BACKGROUND

SVOP, the applicant for the Westin Ka'anapali Ocean Resort (KOR) Lot 3 Special Management Area (SMA) Use Permit application, proposes the implementation of a comprehensive transportation demand management (TDM) program to mitigate traffic impacts from the Lot 3 project. General TDM program parameters and strategic objectives are described in a report for the Lot 3 project entitled Net-Zero Traffic Mitigation Strategy (October 2007). To ensure that the goals of the Net-Zero Traffic Mitigation Strategy are achieved in a timely, efficient and measurable way, we have prepared this report which sets forth a plan for specific implementation actions.

To set the context for the TDM programs, the following key definitions are provided for reference:

TRANSPORTATION DEMAND MANAGEMENT (TDM)

The application of plans, policies and specific actions to reduce demand for automobile use by encouraging alternative means of travel. Such plans, policies and specific actions include, but are not limited to, use of mass transit, car pooling, and other alternative travel modes, as well as programs which create incentives for non-automobile use (e.g., parking fees, transit subsidies, creation of convenient transit stops, etc.)

NORTH BEACH TRANSPORTATION MANAGEMENT PLAN (NBTMP):

The transportation management report document that was required by the 1988 North Beach Subdivision's SMA Use Permit Condition No. 4. The 1988 SMA approval for the North Beach Subdivision specifically requires the preparation of the NBTMP and updates, as described below:

"The Applicant shall submit to the Planning Department for review and approval a revised North Beach Transportation Management Plan dealing with employee and guest traffic. A goal of the Transportation Management Program shall be to reduce by at least 30 percent the total volume of project employee traffic at the North Beach development. The Applicant is hereby advised that the program's goals and implementing measures shall be reexamined two years after the opening of each new project by the County Planning Director and the project's Transportation Coordinator and may be revised based on mutual consent of the officials designated herein.

In the event there is a dispute over the establishment of revised goals or implementing measures, the Planning Commission shall review the matter and determine the appropriate goals or implementing measures. The Applicant is further advised that implementation of said plan shall be required for the initial and subsequent projects within the subdivision."




NET-ZERO TRAFFIC MITIGATION STRATEGY:

An integrated, coordinated and comprehensive TDM program designed to reduce trip generation, such that there will be no net increase in peak hour traffic arising from a project. The purpose of the net-zero traffic mitigation strategy for Lot 3 is to meet the “other mitigative measures” requirement established by Condition “cc” of the 1998 SMA permit approval for the Westin Ka’anapali Ocean Resort Lot 1 project. That condition states:

“Prior to any further commercial development (beyond KOR) at the North Beach Subdivision, the Lahaina Bypass Highway or other mitigative measures or terms, as approved by the Maui Planning Commission, shall be implemented.”

RELATIONSHIP TO THE 30% TRIP REDUCTION GOAL

SVOP will achieve the net-zero peak-hour goal for Lot 3 by implementing the 30% overall daily trip reduction goal proposed by SVOP in its July 2007 update to the NBTMP. To address the most critical time of the day, the net-zero calculation looks at the PM peak period, which is when there is the most traffic. When the 30% goal is achieved for Lots 1, 2 and 3 the net impact of Lot 3 in the peak period is below zero.



Quick Review:	
Lot 3 Generated Traffic	= 194 trips
North Beach TDM Plan	
Lot 1	- 77 trips
Lot 2	- 63 trips
Lot 3	- 87 trips
Resulting Traffic	(-33 trips)

EXISTING ALTERNATIVE TRANSPORTATION

The recently conducted West Maui Commuter Needs Survey found that 22% of West Maui employees already walk, bicycle, carpool, or use transit to get to work. This existing alternative transportation equates to a 16% daily reduction of vehicle trips. It is assumed that with no additional TDM programs at KOR, this type of trip reduction would still occur. While not a TDM program per se, the employees who currently use alternative modes to get to work contribute to the overall reduction of vehicle trips at KOR. SVOP proposes to include incentives for these employees to continue their use of these alternatives.

CURRENT SHUTTLE SYSTEM

Currently SVOP voluntarily funds and operates a convenient shuttle service between Ka'anapali and Lahaina. The shuttle is a coordinated effort between Ka'anapali Ocean Resort, Westin Maui Resort and Spa, and Sheraton Maui, all of which are either owned or operated by Starwood. Currently the shuttle makes between 13 and 14 daily round trips between Ka'anapali and Lahaina with stops at KOR, Westin Maui, Sheraton Maui, the Lahaina Cannery Mall, Kobe's Steak House and Hilo Hattie in Lahaina. Ridership on this shuttle has grown rapidly, with about 100,000 boardings over the last year. This voluntary shuttle has reduced over 4,000 automobile trips in West Maui each month over the past year (based on the eliminated auto trips having averaged 2 passengers per car).

PURPOSE OF THIS PLAN

This implementation plan is the action document for the above-referenced Net-Zero Traffic Mitigation Strategy report. The plan incorporates three (3) distinct, but related components which are designed to ensure that the net-zero definition is met on a continuing basis. Implementation components are as follows:

1. Identification and description of specific TDM measures and their estimated traffic reduction outcomes.
2. Identification and description of specific methodologies for measuring and validating outcomes.
3. Identification of SMA permit conditions to ensure commitment to and compliance with the net-zero strategy.

The components are detailed in the next section of the report.



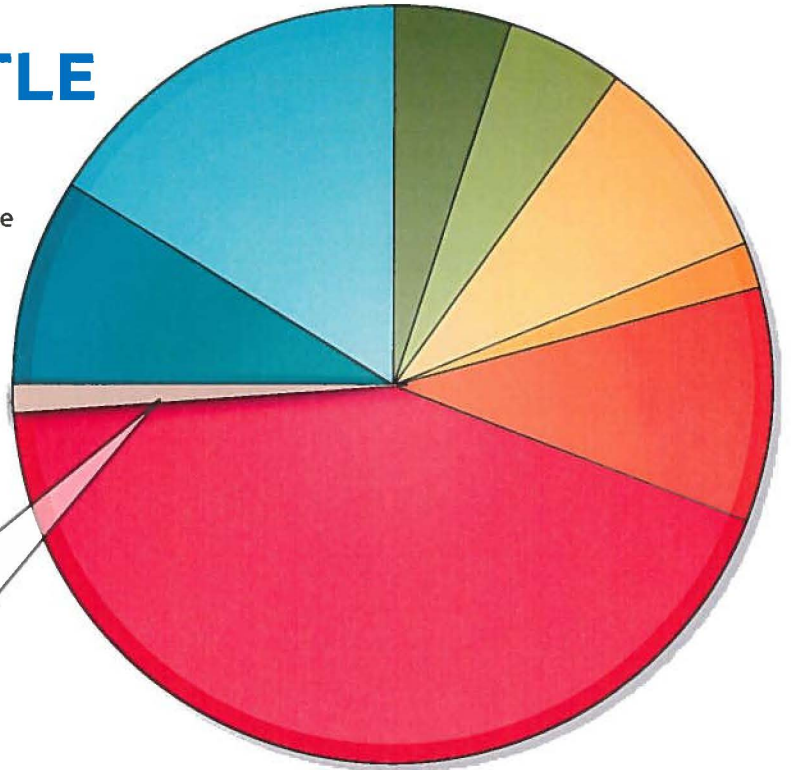
PROGRAM 1: AIRPORT SHUTTLE

SUMMARY

SVOP will begin a pilot program shuttle service to and from the West Maui airport and develop capabilities for guests to rent cars on-site.

1%

% Contribution to Net Zero



PROGRAM DETAILS

SVOP will begin a pilot program for weekend shuttle service to and from the West Maui airport. Based on observations of daily arrivals to KOR (by resort staff), the highest demand for an airport shuttle would be expected on Saturdays, and to a lesser extent, on Sundays. Over a two month period (May and June of 2007), there were an average of 255 arrivals per day on Saturdays and 148 arrivals per day on Sundays.

BEGINNING SERVICE

Serving weekend demand should be the first priority. Weekday arrival rates at the resort are not high (or clustered) enough to warrant running a direct airport shuttle; however, a shuttle running between KOR and the West Maui Airport may be feasible on Saturday and Sunday. Because flights arrive at the airport relatively frequently, service should be on a regular, hourly or half-hourly schedule rather than based on specific flight arrival and departure times.

The airport shuttle could begin as a pilot program with a headway of 60 minutes. Limiting service frequency would reduce the fleet requirement to two vehicles and minimize initial start-up costs. Another strategy to further minimize costs is limiting service to projected peak arrival and departure times (between 9:00 am and 6:00 pm).



PROGRAM 1: CONTINUED

AIRPORT SHUTTLE

ON-SITE RENTAL CARS

Guests arriving to Lot 3 via the airport shuttle will need access to a vehicle. Even if some parties will not use a vehicle at all during their stay, knowing that one is available will increase the likelihood of guests choosing to take the airport shuttle to KOR. Although there is no proposed rental car counter within Lot 3, there are several good options for Lot 3 guests to rent a car should they choose to do so. First, a guest can walk to the nearby Dollar Rent-A-Car or National Car Rental. For additional options guests can take the Lahaina Shuttle to one of the rental car agencies in Ka'anapali or Lahaina. The Lahaina Shuttle goes directly to the Sheraton Maui, the Hyatt Regency and the Maui Marriot which all have rental car options. Finally, guests could use a rental car company (i.e. Enterprise) that provides pick-up service.

RENTAL CAR LOCATIONS NEAR LOT 3

RENTAL CAR AGENCY	LOCATION
Dollar Rent-A-Car	Immediately across highway
National Car Rental	Immediately across highway
Enterprise	Sheraton Maui Resort (0.7 mi south of KOR)
Hertz	Hyatt Regency or Maui Marriott (1.4 mi south of KOR)

ESTIMATED TRIP REDUCTION

Airport shuttles will reduce vehicle trips generated at KOR in two ways:

1. *Trip savings between the airport and the resort:* these direct trip savings are very small, saving only two vehicle trips over the course of the guest's stay.
2. *Trip savings due to guest behavior change during their stay at KOR:* these indirect trip savings are more difficult to predict, but potentially much greater in magnitude. Transportation practice shows that people are less likely to consider using alternatives when a car is readily available. Arriving at KOR on the Airport Shuttle (without a vehicle) is an important first step in reducing vehicle trips. Combined with the other recommended TDM measures, the shuttle allows guests to decide whether they need a vehicle on a day-to-day basis.

Despite the clustering of guest arrivals and departures on the weekends, penetrating the airport market can be difficult. It is estimated that about 1% of all trips will be reduced as a result of this program.



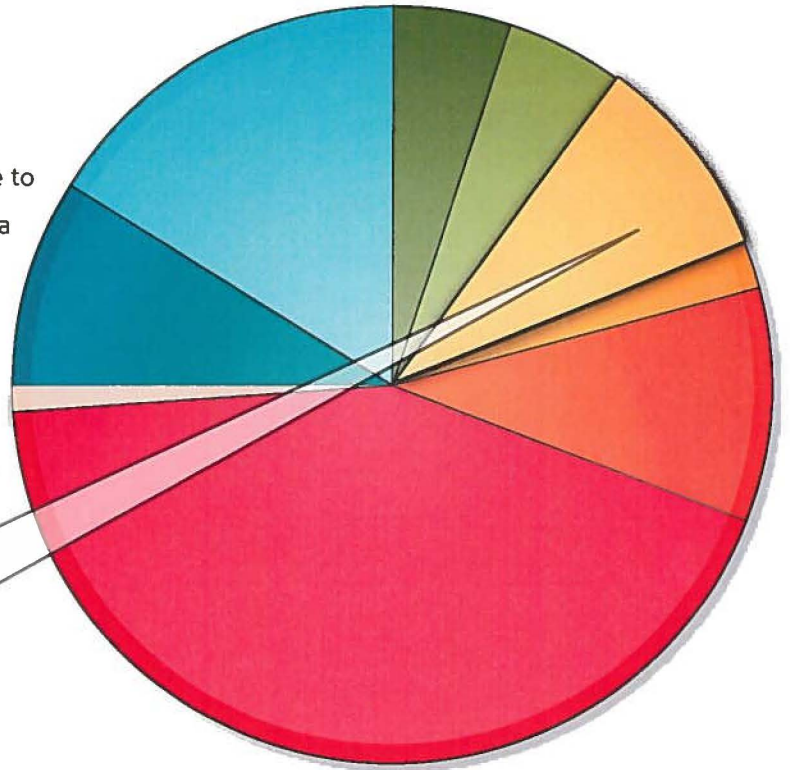
PROGRAM 2: EMPLOYEE TRANSPORTATION ALLOWANCE

SUMMARY

SVOP will provide a transportation allowance to all employees, giving them the choice of 1) a free parking permit, 2) a free monthly transit pass, or 3) cash for those who walk, bike or are passengers in a carpool.

9%

% Contribution to Net Zero



PROGRAM DETAILS

SVOP will offer all of their KOR employees (including Lots 1, 2 and 3) a transportation allowance. A transportation allowance transforms the transportation benefit that SVOP offers their employees (usually a free parking space) into a package from which employees can choose the specific benefit that works best for them. Instead of assuming every employee wants a free parking space, SVOP will offer each employee a choice of the following:

1. A parking permit good for parking in the existing facilities
2. A free monthly transit pass good for the Maui County Bus System
3. A free Sugar Cane Train Pass good for the local train that stops in front of KOR Lot 1
4. Parking cash-out for those who walk, bike or are passengers of carpools
5. A carpool parking permit giving preferential parking spaces to carpoolers



PROGRAM 2: CONTINUED

EMPLOYEE TRANSPORTATION ALLOWANCE

PURPOSE OF A TRANSPORTATION ALLOWANCE

A transportation allowance encourages employees to use alternative modes by rewarding those who choose not to drive. Cash-out programs, while similar to a transportation allowance, present challenges in monitoring because employees who select the cash component might continue to drive. A transportation allowance is more effective because employees who select the cash component 'trade in' their parking privileges for the alternative benefit.

There will be some parking enforcement to ensure that those who selected the cash component of the transportation allowance are not still driving to work. The employee parking facility will be controlled by an automatic gate that can be accessed with the parking permit.

It is important to note that employees will not pay to park. The employees who choose to drive will still be able to drive and park for free by selecting the free parking permit component of the transportation allowance. Instead of penalizing employees for driving, the transportation allowance is set up to reward those who chose not to drive, encouraging alternative transportation.

Many employees may be reluctant to completely relinquish their ability to drive to work. To encourage alternative modes to work and reduce vehicle trips, employees who choose the transit pass or the cash-out option will also receive a parking voucher good for two days of parking each month. This pass, generally in the form of a monthly punch card, can relieve employee concerns that it may be occasionally necessary to drive to work.

EXPANDED LIST OF TRANSPORTATION ALLOWANCE OPTIONS:



PARKING PERMIT COMPONENT

A parking permit is a free parking pass, generally in the form of a tag that hangs from the rear view mirror of the employee's personal vehicle. Under a parking permit system all vehicles parked in an employee lot require a parking pass. Temporary visitors can either park in designated visitor parking spaces or receive a free temporary visitor parking pass, depending on the duration of their stay. The benefit of a hang tag over a bumper decal is that carpool groups can rotate personal vehicles and those who drive alone and have more than one car at home still only need one parking pass. Again, employees who select the parking permit will not be charged to park.

To encourage incremental transit use by employees who select the parking permit, several free transit passes will also be provided each month with the parking permit. It has been proven that once someone tries transit for the first time, they become more likely to use it again. Free transit passes reduce a barrier for drivers to enter the transit arena.

PROGRAM 2: CONTINUED

EMPLOYEE TRANSPORTATION ALLOWANCE

FREE TRANSIT PASS COMPONENT



Maui County Transit currently sells unlimited-use monthly transit passes. SVOP will purchase monthly passes and offer them free to their employees as one

of the options of the transportation allowance. In other words, these passes will be offered in lieu of a parking pass. There are some days when those who usually take transit will need to drive to work. To accommodate this need, employees selecting the transit pass component will also receive a parking voucher good for two days of parking.



PARKING CASH-OUT COMPONENT

The parking cash-out component gives employees the option of receiving cash instead of a parking permit. This can be used by employees who walk

or bike to work, as well as any passenger in a carpool. The amount of cash will be set initially to the cost of a monthly transit pass, but can be increased to encourage higher participation in the program. Typically, cash-out programs reduce automobile travel by 10% to 30%, with most of these people switching to carpooling.

Participation levels in the cash-out program depend upon the amount of cash that is offered each month. The cash-out component of the transportation allowance can be used to increase vehicle trip reductions easily and quickly. This will become an important component of the

monitoring and evaluation of the overall trip reduction.

PREFERENTIAL SPACES COMPONENT

Those who pledge to carpool to work will be given unique carpool parking permits allowing them to park in spaces that are covered or closer to the main entrance of the building. These spots benefit all members of the carpool by eliminating the time spent circulating the parking facility searching for an open space



and giving carpoolers a shorter walk to the building entrance. This strategy works particularly well in large parking facilities where searching for an open space and accessing the front door is time consuming. Since only one parking permit is needed per car the passengers of the carpool can select the cash-out component. Members of the carpool can then negotiate how to share the cash-out and/or share fuel costs. The cost of implementing these strategies is minimal and limited to the redesign of some parking spaces, as enforcement and monitoring are generally unnecessary.

ADMINISTRATIVE COMPONENT

Operating a transportation allowance program creates some additional administrative duties for the SVOP Transportation Coordinator. These administrative duties include maintaining a database of parking permits, purchasing transit passes from Maui County Transit, maintaining accounts for the parking cash-out, and distributing the transportation benefits to each employee. Often an employee's transportation benefit is selected at time of hire and distributed with a pay check.

PROGRAM 2: CONTINUED

EMPLOYEE TRANSPORTATION ALLOWANCE

BENEFITS OF THE PROGRAM

While the focus of a transportation allowance is typically on employee benefits, these programs are a win-win situation for employees, employers and the community as a whole. Benefits include:

- **REGIONAL IMPACT REDUCTION** - The transportation allowance reduces the transportation impacts of development onto the regional network. In particular, these programs target employees who generally travel during peak periods. Impact reduction benefits employees, local businesses and the community.
- **LESS CONGESTION AT WORKSITES** - Fewer vehicle trips means less vehicle congestion in parking lots and internal roads, which benefits locations that suffer from peak period congestion. Residents and businesses in the vicinity also benefit from reduced congestion.
- **MORE PARKING FOR VISITORS** - Parking spaces previously occupied by employees' cars can be converted into visitor parking spaces. This additional parking availability benefits both employees and visitors.
- **EMPLOYEE GROWTH POTENTIAL** - In areas where parking is scarce, companies are able to hire more people with the same number of parking spaces.
- **TAX INCENTIVES** - In 1998, the federal tax code changed to create financial benefits for employers who provide alternative transportation options. Employees can receive up to \$115 of tax free transportation benefits each month. Employers save money because this money is not subject to payroll taxes.
- **RECRUITMENT AND RETENTION** - The West Maui Commuter Needs Survey demonstrated that traveling to and from work costs employees substantial time and money. Expanding transportation options to driving alone will reduce the burden the commute has on employees.



PROGRAM 3: GUARANTEED RIDE HOME PROGRAM

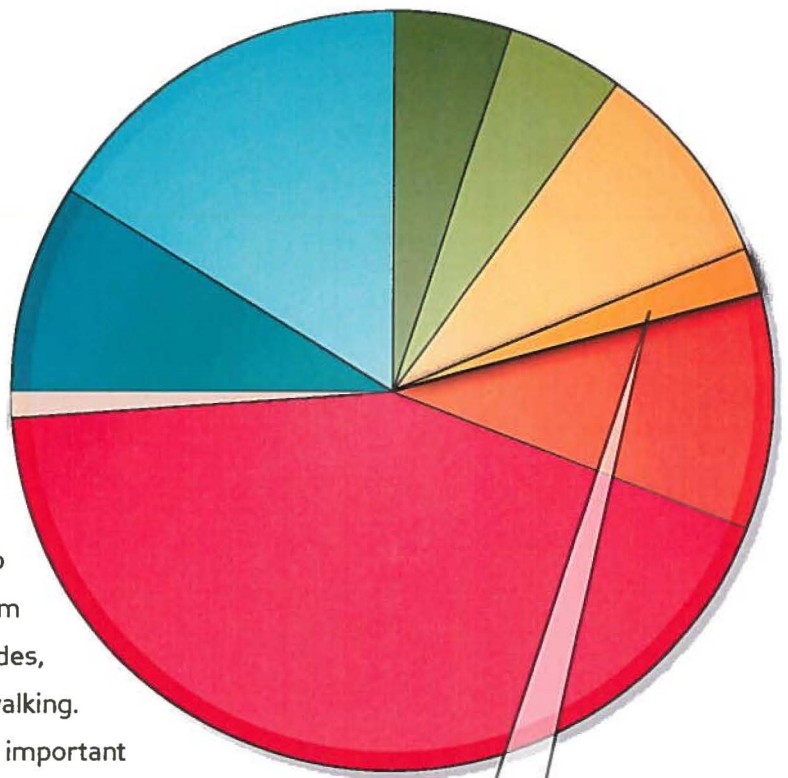
SUMMARY

Guaranteed Ride Home (GRH) programs provide a ride home to employees who chose an alternative to driving themselves to work that day. GRH programs are often used to help maximize the number of people that shift from single occupant vehicles to alternative modes, including carpool/vanpool, transit, bicycling, and walking. Survey data suggests that GRH programs play an important role in encouraging the use of alternative modes by providing emergency personal transportation if necessary.

PROGRAM DETAILS

The guaranteed ride can be used by any employee who did not drive to work that day and who needs immediate transportation in case of an unexpected situation. Common uses include sudden illness of a child and unscheduled overtime for either the employee or the driver of a carpool. The ride home is usually a third party operator such as a taxi company .

GRH is designed - and overwhelmingly used - as an insurance program. Evaluations from established programs show that 90 percent of registered employees never take a GRH trip, and a large majority of those who have taken a trip only take one or two trips each year. Still, employers can limit the number of rides an employee uses (per month or year) to prevent abuse of the program.



2%

% Contribution to Net Zero

HOW THEY WORK

Each month SVOP will provide every employee who participates in the Transportation Allowance with a predetermined number of GRH vouchers (two, for example). The SVOP Transportation Coordinator will negotiate a contract/agreement with a local taxi company. When an employee needs an emergency ride, they call one of the participating taxi companies to schedule a pick up. The vouchers are presented to the taxi driver in lieu of the fare (gratuity is generally not included).

PROGRAM 3: CONTINUED

GUARANTEED RIDE HOME (GRH) PROGRAM

TRANSITION TO A TRANSPORTATION MANAGEMENT ASSOCIATION

Eventually, management responsibility for a GRH program should be shifted from KOR to a regional Transportation Management Association (TMA). Many transportation demand management programs are more effective at the regional level than at the employer level. TMAs are able to leverage efforts from numerous employers located in the same area. Lahaina Bypass Now is a logical choice for a TMA in West Maui.

TRANSPORTATION COORDINATOR

While not a TDM program per se, a transportation coordinator is critical to the success of many of the programs. The transportation coordinator at the KOR will be responsible for managing both the transportation allowance and the Guaranteed Ride Home program, as well as supervising management of the Lahaina Shuttle Service. The position also serves as the liaison to Maui County Department of Transportation regarding SVOP's role in augmenting transit service in West Maui, and will oversee marketing efforts for trip reductions for both North Beach employees and guests.

In addition to day to day operations of the TDM programs, the transportation coordinator will also play a critical role in monitoring the success of each TDM program to ensure trip reduction goals are met.



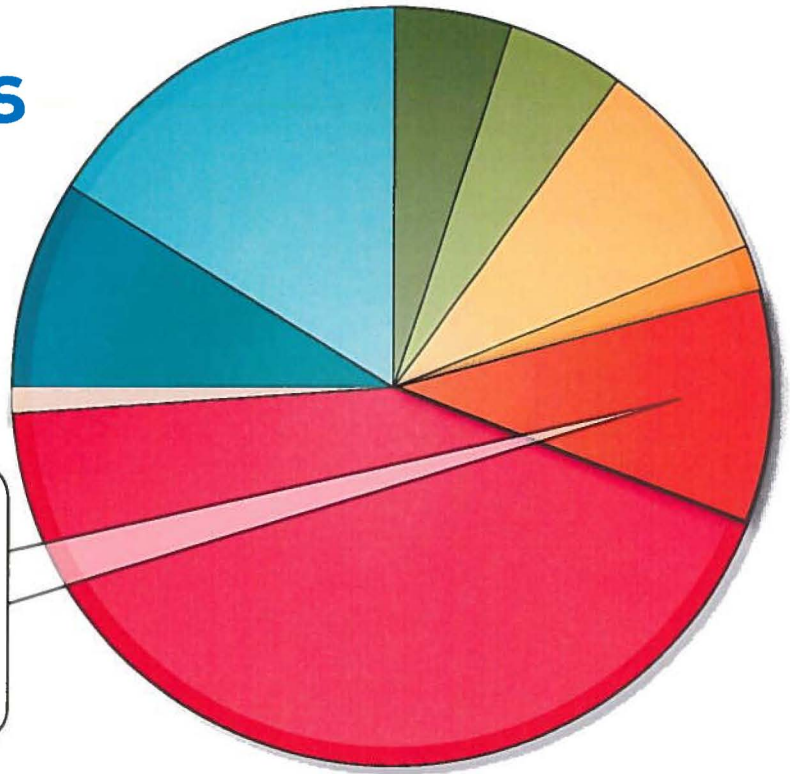
PROGRAM 4: LUAU SHUTTLES

SUMMARY

SVOP will develop a new complimentary guest shuttle service to and from evening luaus, the most popular guest activity for KOR guests.

10%

% Contribution to Net Zero



PROGRAM DETAILS

SVOP will implement complimentary shuttles to and from evening luaus in both Lahaina and Ka'anapali. These shuttles will leave every evening from KOR, arriving at the luaus shortly before they begin, and return to KOR in the evening. General shuttle operation will be similar to that of the current Lahaina Shuttle.

WHY IT WILL WORK

The luau shuttle will produce substantial trip reduction for several reasons. First, the luaus in Ka'anapali and Lahaina are two of the most popular guest activities booked at KOR with monthly attendance rates of 1,900 and 950, respectively. Thus, the target audience and potential trip reduction is large. Second, they have defined start and end times allowing shuttle schedules to be tailored to activity start times. One or two shuttles will meet the entire demand and guests will not have to wait long between arriving at the shuttle and the shuttle departure. Third, the luau service provides a substantial guest benefit. Guests can relax without needing driving directions and can enjoy the event without concerns of driving home afterward. Finally, most guests book their luaus at KOR, creating a perfect opportunity for concierge to advertise the shuttle.

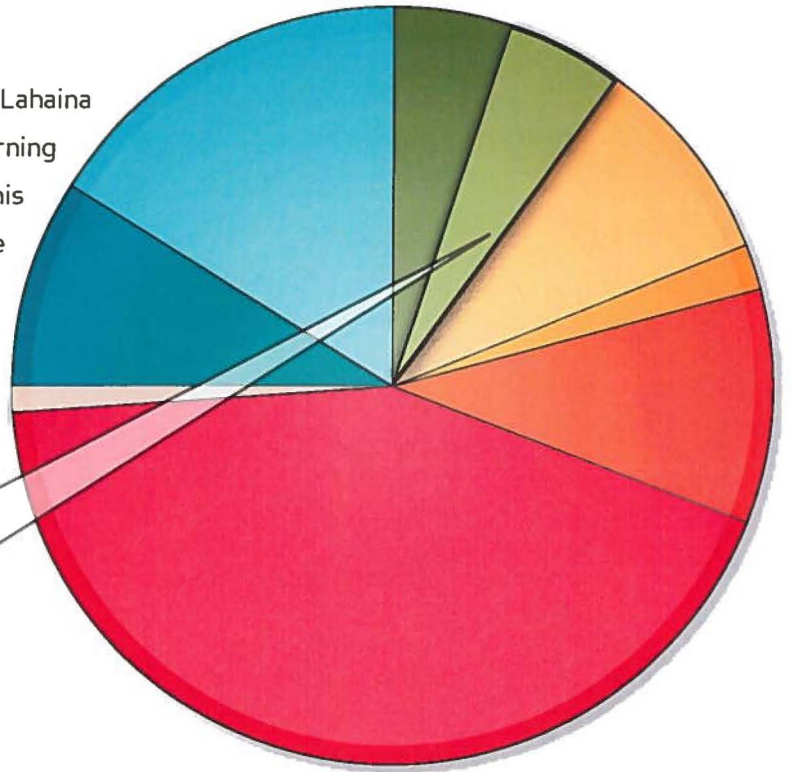
PROGRAM 5: LAHAINA SHUTTLE IMPROVEMENTS

SUMMARY

SVOP will extend the hours of service of the Lahaina Shuttle to allow KOR employees with early morning start times or evening finish times to utilize this free service. Additionally, SVOP will ensure that the Lahaina Shuttle connects with any future regional transit stop near the North Beach Subdivision.

5%

% Contribution to Net Zero



PROGRAM DETAILS

Although the Lahaina Shuttle Service was initially targeted for guests, the service is also available to employees who make trips along the route. This free shuttle service takes between 13 and 14 round trips a day between Ka'anapali Ocean Resort and Lahaina.

WHY IT WILL WORK - The West Maui Commuter Needs Survey revealed that 59% of West Maui employees live in West Maui. More specifically, 35% of employees who work at KOR Lot 1 live in Lahaina. If the other employees in KOR follow the same pattern, the Lahaina shuttle will provide a viable alternative to driving to work for a large number of employees.

TRIP REDUCTION - By increasing employee awareness, adjusting the route and stop locations as appropriate, and adding early morning and evening runs, the Lahaina Shuttle Service will reduce the number of employee automobile trips by at least 5%.

SVOP will ensure that the Lahaina Shuttle connects with any future regional transit stop near North Beach. Connecting regional and local routes will maximize the recent investment in regional transit.



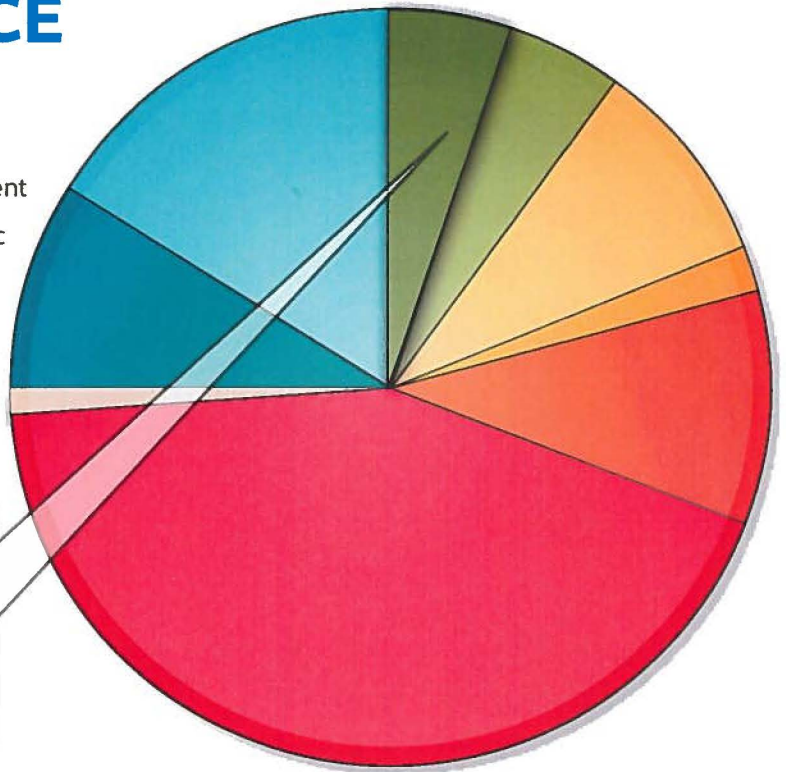
PROGRAM 6: AUGMENT AND IMPROVE TRANSIT SERVICE

SUMMARY

SVOP will work with Maui County Department of Transportation (or Department of Public Works) and other West Maui employers to augment and improve transit service in West Maui, increasing the ability for SVOP employees to take transit to work.

5%

% Contribution to Net Zero



PROGRAM DETAILS

To increase the transit mode share of commute trips, SVOP proposes to work with Maui County Department of Transportation (DOT) and other West Maui employers to augment and improve transit service in West Maui to increase the ability of the commuting public, including SVOP employees, to take transit to work. The West Maui TDM Opportunities Report (based on the West Maui Commuter Needs Survey) provides specific recommendations to increase direct transit service between Central Maui and West Maui. In addition to augmenting regional transit enhancements, SVOP proposes to improve connections between West Maui commuter services and specific job destinations through private shuttles. This year, three new commuter routes were added to the West Maui transit service, including Wailuku-Kapalua, Kihei-Kapalua and Makawao-Kapalua. It is expected that this additional service will eventually increase the percentage of employees who use transit to get to work at KOR by 5%.

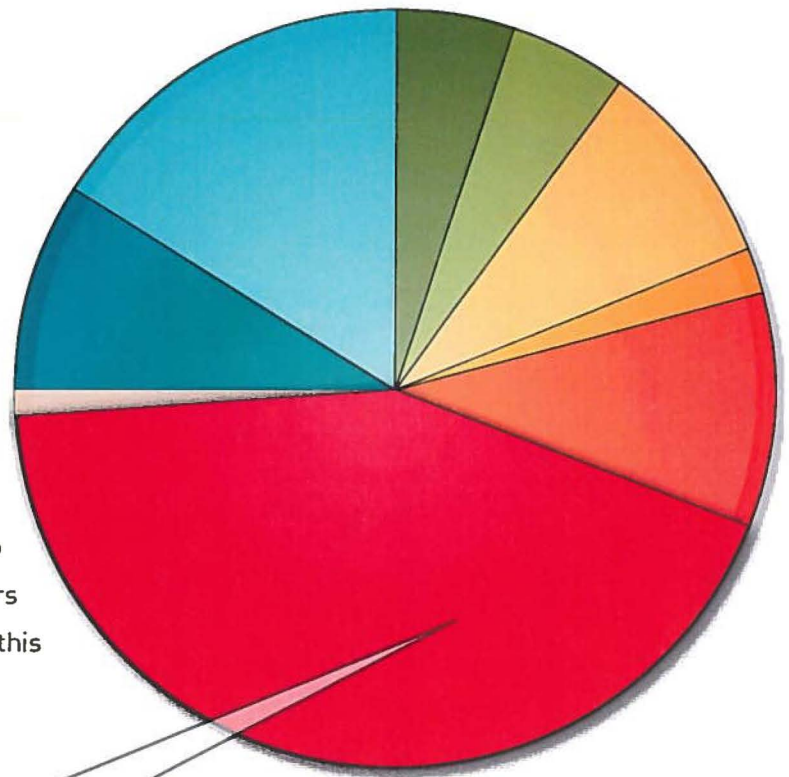
PROGRAM 7: INCREASING THE LAHAINA SHUTTLE FREQUENCY

SUMMARY

SVOP will increase the frequency of the Lahaina Shuttle from once every hour to once every 30 minutes and extend the hours of operation. While targeted toward guests, this service increase will also attract employees.

43%

% Contribution to Net Zero



PROGRAM DETAILS

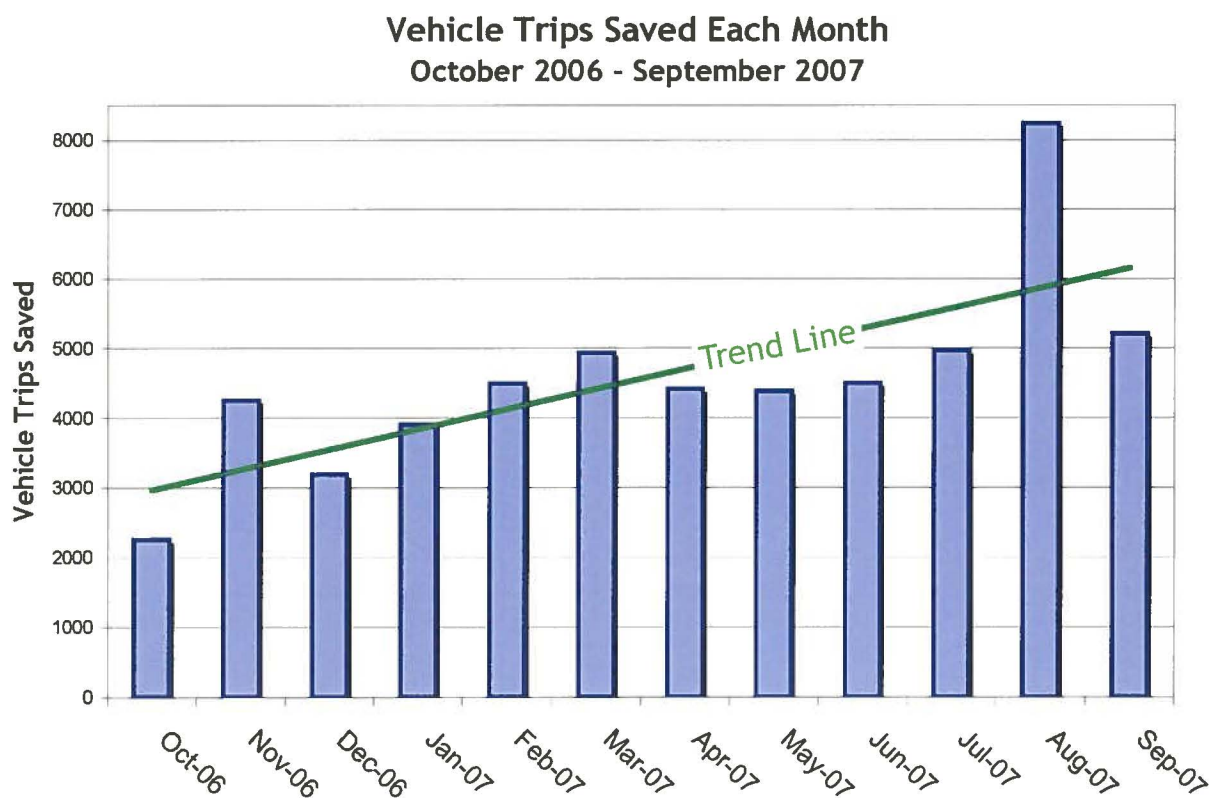
These service enhancements will increase ridership in a number of ways. First, 30 minute headways will open a new market to KOR guests who attend the numerous activities that originate in the Whaler's Village. Many popular activities have specific start and finish times which are relatively clustered and predictable, and occur only during the daytime (8:00 am – 5:00 pm). While return trips will be less predictable and perhaps less clustered, if it is regular and reliable, moderate frequency service (e.g. headway of 30 minutes) should be adequate. While the Lahaina Shuttle already runs between KOR and the Sheraton Maui (located next to Whaler's Village), the hour headway is too long to attract guests attending scheduled events.

PROGRAM 7: CONTINUED

INCREASING THE LAHAINA SHUTTLE FREQUENCY

In addition to the new water activity market, the increased frequency will attract additional employees and guests to use the shuttle. In emerging transit markets such as the shuttle service at KOR, service improvements lead directly into increased patronage. In most cases, a doubling of service leads to a doubling of ridership. Currently, the Lahaina Shuttle is running near capacity. In fact, in August 2007 additional shuttles were added to satisfy the passenger demand. It is likely that there is substantial latent demand for additional service and the increased frequency will see substantial increases in ridership, and corresponding trip reduction.

Since the inception of the Lahaina Shuttle in October of 2006, SVOP has counted passenger boardings on every shuttle throughout the day. This voluntary monitoring allows SVOP to accurately estimate the number of vehicle trips the Lahaina shuttle saves from the regional transportation network. Below is a chart that demonstrates the increase in ridership in the Lahaina Shuttle over the past year:



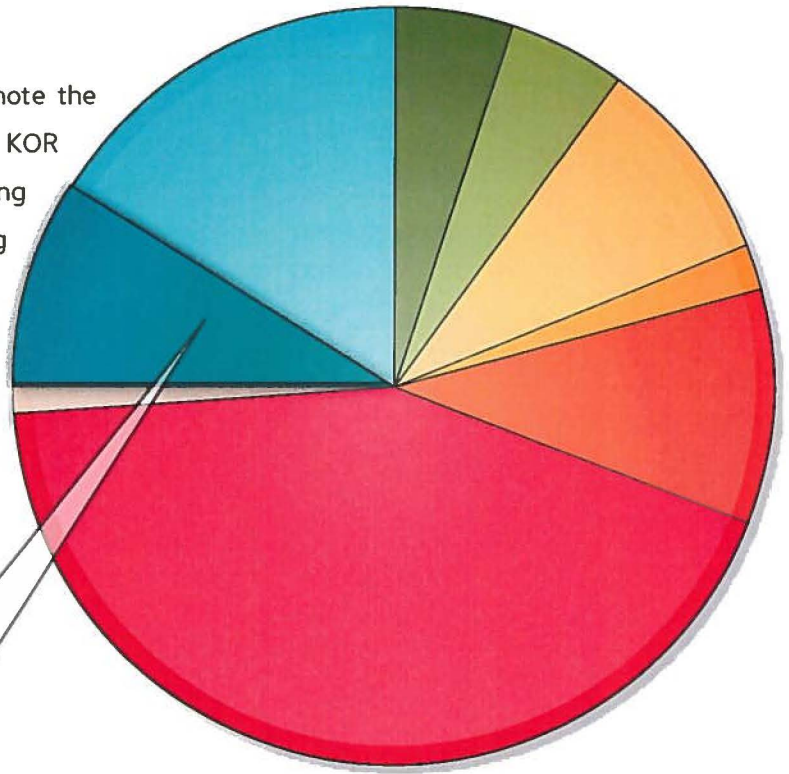
PROGRAM 8: EDUCATION AND INFORMATION

SUMMARY

Marketing efforts should advertise and promote the numerous transportation benefits offered to KOR guests and employees. While some marketing of employee programs is important, marketing efforts should primarily target guests due employees' more regular travel patterns. Marketing has the potential to significantly increase guest awareness and use of alternative transportation options.

9%

% Contribution to Net Zero



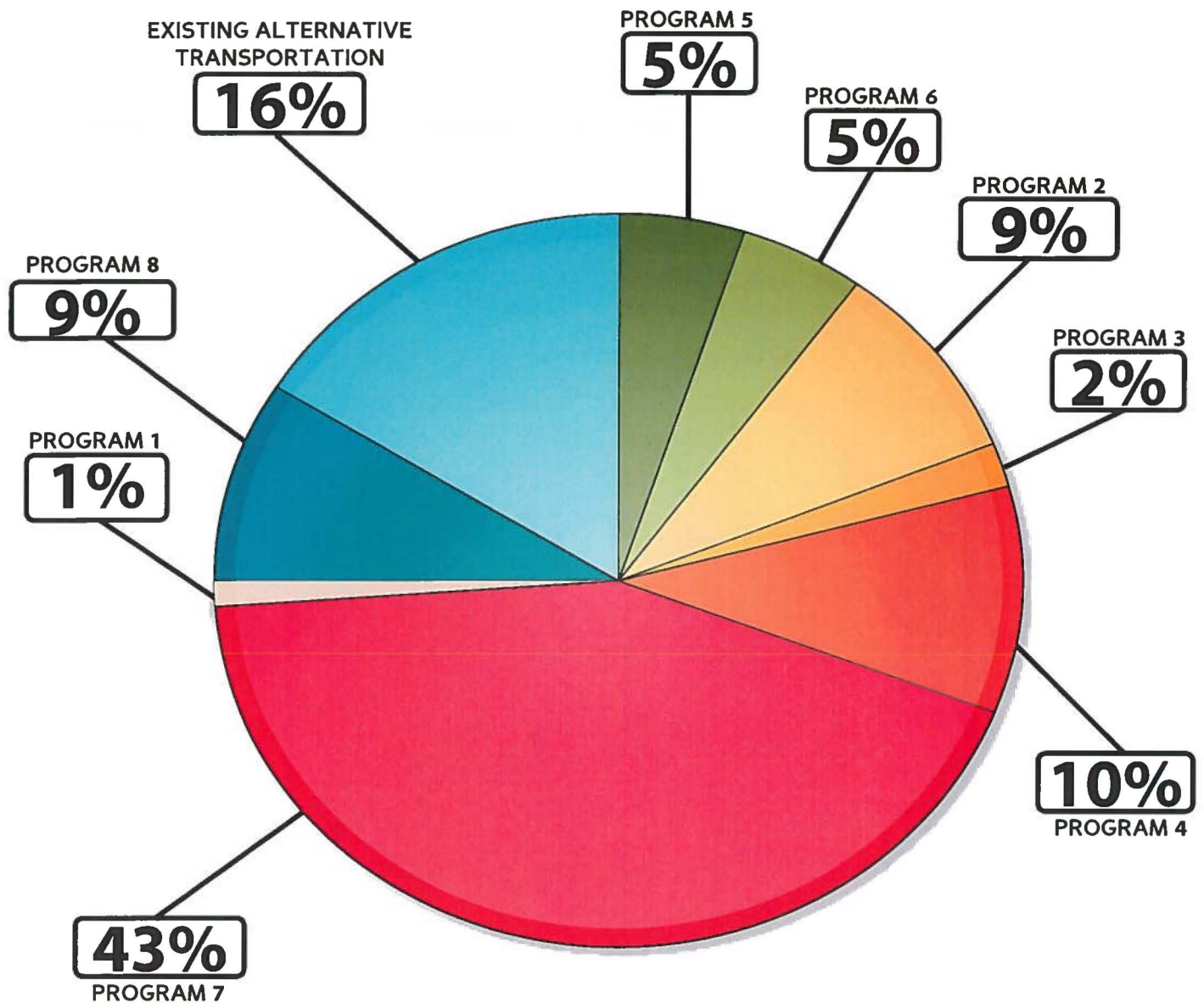
PROGRAM DETAILS

SVOP will implement the following:

1. Include a table tent in each room to advertise the transportation services available, including shuttle service to Lahaina, Whaler's Village and evening luaus.
2. About 70 percent of guests book their activities through the resort – this represents a significant opportunity to promote the use of the KOR transportation benefits. Hotel staff will mention and promote the use of these services at the time of booking.
3. All staff who might receive questions about transportation alternatives will undergo a brief training session to ensure that they are aware of the transportation services available, understand the importance of alternative transportation, and present the services in a positive manner.
4. Upon hire, new employees will meet with the Transportation Coordinator to learn about transportation benefits. In addition, employees will receive a monthly reminder about benefits, encouraging them to contact the Coordinator with any questions.

Starwood circulates periodic mailings throughout the internal Vacation Ownership network. Information on availability of multiple transportation options will be included in these print materials.

PERCENT CONTRIBUTION OF EACH PROGRAM TO NET-ZERO



- PROGRAM 1: AIRPORT SHUTTLE
- PROGRAM 2: EMPLOYEE TRANSPORTATION ALLOWANCE
- PROGRAM 3: GUARANTEED RIDE HOME (GRH) PROGRAM
- PROGRAM 4: LUAU SHUTTLE
- PROGRAM 5: LAHAINA SHUTTLE IMPROVEMENTS
- PROGRAM 6: AUGMENT AND IMPROVE TRANSIT SERVICE
- PROGRAM 7: INCREASED LAHAINA SHUTTLE FREQUENCY
- PROGRAM 8: EDUCATION AND INFORMATION
- EXISTING ALTERNATIVE TRANSPORTATION

ANNUAL COST OF TDM PROGRAMS

The TDM programs presented in this report will reduce vehicle trips for Lot 1, Lot 2 and Lot 3 to the point that the net traffic generation at Lot 3 is zero. This impressive reduction comes with a substantial price tag. The total recurring annual cost for the eight TDM programs described in this report will be approximately \$1,250,000. The chart below shows the cost breakout for the various TDM programs:

SVOP Operated Shuttles*	\$1,110,000.00
Education and Information	\$50,000.00
Guaranteed Ride Home Program	\$9,300.00
Transportation Coordinator	\$25,000.00
Transportation Allowance	\$62,000.00
Total Annual	\$1,256,300.00

*Includes expanded Lahaina Shuttles, Luau Shuttles, and Pilot Airport Shuttle

Running complimentary shuttles comprises the largest trip reduction but also comes with the largest price tag. The cost for running shuttles includes driver compensation, lease of the shuttles, fuel, repairs and maintenance. The estimate for the transportation allowance below assumes a \$25 cash-out option. If vehicle trip reduction is less than anticipated, the monthly cash amount can and should be increased which will increase the attractiveness of not driving to work. Raising the transportation allowance cash-out amount will be one of the easiest methods to increase trip reduction at Lots 1, 2 and 3.

SVOP is committed to implementing these TDM programs, and the total annual budget is being worked into the Resorts budget. To understand SVOP's commitment to these TDM measures and other project-related traffic improvements, a budget has been prepared that estimates program costs for the next 20 years. Budgets estimating costs for longer than 20 years are generally unreliable due to potential increases in costs and changes in travel behavior. The 20 year budget demonstrates that over the course of this period SVOP will spend an estimated \$25 million on traffic reduction measures. In addition to TDM program costs, this includes upfront road improvements and contributions to Lahaina Bypass Now equaling \$112,000.

	Annually Recurring Costs	Up-front Costs
Lahaina Bypass Now Support (2 Yrs)	-	\$50,000
Honoapi'ilani Highway Improvements	-	\$62,000
TDM Programs	\$1,256,000	-
Annual Total	\$1,256,000	-
20 Year Commitment	\$25,120,000	\$112,000
Total	\$25,232,000	

MONITORING PROGRAM

INTRODUCTION

SVOP is committed to reducing traffic generation for its three (3) projects at North Beach and will perform an annual analysis to monitor the effectiveness of the TDM programs. Specifically, this analysis will measure compliance with the net-zero traffic impact. The analysis will be synthesized in an Annual Mobility Report Card which will be filed with the Department of Public Works for review and comment.

ANNUAL MOBILITY REPORT CARD

There are three components to the Annual Mobility Report Card. First, SVOP will conduct annual traffic counts at four locations at Lot 3 for 72 consecutive hours. Since traffic generation is linked to unit occupancy, the occupancy of Lot 3 will also be recorded during this same time period. The location of the counts will be set so that traffic generated by Lot 3 can be distinguished from traffic generated by the public open space or by Lot 4. Similar traffic counts will be conducted for Lots 1 and 2 to monitor trip reduction at those properties.

TRAFFIC COUNT LOCATIONS FOR KOR LOT 3



MONITORING PROGRAM, CONTINUED

Secondly, SVOP will conduct an annual employee survey identical to the West Maui Commuter Needs survey for Lots 1, 2 and 3. This survey will provide valuable commute data such as mode to work, reasons for driving to work and propensity for using alternative transportation. This in-house survey will help estimate effectiveness of employee TDM programs and show transportation trends over the period of many years.

Third, SVOP will conduct an annual on-board shuttle survey as well as guest departure surveys to better understand the transportation behavior and additional needs of their guests. The on-board survey will be a barometer of guest satisfaction and highlight opportunities to make the shuttle service more effective. This survey will be in addition to the daily passenger counts that SVOP currently conducts on all shuttles. The guest departure survey will provide SVOP with valuable information of guest travel behavior and provide guests with an opportunity to comment on their regional transportation needs. Both surveys will help SVOP make adjustments to the TDM programs to maximize vehicle trip reductions.

LOGISTICS

The Report Card will be prepared in the fall of each year and will be filed with the County Department of Public Works no later than December 31st of each calendar year for review and compliance. Copies of the report card will also be provided to the County Department of Transportation and the County Planning Department. This report can be reviewed by an independent third party, paid by SVOP, to ensure accuracy and completeness. As stated above, SVOP is committed to implementing the TDM programs. As such, the Annual Report Card will also be completed on an annual basis. Monitoring would begin in 2011, when Lots 1, 2 and 3 are anticipated to be completed in their entirety.



PROGRAM ACCOUNTABILITY

The TDM programs described here will not reach their full effectiveness until all three SVOP projects are occupied. Thus, the monitoring program will begin upon issuance of the certificate of occupancy for the last phase of Lot 3 (estimated to open in 2011).

The first Mobility Report Card will be created after the TDM programs have been in place for one year (estimated to be 2012). This report card will be the first data that SVOP will receive regarding the effectiveness of the vehicle trip reduction. The first year of the monitoring program will reveal if the right data is being captured, whether the traffic count locations and duration are sufficient, and if the guest surveys are providing sufficient information.

PENALTY CLAUSE

In the second year of the program (estimated to be 2013), the report card will include comparisons between the net-zero traffic goal and the actual vehicle trip reduction. At this point if the actual vehicle trip reduction falls short of the annual net-zero traffic generation goal, SVOP will pay the County of Maui a financial penalty proportionate to the shortfall of trips. This penalty will be directly proportionate to the currently proposed impact fee amount (\$1.7 Million, if the fee were applicable) that would be imposed on the Lot 3 project in lieu of the Net-Zero Traffic Implementation Plan. For example, if the number of vehicle trips falls short by 10%, then 10% of \$1.7 Million will be paid to the County. This penalty (if any) will be assessed annually from this second year forward. The total cumulative penalty that SVOP will pay shall not exceed \$1.7 Million.

ON-SITE PARKING CONSIDERATIONS

Should this Net-Zero Transportation Implementation Plan achieve its goal of negating traffic impact from the Lot 3 project within two (2) years of the opening of the project, SVOP would be willing to consider options to reduce the number of on-site parking stalls which exceed code requirements. Among the parking reduction alternatives that could be considered are: (a) constructing one (1) of the Lot 3 parking structures in phases, whereby the top floor would not be built until it was needed, or (b) at SVOP's discretion, the excess parking stalls could be utilized for other purposes including but not limited to storage and TDM programs.



CONCLUSION

In summary, SVOP has assembled a set of TDM programs that will result in a substantial reduction in generated traffic. By achieving a 30 percent trip reduction at Lots 1, 2 and 3, the net traffic generated at Lot 3 in the peak hour will be completely mitigated (net-zero). In addition to program implementation, SVOP will monitor the vehicle trip reduction each year to ensure the trip reduction goals are being met. Any difference between the actual trip reduction and the trip reduction goal will be mitigated through a penalty paid to the County of Maui. A budget has been developed for the next 20 years of implementation, but the TDM programs and monitoring will continue until SVOP and Maui Planning Department deem such programs and monitoring to no longer be necessary, or until the Lahaina Bypass has been constructed, whichever occurs first. To ensure the effectiveness of this plan, SVOP will deposit \$1.7 Million (equivalent to the currently proposed impact fee) in an Escrow Account, which will secure any future payments of penalties.

