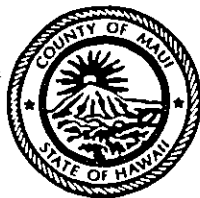


LINDA CROCKETT LINGLE
Mayor



DAVID W. BLANE
Director

GWEN OHASHI HIRAGA
Deputy Director

COUNTY OF MAUI
PLANNING DEPARTMENT
250 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

February 12, 1996

OFFICE OF ENVIRONMENTAL
QUALITY CONTROL

96 FEB 12 P2:46

RECEIVED

Mr. Gary Gill, Director
Office of Environmental Quality
Control
220 South King Street, 4th Floor
Honolulu, Hawaii 96813

Dear Mr. Gill:

Subject: Negative Declaration for Community Plan
Amendment Environmental Assessment Determination
on the Application by Molokai Ranch, Limited for
the Maunaloa Town Center Project at
TMK: 5-1-02: portion of 26 and portion of 27,
Maunaloa, Molokai (95/EA-9) (95/CPA-6)

The Maui Planning Department has reviewed the comments received during the 30-day comment period which began on November 23, 1995. A final Environmental Assessment (EA) was submitted to our office on February 7, 1996. The Maui Planning Department has determined that this project will not have a significant environmental effect as defined by the significance criteria found in §11-200-12 of the Department of Health's Rules and issued a negative declaration. Please publish this notice in the next available OEQC Bulletin.

We have enclosed a completed OEQC Bulletin Publication Form and four copies of the final EA.

Please contact Staff Planner Clayton Yoshida, AICP, at 243-7735 if you have any questions.

Very truly yours,

Gwen Ohashi Hiraga
for DAVID W. BLANE
Planning Director

Mr. Gary Gill
Office of Environmental Quality
Control
February 12, 1996
Page 2

DWB:CIY
Enclosures

xc: Molokai Ranch, Limited
Munekiyo and Arakawa
Colleen Suyama, Planning Program Manager-Land Use Management
Clayton Yoshida, AICP, Staff Planner
Land Use and Codes Administration
Project File
Molokai File
(g:\planning\all\clayton\fea.mau)

1996-02-23-MO-*FEA* - *Maunaloa Town Center*

FEB 23 1996

FILE COPY

Final ***Environmental Assessment***

Maunaloa Town Center

Prepared for:



MOLOKAI RANCH

February 1996



**MUNRO &
ARAKAWA, INC.**

***Final
Environmental Assessment***

Maunaloa Town Center

Prepared for:



MOLOKAI RANCH

February 1996



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Preface

The applicant, Molokai Ranch, Limited, proposes improvements to refurbish and redevelop the business district of Maunaloa Town (TMK 5-1-2:por. 26, por. 27) in Maunaloa, Moloka'i, Hawaii. Pursuant to Chapter 343, Hawaii Revised Statutes, and Chapter 200 of Title 11, Administrative Rules, Environmental Impact Statement Rules, this Environmental Assessment documents the project's technical characteristics and environmental impacts, and advances findings and conclusions relative to the significance of the project.

Chapter 1

Project Overview

I. PROJECT OVERVIEW

A. PROPERTY LOCATION, EXISTING USE, AND LAND OWNERSHIP

The applicant for the project, Molokai Ranch, Limited, proposes improvements to refurbish and redevelop the business district of Maunaloa Town in Maunaloa, Moloka'i, Hawaii (TMK 5-1-2: por.26, por. 27). See Figure 1. The project involves approximately 29.2 acres of land.

The project site is located in the central portion of the town. Approaching the town southbound from Maunaloa Highway, the project site includes a narrow sliver of property between the highway and existing residential use. As the highway turns east into the town, it becomes Maunaloa Road. Lands to the north of Maunaloa Road encompassing the existing gas station, basketball court and park, as well as two (2) plantation dwellings recently relocated to the park, are part of the project site. All or part of fourteen (14) residential structures to the north of the park are also within the project site. To the south of the road, the project site includes lands currently occupied by the Outfitters Center which arranges various recreational activities such as the wildlife park tour and trail rides on horseback, as well as the old Ranch warehouse. Molokai Ranch offices, light industrial uses and Cooke Land Company offices are also included as part of the project site. Moving through the central portion of the town, the project site includes the Post Office and community hall, a kite shop, art gallery, and restaurant. Further east, three (3) existing dwellings, two (2) of which are currently utilized for nonconforming retail use and the third as a police substation, are also included in the project site. Across Maunaloa Road, a sliver of vacant properties are also included as part of the request. Across the Post Office, lands housing the existing general store, beauty salon and laundromat are part of the project site as well.

The owner of all properties within the project limits is Molokai Ranch, Limited.

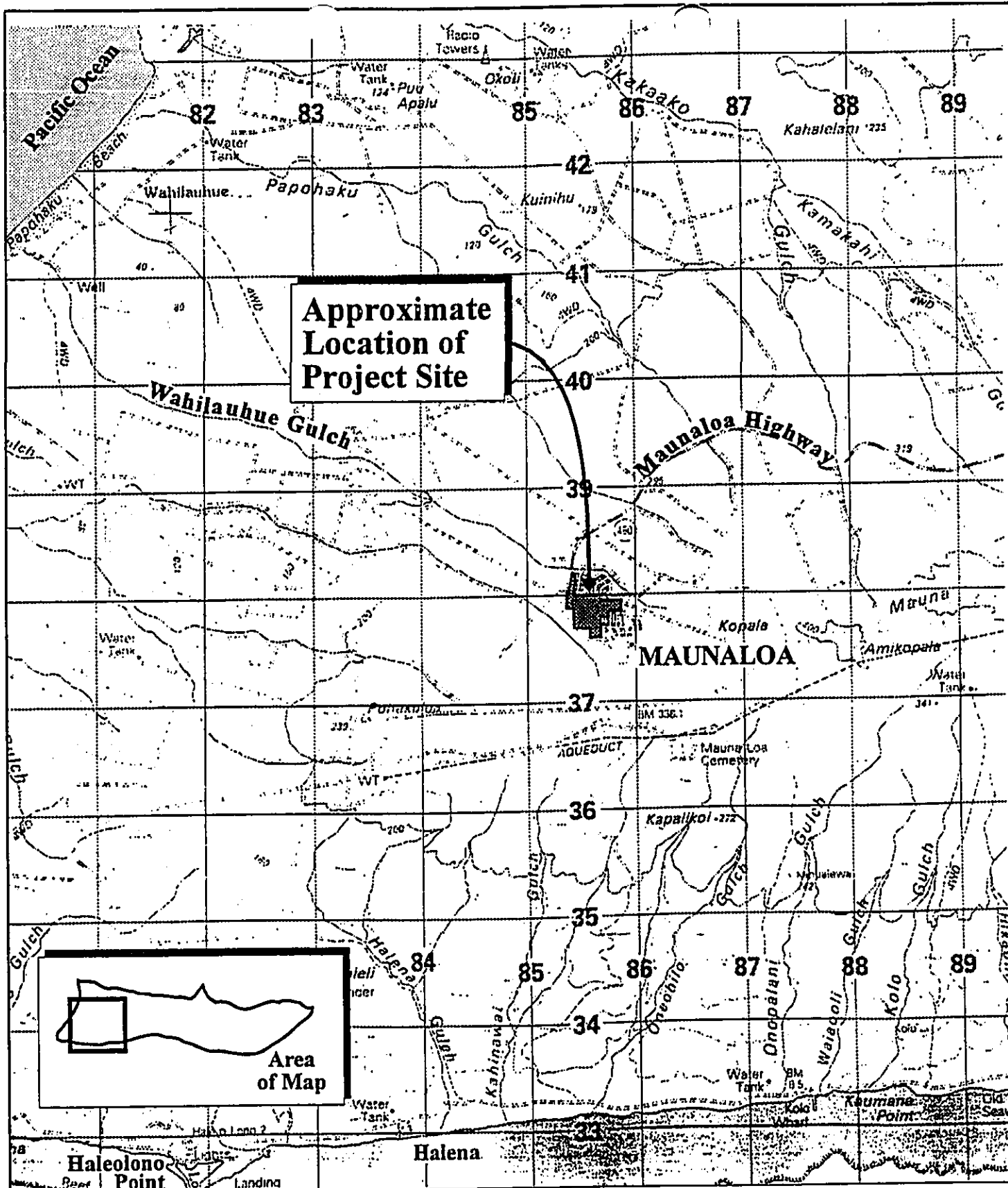


Figure 1

Maunaloa Town Center
Regional Location Map



B. REASONS JUSTIFYING THE REQUEST

The proposed improvements to the business district are intended to complement the ongoing residential development of Maunaloa Town.

The proposed action involves obtaining appropriate County land use and zoning for the existing nonconforming uses of certain commercial and public buildings presently in use in Maunaloa Town. These structures are proposed to be *refurbished* and renovated to meet current Building, Electrical and Plumbing Codes. There are approximately eleven (11) acres of property containing buildings within this category. The present Interim District zoning limits commercial options.

The proposed action also seeks additional County land use and zoning to provide for a business district which enables residents to have additional services, as well as allow for economic opportunities and related employment.

The proposed action allows space for community and business facilities which would provide these services to residents and visitors to Maunaloa. This is intended to provide a broad array of facilities which addresses shopping, social, and recreational needs. Retail, financial, grocery, and office space for a variety of residential needs, are being proposed. A new postal facility, community hall and library also provides public and social amenities. Recreational opportunities are being proposed which are intended to benefit Maunaloa as well as the island.

The project will stimulate the Molokai economy in both the short term and the long term, thereby providing additional employment and entrepreneurial opportunities for the island's and the town's residents.

In the short term, the project will provide construction-related jobs. It is likely that the number of construction-related jobs over the duration of the project will be relatively steady and consistent.

In the long term, the project provides a more stable economic base for the town. Additional space for commercial expansion allows for new business formation and entrepreneurial opportunities. New employees will also be needed for commercial, retail, and recreational ventures within the town as well as for the proposed lodge.

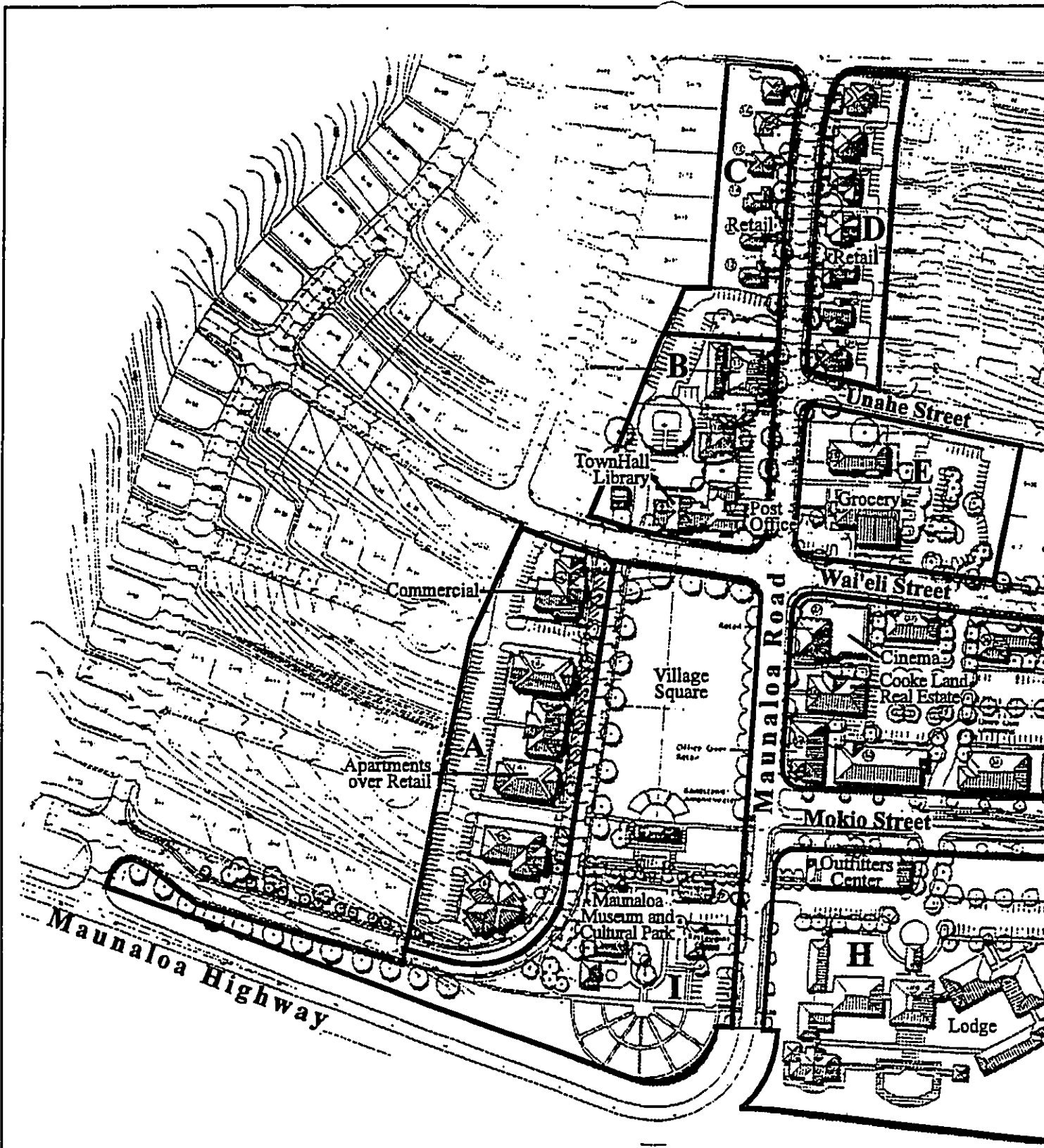
Another facet of the request is to provide a cohesive long-term plan for the business district of Maunaloa. This master plan approach enables a broader comprehensive view of the proposed improvements instead of taking piecemeal ad hoc actions.

C. PROPOSED IMPROVEMENTS

The proposed improvements to Maunaloa's business district include a mixture of retail, commercial, restaurant, lodge, park, and light industrial uses providing a range of amenities for Maunaloa's residents and visitors. This involves renovating existing structures as well as construction of new buildings, as appropriate. See Figure 2.

The project intends to maintain the plantation village/rural character of the town. Elements relating to site design, street design, and architecture are proposed to be in conformance with country town business design guidelines. The project also places an emphasis on pedestrian orientation and human scale.

A new Maunaloa Museum and Cultural Park is proposed near the town entrance along Maunaloa Road. See Area "I" in Figure 2. It is intended



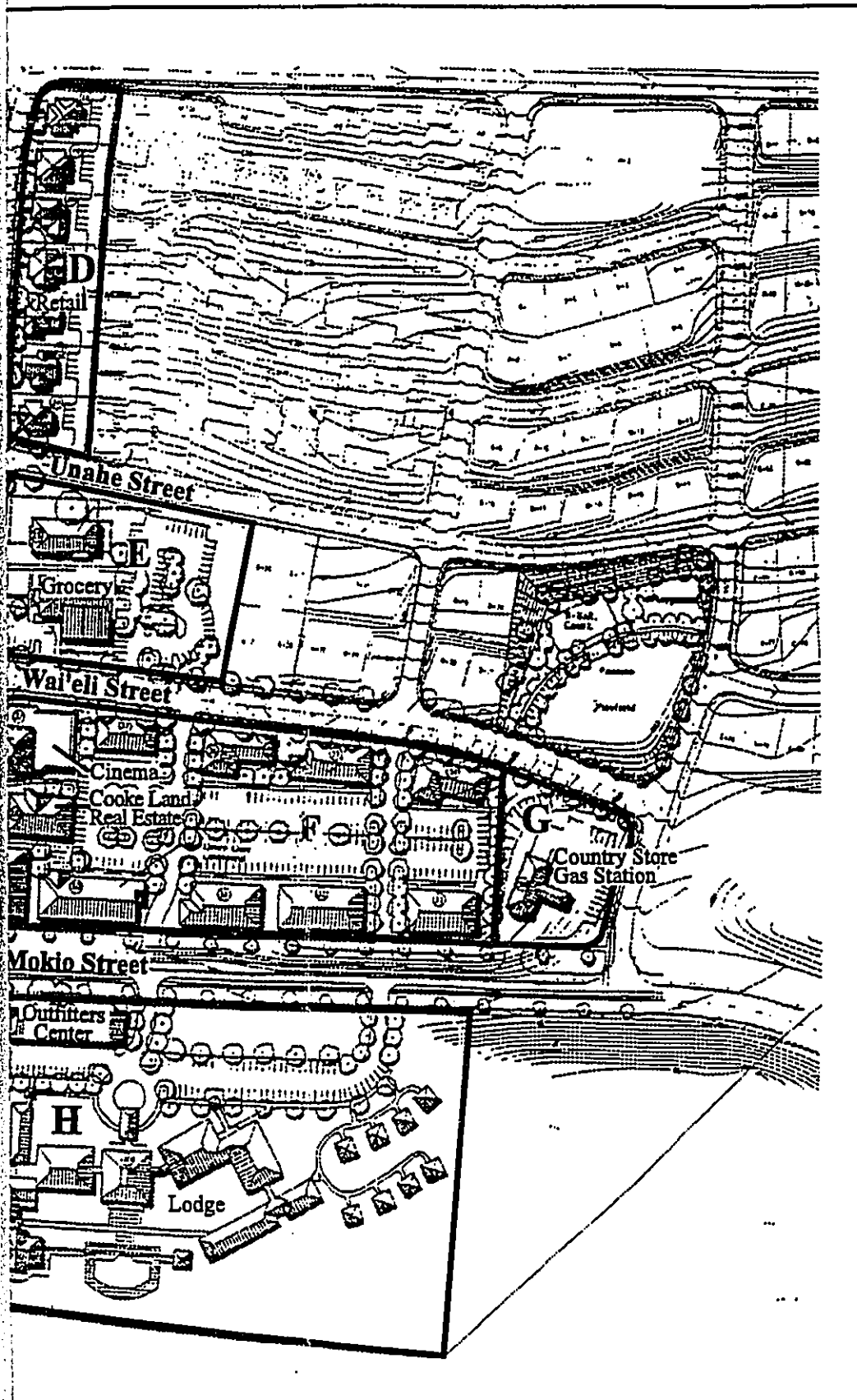
Source: Tunnell Spangler & Assoc.

Figure 2

Maunaloa Town Center
Town Center Plan



Prepared for: Molokai Ranch, Limited



own Center
ter Plan



NOT TO SCALE

that the cultural park would contain historical artifacts and materials from Maunaloa's past. These may include rehabilitated plantation houses as well as other historical structures, such as the original fire station, existing gas station, and dentist office. It is also envisioned that the 5.57-acre park would contain a museum office, a restaurant, and a village square where outdoor recreational, musical or cultural events could be held.

Across Maunaloa Road, the Outfitters Center office is proposed to remain as a venue for booking various recreational activities, such as the wildlife park tour and trail rides. The Outfitters Center encompasses approximately 9,400 square feet of floor area. See Area "H" in Figure 2. A new lodge facility is proposed to provide visitor accommodations. The lodge is anticipated to contain sixty (60) suites in a single- and two-story site arrangement which emphasizes open space.

To the east of the Outfitters Center across Moku Street, Molokai Ranch and its subsidiary, Cooke Land Company, occupy approximately 6,000 square feet of recently renovated office space. There are a variety of commercial, light industrial, and retail uses envisioned on this 6.36-acre block. See Areas "F" and "G" in Figure 2. Two (2) two-story office/retail structures may be implemented on the block with the remainder of the structures being one-story buildings. A cinema center of approximately 5,900 square feet is proposed to be located on the northeast corner of the block. Construction of a gas station/country store of approximately 3,000 square feet in floor area is also anticipated on the southern portion of the block. This facility is intended to replace the existing gas station currently located near the town's entrance.

To the east of the cultural park across Wai'eli Street, the existing Post Office is proposed to be renovated and expanded to include a town hall

and library. This structure is proposed to be approximately 6,100 square feet. See Area "B" in Figure 2. The two (2) adjacent structures containing retail and restaurant uses are envisioned to be refurbished.

Further east of Area "B", the three (3) existing residential structures, as well as areas across Maunaloa Road, are anticipated to be utilized for low intensity retail use. These retail uses on the eastern end of the town center comprise 3.25 acres of land. It is envisioned that this area would form an enclave for local artists such as painters, lei makers and leather toolers. See Areas "C" and "D" in Figure 2. Conceptually, Area "C" may contain approximately 8,500 square feet of floor area, while Area "D" may contain approximately 15,700 square feet of floor area.

South of the Post Office, the existing grocery store is expected to be renovated. See Area "E" in Figure 2. The existing building on the northeast corner of this block is presently in retail use, housing a beauty salon and a laundromat. It is envisioned that an additional entertainment use, such as a pool hall, may also be incorporated here.

A mixed use area is proposed within the area north of the Maunaloa Museum and Cultural Park. See Area "A" in Figure 2. This approximately 2.97-acre area is planned for single-story commercial uses as well as two-story structures containing apartments on the second level and retail use on the ground level. The schematic plan shows approximately 36,200 square feet of business use with approximately twenty (20) apartment units.

With regard to phasing, it is envisioned that construction will generally be market driven with buildout estimated to occur within the next 10 to 15 years. Construction is generally anticipated to occur in three (3) phases.

It is noted, however, that market considerations may hasten or lengthen the implementation time frame, and may also alter the specific components within each phase. The following phasing information represents a general guideline as to what could be included in each phase.

It is envisioned that Phase I involves improvements abutting the entrance and central portion of town. The renovation of the Outfitters Center office has already been completed. The development of the Maunaloa Museum and Cultural Park is anticipated in Phase I. Since the existing gas station is located on the park site, the new gas station/country store (Area "G") needs to be developed fairly early in the process. Within Area "F", Molokai Ranch and Cooke Land Company offices are already under renovation. It is envisioned that the cinema center would be included in the first phase. Area "E", which is located in the central portion of town, is also intended to be refurbished in Phase I. This includes the grocery store and retail uses.

Phase II includes further development which abuts the central portions of town. This includes development of Area "B" which includes the Post Office, town hall, library and other commercial uses. Commercial development of Areas "C" and "D" near the eastern edges of town, as well as portions of Area "F", are also envisioned to be included in Phase II.

Phase III includes development of Area "A" which is adjacent to the Maunaloa Museum and Cultural Park, the remainder of Area "F", as well as the lodge located in Area "H".

Chapter II

**Description of the
Existing Environment**

II. DESCRIPTION OF THE EXISTING ENVIRONMENT

A. PHYSICAL SETTING

1. Surrounding Land Uses

Moloka'i, the fifth largest island in the State, is flanked by Maui on the southeast, and Oahu on the northwest. Its elongated shape encompasses a land area of approximately 261 square miles.

The town of Maunaloa, surrounded by plateaus and rolling plains, is situated in the southwestern quadrant of Moloka'i. Moloka'i Ranch, the island's largest landowner, is the fee holder of the underlying properties within and surrounding the town.

Approximately sixty (60) acres surrounding the business district has been approved for residential development. A total of 351 affordable and market housing units are either completed or proposed within Maunaloa Town. This includes the 270 residential dwellings which are part of the new Maunaloa residential development. The initial phases of construction to the south of Maunaloa Road are already underway. Kauhale Mua, a 57 unit State of Hawaii affordable rental project, is located near the eastern boundary of the town. There are also 16 renovated residential dwellings located within the town, as well as an additional eight (8) existing dwellings located on Manager's Row.

Maunaloa is at the western terminus of the Maunaloa Highway, an asphalt-paved, two-lane State highway connecting central and western Moloka'i. This area consists of agricultural lands used for ranching and diversified agricultural operations. Kaunakakai, the island's principal town, is approximately seventeen (17) miles

southeast of Maunaloa. Moloka'i Airport is to the northeast, about ten (10) miles from Maunaloa.

Lands immediately surrounding Maunaloa were formerly utilized in pineapple cultivation and are presently used for cattle grazing. A wildlife preserve developed by Molokai Ranch is in an area approximately 1.5 miles west of the abandoned pineapple fields. The Kaluakoi Resort development is approximately three (3) miles to the northwest of Maunaloa. The Kaluakoi development includes a residential-resort complex consisting of a hotel and three (3) condominiums, a large acreage residential subdivision, and an 18-hole championship golf course. Except for lands utilized for ranching and diversified agricultural activities, the remaining lands are vacant and undeveloped.

2. **Climate**

Hawaii's tropical location accounts for uniform weather conditions throughout the year. Climatic conditions on Moloka'i are characterized by mild and consistent year round temperatures, moderate humidity and steady northeasterly tradewinds. Variations in Moloka'i's weather are attributable to regional topographical and climatic conditions.

Maunaloa is situated on the western slopes of Moloka'i. March is typically the wettest month of the year, with June usually being the driest. Average annual rainfall is approximately twenty (20) inches. Average Maunaloa temperatures range from lows in the 60's, to highs in the 80's.

The prevailing wind throughout the year is the northeasterly tradewind. Wind speed in the west Moloka'i region ranges from 4 to 24 knots depending on the season. The tradewinds are usually more persistent during the summer months than in winter, and stronger in the afternoon than at night.

3. **Topography and Soils**

Moloka'i possesses three (3) geological regions, each formed by three (3) separate shield volcanoes; western Moloka'i, created first, rises to a height of approximately 1,380 feet. Arid climate, plateaus, and rolling plains are the predominant geographic features of this region. The project site is located on lands between the 940 and 1,080 foot elevations. Topography is gently sloping, declining in a westerly direction ranging from approximately 7 and 8 percent.

The soils of the Moloka'i-Lahaina association underlie the proposed project site and surrounding land. This soil type is deep, well-drained, finely textured, and normally found on uplands.

Moloka'i soils have a surface layer and subsoil of dark reddish-brown, friable silty clay loam. The substratum is soft, weathered rock. Lahaina soils are similar to Moloka'i soils, except that the texture is predominantly silty clay. The Moloka'i-Lahaina association soil type is generally associated with pineapple cultivation. Small acreages are considered suitable for home sites, pasture lands, truck crops, and wildlife habitation.

Soil types specific to the proposed site include the soils of the Lahaina Series. See Figure 3. These soils include Lahaina silty

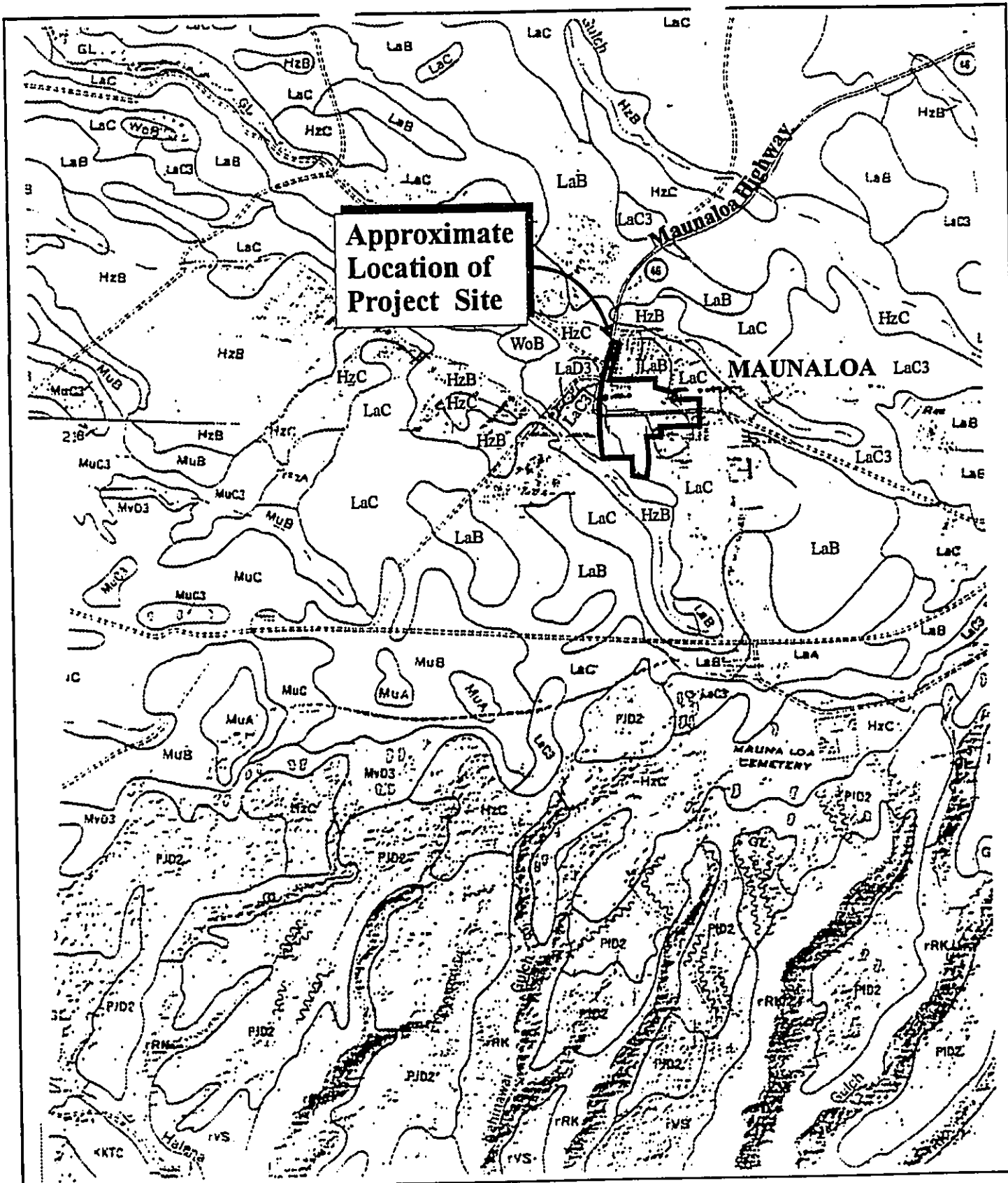


Figure 3

Maunaloa Town Center
Soil Classification Map



Prepared for: Molokai Ranch, Limited

clay, 3 to 7 percent slopes (LaB); Lahaina silty clay, 7 percent to 15 percent slopes (LaC); Lahaina silty clay, 7 to 15 percent slopes, severely eroded (LaC3); and Hoolehua silty clay, 7 to 15 percent slopes (HzC). Soil type LaB is typically found on smooth uplands, its permeability is moderate, runoff is slow, and the erosion hazard is minimal. Soil type LaC is similar to LaB, and is characterized by medium runoff, moderate slopes, and erosion hazards. Soil type LaC3 is also similar to LaB except that part of the subsoil has been removed by erosion. Runoff is medium, and the erosion hazard is severe. Soil type HzC occurs mainly on West Moloka'i. Runoff is slow to medium, and the erosion hazard is moderate.

The Land Study Bureau's Detailed Land Classification rates the agricultural suitability of soils. A five (5) class productivity rating is applied using the letters "A", "B", "C", "D" and "E", with "A" representing lands of the highest productivity, and "E" the lowest or very poorly suited for agricultural production. Existing developed portions of Maunaloa Town were not classified. However, the Land Study Bureau rates southern portions of the project site as "D", poorly suited for agricultural production. See Figure 4.

The State Agricultural Lands of Importance to the State of Hawaii (ALISH) system classifies land into "Prime", "Unique", and "Other Important Agricultural Land". The remaining lands are Unclassified. According to the ALISH system, all of the project site is Unclassified. See Figure 5.

4. **Flood and Tsunami Hazards**

The proposed project site is located on the gently sloping plains of western Moloka'i. Due to Maunaloa's elevation and topographical

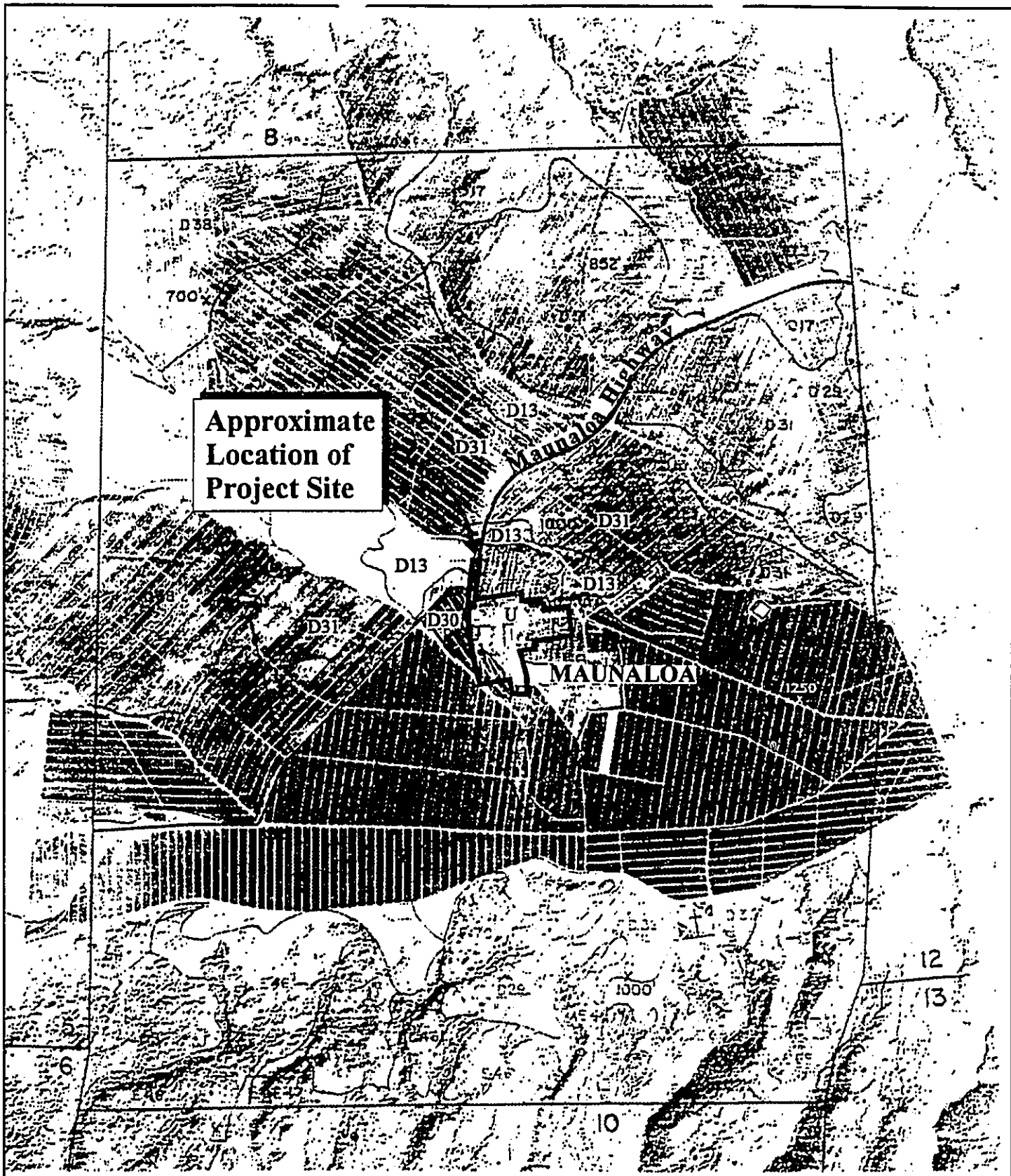


Figure 4

Maunaloa Town Center
Soil Productivity Ranking



Prepared for: Molokai Ranch, Limited

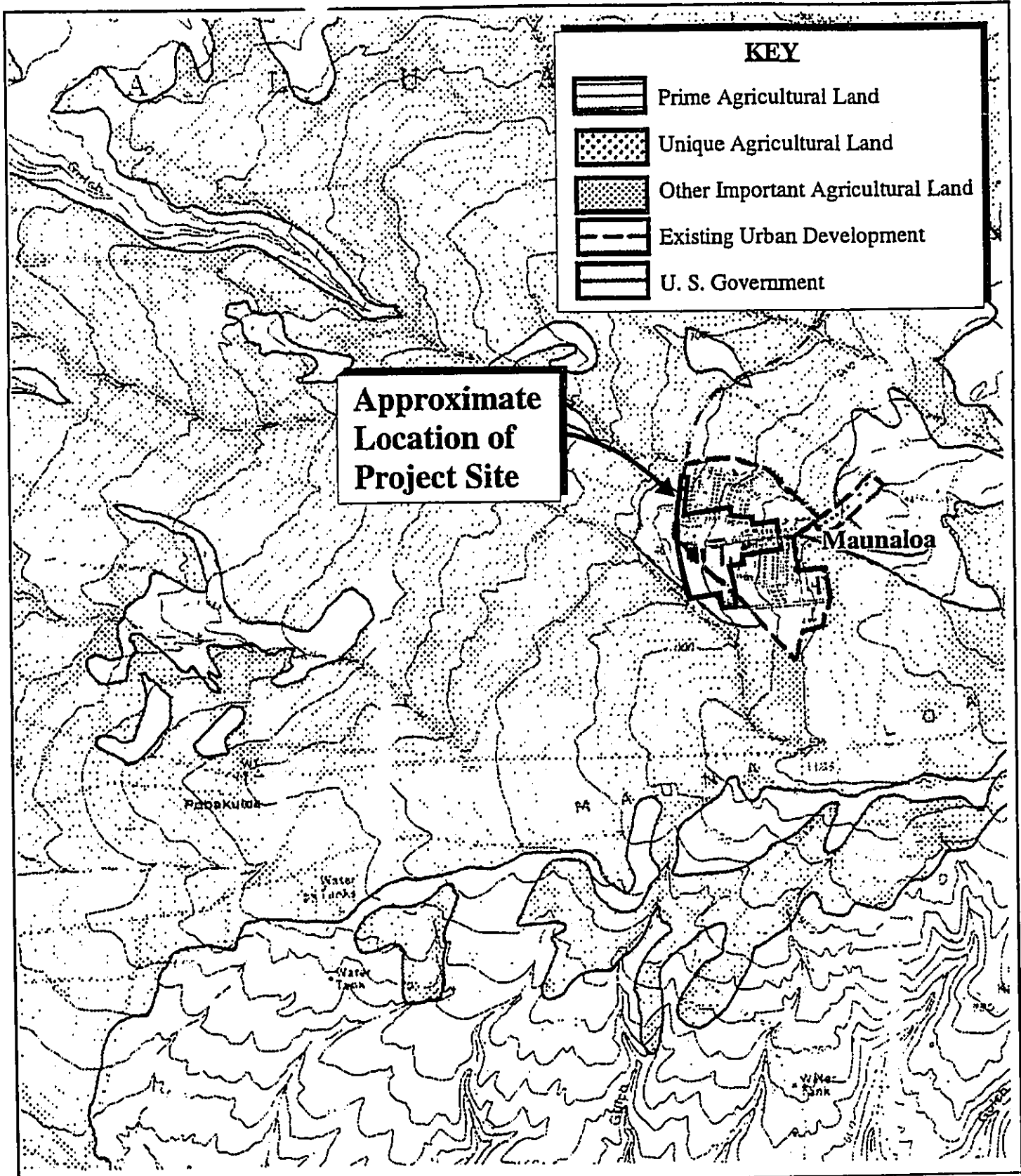


Figure 5

Maunaloa Town Center
ALISH Map



Prepared for: Molokai Ranch, Limited

features, the town and immediate surrounding areas are not subject to local flooding conditions. The natural drainage ways provided by Wahilauhue and Kalua Gulches, and an unnamed gulch in the vicinity, also mitigate any localized flooding conditions. As indicated on the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map, Maunaloa Village is situated within lands designated as Zone C. Lands defined by Zone C are within areas of minimal flooding. The project site is approximately 2.8 miles from the southern coastline. It is considered well beyond the limits of tsunami and coastal flooding inundation as indicated by the Flood Insurance Rate Map.

5. **Flora and Fauna**

Vegetation including kiawe, ilima, uhaloa, feather fingergrass, buffelgrass, pili grass, zinnia, lantana, Natal redtop, Guinea grass, and ekoa are typical of western Moloka'i. Within the existing town, introduced grasses, shrubs, and weeds, and avocado, banyan, and mango trees were present.

The lands south of the existing town were formerly utilized for pineapple cultivation. There are no known rare, endangered, or threatened species of plant life within the proposed site.

Cattle, deer, goats, mongoose, pigs, and rodents represent the wildlife found in western Moloka'i. Domestic animals such as cats, dogs, and chickens can also be found within or surrounding the proposed project site. Avifauna within the region include cardinals, doves, francolins, mockingbirds, pheasants, plovers, pueo, quails, ricebirds, and white eyes. There are no known rare, endangered, or threatened species of fauna or avifauna within the proposed site.

6. **Archaeological Resources**

The island of Moloka'i possesses a rich archaeological past. Patterns of settlements prior to the arrival of European missionaries indicate that most of Moloka'i's inhabitants populated the western and southeastern regions of the island. Notable sites include the many fish ponds along the south shore, the phallic rock, the heiau at Hokukano, and the settlement complex in Halawa Valley.

Portions of the project site are located on lands formerly used for pineapple cultivation. Plowing and ground preparation during each crop cycle have completely altered the surface characteristics of these properties. Within the existing town, the ground surface and subsurface characteristics have also been significantly altered.

Accordingly, the project site is not anticipated to reveal any archaeological resources or any significant evidence of pre-contact or post-contact cultural settlements.

7. **Historic Resources**

There are a number of existing structures within the project site. Most of the structures within the project site were originally constructed between 1926 and 1938 as part of the pineapple plantation community.

Within Area "A", there are 14 residential dwellings within or partially within the project site. This includes a residential dwelling which is within the proposed right-of-way which fronts Area "A". In Area "B", there is the existing Post Office/community room structure, and two (2) commercial structures containing a kite shop and a

restaurant. In addition, there is a telephone substation which is not historic (i.e., more than 50 years old).

In Area "C", there are three (3) former residential dwellings, two (2) of which are utilized as nonconforming commercial uses and the third as a police substation. There are also a smaller vacant residential cottage and a detached garage. Area "D" contains the old dentist's office. Area "E" contains an existing structure containing a beauty salon and laundromat. A separate structure houses a grocery store.

Area "F" contains the original fire station structure, existing Moloka'i Ranch and Cooke Land Company offices, the Ranch baseyard, and other industrial uses. Area "G" is vacant. Area "H" contains the Outfitters Center office as well as baseyard. Area "I" contains an existing basketball court, gas station and two (2) plantation dwellings which have been recently relocated to this area. The old dentist's office, fire station structure, relocated dwellings and the gas station are intended to be included as part of the proposed Maunaloa Museum and Cultural Park.

8. Air Quality and Noise

In the short term, ongoing construction activities pertaining to the project and associated infrastructural development are anticipated to affect air quality and noise levels in the vicinity of the project site.

In the long term, the quality of air in the immediate vicinity of the proposed project site can be characterized as good due to the absence of any point and non-point sources of airborne emissions.

The rapid dispersal of any emissions is due to the cleansing effect created by the area's constant exposure to the northeasterly tradewinds.

In the long term, noise levels are primarily affected by automobile traffic within the town and along Maunaloa Highway. However, vehicular traffic is not anticipated to generate any significant and unfavorable noise conditions.

9. **Scenic and Open Space Resources**

Maunaloa Village is surrounded by agricultural lands characterized by open spaces. The west Moloka'i coastline and the island of Oahu are visible to the west and the Mo'omomi shoreline on the north.

The village is at the western terminus of the Maunaloa Highway, the principal vehicular corridor in the area. Maunaloa is not readily visible from the highway until the final approach to the town has been negotiated. The project site is not a part of valuable or scenic open space or view corridors.

B. **COMMUNITY SETTING**

1. **Land Use and Community Character**

The pineapple industry, the key agricultural element of the local economy for many years, closed its Moloka'i operations due to sustained losses from foreign competition. High labor and shipping costs made it extremely difficult to compete with growers from the Philippines and Taiwan. Maunaloa is a former plantation town operated by Dole Foods that has retained its rural, plantation

lifestyle. Many of the original structures still exist today and provide a link to Maunaloa's past.

Maunaloa is the headquarters of Molokai Ranch, the island's largest landowner. When Dole closed its pineapple operations in 1975, that resulted in approximately 15,000 acres being left fallow. Since then, ranching activities have become the focus of commercial operations in Maunaloa Town.

A wildlife preserve was also developed in an area about 1.5 miles west of the abandoned pineapple fields. Animals indigenous to the African plains and Asia are raised there.

The Kaluakoi Resort development is situated along the west Moloka'i coastline, approximately three (3) miles northwest of Maunaloa. The resort complex includes the Kaluakoi Hotel and Golf Club and the Ke Nani Kai, Paniolo Hale, and West Moloka'i Resort condominiums. An 18-hole championship golf course and the Papohaku Ranchlands subdivision are also within the resort area. The Kaluakoi Hotel and Golf Club, formerly the Sheraton Moloka'i, is also located within the resort complex. The Papohaku Ranchlands subdivision is an agricultural zoned, residential subdivision typically consisting of five (5) acre parcels.

2. **Population**

According to the 1990 U.S. Census of Population and Housing, Moloka'i was represented with a resident population of 6,587, a 12 percent increase from the 1980 census.

In West Moloka'i, the 1990 population was 2,168, compared to 2,331 in 1980. This represented a 7 percent decrease. Maunaloa's population also declined in this period. In 1990, Maunaloa's population stood at 428. In 1980, the population numbered 633. This represented a 32 percent decrease in population.

3. *Economy*

The number of jobs on Moloka'i has remained constant at approximately 1,500 since 1982. The visitor industry brought new jobs during the 1980's but diversified agriculture has not created many new jobs. The island has experienced high unemployment since the 1970's. The islands of Moloka'i and Lanai have had double digit unemployment, with Moloka'i's rate usually the highest in Hawaii. As of August 1995, Moloka'i's unemployment rate was 12.0 percent, compared to 7.0 percent for Maui County and 6.0 percent for the State as a whole.

A total of 548 visitor units have been identified on Moloka'i, slightly less than 1 percent of the State total. Visitor counts showed a decline from 1984 to 1989, from an annual total of 111,490 westbound visitors to 86,020. The trend appears to have been reversed in 1990 when both arrivals and hotel occupancies rose as much as 17 percent over comparable monthly periods in 1989. More recently, visitor arrivals number approximately 100,000.

Hotel occupancy rates on Moloka'i have been quite low in relation to Hawaii averages, with the most recent reported occupancy being 29 percent. Moreover, room rates on Moloka'i have been lower than the rest of the Hawaiian Islands.

There have been several notable recent developments in diversified agriculture on the island of Moloka'i. The island is a significant producer of watermelon, sweet potatoes, sweet pepper, and snap beans for the whole state. Coffees of Hawaii established a plantation in Hoolehua and is marketing its product under two (2) labels. Research and production facilities for plant breeding, particularly for corn, have been established by two (2) major firms, Ciba-Geigy and Hawaiian Research, Ltd.

Subsistence and commercial fishing also occur on Moloka'i. In the 1992-93 fiscal year, approximately 41,660 pounds of fish were sold on Molokai with a total value of \$94,066.

4. **Police and Fire Protection**

Police services on Moloka'i are provided by the Maui County Police Department. The Moloka'i station, staffed by 26 administrative, professional, and support personnel, is approximately seventeen (17) miles southeast of Maunaloa, in the Mitchell Pauole Center in Kaunakakai (telephone conversation with Maui Police Department Captain George Kahoochanohano, May 1995).

It is noted that one (1) police officer is stationed at Maunaloa to provide a local police presence.

Fire prevention, protection, and suppression services are provided by the Maui County Fire Department. The Fire Department maintains stations in Hoolehua and Kaunakakai, and a substation in Pukoo. The Hoolehua and Kaunakakai fire stations are about twelve (12) and seventeen (17) miles northeast and southeast, respectively from Maunaloa.

The Hoolehua and Kaunakakai stations are each staffed by fifteen (15) firemen and three (3) captains, while the Pukoo substation is manned by six (6) firemen. If necessary, additional firefighting support can be provided by the four (4) Aircraft Rescue and Firefighting staff based at Moloka'i Airport (telephone conversation with Maui Fire Department employee, Ralph Lin-Kee, May 1995).

5. **Medical Facilities**

Moloka'i General Hospital, which is owned by Queen's Health Systems on Oahu, is the only major medical facility on the island. The hospital is located in Kaunakakai, approximately seventeen (17) miles southeast of Maunaloa.

The 30-bed facility provides long-term, acute, and obstetrics care services. The hospital is staffed by two (2) resident physicians, five (5) to seven (7) registered nurses (depending on staffing requirements), and two (2) licensed practical nurses. Additional facilities include a X-ray lab, a medical lab, a pharmacy, and a recently completed office building (telephone conversations with Moloka'i General Hospital employee, Agatha Fontes, May 1995).

Other medical facilities include the Moloka'i Family Health Center in Kaunakakai, a clinic operated by four (4) general practice physicians. In addition, the Women's Health Center located at the hospital, provides mid-wife and maternity services for local residents.

6. **Education**

There are five (5) public schools on Moloka'i. With the exception of Moloka'i High and Intermediate School, located approximately

twelve (12) miles northeast of Maunaloa, the remaining public schools provide elementary education for children from kindergarten through Grade 6. Of all the schools, Moloka'i High and Intermediate School (Grades 7-12) in Hoolehua, has the largest student enrollment (868) and faculty (57). Kaunakakai School is Moloka'i's second largest school with an enrollment of 385 students and a faculty of 26.

Kualapuu School is next in size with a student population of 389 and a faculty of 23. Kilohana School in east Moloka'i has an enrollment of 173 students and a faculty of fourteen (14).

Maunaloa School, located in Maunaloa Town, is Moloka'i's smallest public school with a student population of 92 and a faculty of ten (10) (telephone conversations with Department of Education employee, Valerie Kaauamo, October 1995).

7. **Recreational Facilities**

The island of Moloka'i offers a wide range of recreational opportunities. Outdoor activities include bicycling, boating, camping, diving, fishing, golf, hiking, horseback riding, hunting, surfing, swimming, tennis, and windsurfing.

The island is also host of the annual Moloka'i to Oahu canoe race. Canoe clubs from foreign countries, Hawaii, and the U.S. mainland gather at Hale O Lono, a small boat harbor along Moloka'i's southwest coast, to compete in this event.

Existing recreational facilities within Maunaloa include a basketball court, adjoining open play field and open space situated within the

village core on parcels totalling 5.57 acres. This is the proposed site of the Maunaloa Museum and Cultural Park. There is an existing 3.0-acre play field located adjacent to Maunaloa School. A new rodeo arena and related facilities have also been built. This provides a venue for practice and competition. A new neighborhood park of 1.66 acres is proposed within the residential area to the south of Maunaloa Road. This is intended to be utilized for active recreation with facilities such as a basketball court and open play field being considered.

C. INFRASTRUCTURE SYSTEMS AND PUBLIC SERVICES

1. Transportation Systems

The town of Maunaloa is at the western terminus of the Maunaloa Highway, the principal roadway linking the central and western regions of Moloka'i. Maunaloa Highway is a Federal Aid secondary highway maintained by the State Department of Transportation (DOT). It has a posted speed limit of 45 miles per hour and consists of two (2) 12-foot travel lanes and six (6) to ten (10) foot grassed shoulders. See Appendix A.

Maunaloa Road, a two-lane paved road, bisects the village of Maunaloa. Other roads within the village are predominantly unpaved or if paved, are badly deteriorated and in need of repair. Construction activities to the south, as part of Maunaloa's residential redevelopment, are improving the streets in that area. Construction activities to the south of Maunaloa Road are scheduled for completion in March 1996. Areas to the north of Maunaloa Road will be completed in December 1996.

Moloka'i is served by a commercial aviation airfield in Hoolehua, located in Central Molokai, approximately ten (10) miles northeast of Maunaloa. Island Air, Hawaiian Airlines and Mahalo Airlines provide regularly scheduled daily passenger flights to and from Moloka'i.

Kaunakakai Harbor, also located in the Central Molokai region, about thirteen (13) miles southeast of Maunaloa, is Moloka'i's only commercial harbor. Facilities include 10,000 square feet of covered storage area and 123,000 square feet of open storage area. Excluding domestic fishing craft, there were 738 vessel arrivals at Kaunakakai Harbor in 1989. Harbor freight traffic accounted for 144,494 short tons of goods transported (DBEDT, March, 1993).

2. Water Systems

The County of Maui operates four (4) water systems on the island of Moloka'i. In addition, Molokai Ranch, Kukui Incorporated, the Department of Hawaiian Home Lands, and the State of Hawaii maintain private water systems. See Appendix B.

The County-operated well east of Kualapuu provides the existing source of water for Maunaloa. Molokai Ranch has an agreement with the County Department of Water Supply (DWS), to purchase up to 100,000 gallons per day (gpd) for Maunaloa.

From the Kualapuu well, water is conveyed to Kaunakakai by means of 8- and 12-inch transmission lines. Molokai Ranch was provided a 4-inch water meter for this line by the DWS. The meter services Maunaloa and is located above Kalamaula.

A 6-inch line owned by Molokai Ranch then transmits the water across Hoolehua towards Puu Nana. Pumps at Mahana then convey the water up to Puu Nana through a 5-inch line that carries it to the 3.0 million gallon (mg) storage reservoir above Maunaloa.

With the residential redevelopment in Maunaloa Town, a water distribution system capable of meeting current County performance standards for service and fire protection is being built. The new system consists of 8- and 12-inch polyethylene-wrapped ductile iron water mains, fire hydrants and DWS-standard service laterals. The water system within Maunaloa Town will continue to be privately owned and maintained by Molokai Ranch, Limited for the foreseeable future.

3. **Wastewater Systems**

With the residential redevelopment of Maunaloa Town, a new sewer collection system has been designed to meet State Department of Health (DOH) and County of Maui Department of Public Works and Waste Management standards. The new system will consist of 8- and 10-inch diameter sewer mains with a 6-inch service lateral serving each individual lot. See Appendix B.

Wastewater treatment is currently provided by two (2) oxidation ponds located approximately 900 feet northwest of the village. The ponds do not meet State DOH standards and a new wastewater treatment facility is now under construction.

The new wastewater treatment facility includes new headworks, three (3) lined oxidation ponds, a chlorine contact tank and two (2) additional filtration basins. The initial treatment capacity will be

105,000 gallons per day. However, treatment capacity may be expanded to a maximum of 210,000 gallons per day in the future, as needed.

The wastewater system serving Maunaloa Town, including both the collection system and treatment facility, will continue to be privately owned and maintained by Molokai Ranch, Limited for the foreseeable future.

4. Drainage

Runoff generated from existing business and industrial buildings flows from the existing lots into the underground storm drainage system. This runoff is then conveyed and discharged into two (2) existing gullies located along the northern and southern edges of the residential subdivision.

The existing business and light industrial lots generate approximately 59 cubic feet per second (cfs) of runoff during a 10-year storm. Approximately 15 cfs discharges into the northern gully and 44 cfs discharges into the southern gully. See Appendix C.

5. Solid Waste

Single-family solid waste collection service is provided by a private disposal company. Solid waste from businesses and other non-residential uses will be handled by private disposal companies. Solid waste is collected and disposed of at the County Landfill in Naiwa. The new \$2.3 million landfill has been designed to cover an area of approximately twelve (12) acres and have a maximum depth of 70 feet. It has a projected life of 30 years and a capacity of 584,000 cubic yards (Brown and Caldwell, June 1993).

6. **Electrical and Telephone Systems**

Electrical service for the island of Moloka'i is provided by Moloka'i Electric Company, a subsidiary of Maui Electric Company, from their power generation plant at Palaau. Telephone service is supplied by GTE Hawaiian Telephone.

Electrical and telephone services to Maunaloa are provided by an overhead delivery and distribution system. Service lines to individual lots and buildings are underground.

Chapter III

Potential Impacts and Mitigation Measures

III. POTENTIAL IMPACTS AND MITIGATION MEASURES

A. PHYSICAL ENVIRONMENT

1. Surrounding Uses

The proposed project is not anticipated to have an adverse impact upon surrounding land uses. The project will renovate and upgrade the business district of Maunaloa to improve services and employment opportunities. The proposed use is considered *compatible and complementary* with existing and planned surrounding uses.

2. Flora and Fauna

There are no known significant habitats or rare, endangered or threatened species of flora and fauna located within the project site. The proposed project is, therefore, not considered an adverse impact upon these environmental features.

3. Archaeological Features

Previous construction within the existing town involved significant ground disturbing activities. The site of the proposed lodge and related facilities have also been subject to ground disturbing activities from agricultural and residential use. Thus, the project site is unlikely to contain any significant archaeological materials.

However, should any archaeological materials be found during construction, work in the immediate area will be halted and the Historic Preservation Division of the Department of Land and Natural Resources will be notified.

4. **Historic Considerations**

There are a number of structures which are more than 50 years old located within the project site. Over time, structures have been repaired, altered, and renovated, as needed. All are owned by Molokai Ranch, Limited and are not listed on the State or National Register of Historic Places.

It is intended that all structures within the project would be built or renovated to comply with Country Town Business design guidelines to maintain the unique urban design character and country town atmosphere of Maunaloa. All structures within the project are proposed to be upgraded to meet current Building, Plumbing and Electrical Code standards. It is noted that the project will not utilize Federal or State monies.

At the entrance to the town, the Maunaloa Museum and Cultural Park would contain two (2) rehabilitated plantation dwellings and an additional two (2) dwellings which would be part of the museum's exhibits. The existing fire station structure within Area "F" and the dentist's office in Area "D" will be relocated into the park for use as exhibits. The existing gas station is also proposed to be utilized as an exhibit. A new gas station/country store is proposed to be located within Area "G" which is currently vacant.

Within Area "H", the Outfitters Center office has been recently renovated and will remain in its present location. However, the adjacent warehouse is proposed to be demolished. Within Area "F", the existing Molokai Ranch and Cooke Land Company offices are undergoing renovation and will be retained. As development

proceeds within the interior portions of the block, baseyard and light industrial activities are proposed to be relocated.

Structures within Areas "B", "C", and "E" will be refurbished to comply with Country Town Business District guidelines. With the exception of the dentist's office which will be relocated to the museum site, Area "D" is vacant.

Area "A" is proposed as a commercial and apartment mixed use zone. Lands occupied by the existing dwellings will be needed for the future development.

The applicant will coordinate with the County Planning Department regarding applicable Country Town Business design review provisions and procedures.

5. **Air Quality and Noise**

Air quality impacts attributed to the project will include dust generated by short-term, construction-related activities. Site work such as clearing, grubbing and grading, and utilities and roadway construction, for example, will generate air-borne particulates. Dust control measures, such as regular watering and sprinkling, as well as expeditious revegetation, will be implemented to minimize wind-blown emissions.

Ambient noise conditions will also be temporarily impacted by construction activities. Heavy construction equipment, such as bulldozers, front end loaders, and materials-carrying trucks and trailers, would be the dominant source of noise during the

construction period. All construction activities are anticipated to be limited to daylight working hours.

The proposed project is anticipated to contain a mixture of retail, office, cinema, public, park, lodge and light industrial uses. In the long term, these uses are not anticipated to generate significant air and noise emissions. It is noted that no heavy industrial uses such as heavy manufacturing or processing of raw materials would be allowed within the proposed project.

Project-related traffic will generate automotive emissions but are not expected to adversely impact local and regional air quality conditions.

The project is not anticipated to significantly impact ambient noise conditions in the vicinity. Hours of operation for most of the businesses are anticipated to be primarily normal weekday business hours. The movie theater, community hall, and pool hall may all involve night time use. However, hours of operation will be regulated by the landowner/operator.

6. Scenic and Open Space Resources

The project will be fully landscaped to create an area visually integrated with surrounding properties. The proposed project will not significantly affect views to and from Maunaloa.

B. IMPACTS TO COMMUNITY SETTING

1. Population and Local Economy

The project generates short-term jobs related to construction and long-term jobs associated with continuing operations. See Appendix D.

It is estimated that the project will generate approximately ten (10) direct construction jobs per year, with construction lasting perhaps 10 to 15 years. A larger number of indirect and induced jobs would be supported by this construction activity. The total construction cost of the project is estimated at approximately \$19.3 million.

The project provides space for a mix of public, retail, and other commercial uses as demand increases over time. The lodge, planned for the latter portion of the development period, will add more visitor demand for retail and services, as well as jobs at the lodge itself.

With Phase I construction completed and new facilities in operation, approximately sixteen (16) new jobs would be created. When the project is fully built out, the total new employment would grow to approximately 190 direct jobs. An additional 130 indirect and induced jobs would be associated with project operations.

The project could help to lessen problems of unemployment, but the impact is likely to be small for the first few years of operations. Within the town of Maunaloa, the new jobs will have greater impact. The total number of direct operations jobs estimated at buildout is smaller than the current number of persons unemployed but looking for work on Moloka'i. Thus, residents would be well

placed to be hired for many jobs made possible from the project.
These include:

- a. Construction jobs;
- b. Retail, restaurant and service jobs throughout the town;
- c. Office work (including administrative, professional and clerical jobs);
- d. Crafts and industrial jobs (both in small workshops in the commercial area and in the light industrial area); and
- e. Hotel jobs at the lodge.

When the lodge reaches 70 percent occupancy levels, it would have approximately 80 visitors present. This would amount to approximately 8 percent of the visitor population forecast on Molokai for the year 2010, which is a relatively small fraction of the Molokai visitor census. While a concern of some people is whether the lodge would draw people away from the Kaluakoi Resort, it should be considered an addition to expected levels of tourism. An upcountry lodge linked to riding and other outdoor activities would tend to complement, rather than compete with seaside resorts.

2. Social Considerations

The project's social impacts due to construction and incremental development are relatively small. See Appendix D. However, successful implementation of the project is essential to provide business and quasi-public facilities to complement ongoing housing development. The redevelopment implies the following changes for Maunaloa's people:

-
- a. More jobs nearby will help to lower unemployment and the stresses and difficulties of family life without regular sources of income. By increasing local economic opportunities, the project will tend to lower the incidence of crime.
 - b. More retail opportunities will make it possible for residents of Maunaloa and Kaluakoi to shop less often in Kaunakakai.
 - c. Molokai's only movie theater is likely to attract customers from the entire island to Maunaloa.
 - d. A major new visitor attraction (complementing ones being developed by the applicant outside of the project site) will increase the number of visitors to Maunaloa and the time they spend in town. The efforts to attract tourists (safaris, rodeos, trail rides, etc.) will attract further visitors. Development of the lodge is expected to consolidate this market.
 - e. With greater numbers of visitors and development of a museum, the town will seem to residents to be less isolated but also less private. On Maunaloa Road, the Post Office is likely to remain an area where residents would congregate. The museum will likely provide a place for tourists to gather but visitors will be encouraged to wander up the hill to shops.

Residential areas will likely see little increase in the number of outsiders, but the commercial area will be a territory shared with persons from outside of town.
 - f. With development of a local commercial sector, Molokai Ranch will remain the leading economic force in Maunaloa, but will no longer be the only one. A step towards economic diversification is implicit in the plans. As a result, Maunaloa will be less dependent on Ranch decisions in the years to come.

With regard to construction impacts, it is noted that project construction will be modest in scale, and will have little impact on Maunaloa residents. The proposed new stores and offices will be built and renovated in response to market demand, not a fixed

schedule. Construction is anticipated to occur on an incremental basis.

The proposed museum and cultural park will provide a celebration of Maunaloa's heritage and provide a venue for local festivities. A period of development and marketing will be needed for the museum and is not likely to cause a sudden change in the number of visitors.

Since the commercial market is small in scale, expansion is likely to occur slowly. As it occurs, commercial development within the town is likely to result in buyers finding merchandise more accessible. Competition is also likely to limit prices. Creation of office space will make it possible for professional services to be provided in West Molokai, again increasing accessibility for Maunaloa residents.

The proposed lodge will be the single largest source of new jobs in the project. This encourages full- and part-time employment for residents. Given the small number of visitors involved, the social impact is likely to be small.

The socio-economic impact assessment done for the proposed project found few potentially adverse effects that need mitigation. Public agencies could take additional steps to enhance the benefits of the project. These may include:

- a. Enterprise area status for the light industrial area;
- b. Provision of job training and employment-related courses in Maunaloa; and

-
- c. Support for small businesses in the form of assigning a small business development specialist to work part-time with West Molokai entrepreneurs.

3. **Relocation**

In terms of existing residents within Area "A", which is proposed as a commercial and apartment zone, relocation assistance is proposed. Residents will be given the option of moving to rental housing or for-sale housing currently under construction south of Maunaloa Road. Relocation would not be required until housing options south of Maunaloa Road are available.

Existing residents in Area "A", who resided in Maunaloa prior to January 1, 1993, would receive a relocation payment of \$500.00 as a moving expense reimbursement. For residents who have lived in Maunaloa prior to 1976, Molokai Ranch, Limited will also make a contribution in the aggregate amount of \$6,300.00 for rental assistance or purchase of a subsequent home. For residents of Maunaloa whose occupancy commenced after January 1, 1976 and before January 1, 1993, a one-time relocation payment of \$1,500.00 will be paid at the time of relocation. The above-noted payments are subject to specific conditions listed in Molokai Ranch's Relocation Policy for Maunaloa. See Appendix E.

4. **Agriculture**

The 29.2-acre project site is predominantly already in urban use or vacant. Approximately three (3) acres near the southwestern tip of Area "H" is currently utilized for pasture use. This area is designated as Class "D", poorly suited for agricultural use. According to the ALISH system, the above-noted pasture lands are Unclassified.

It is noted that the lands are part of approximately 35,000 acres of Molokai Ranch's pasture lands. The use of three (3) acres for urban purposes will have a negligible effect upon ranching operations.

5. **Police, Fire and Medical Services**

Police protection services for the island are provided by the Maui County Police Department station in Kaunakakai. In order to maintain a community presence, a police officer is assigned and stationed in Maunaloa.

Fire prevention, suppression and protection services for central and west Moloka'i are provided by the County of Maui Department of Fire Control.

As a result of the proposed project, there are no plans to add new major police or fire protection facilities on Moloka'i.

The proposed improvements to the business district are not expected to adversely affect medical service delivery capabilities. Based on population estimates for the year 2010, an additional ten (10) hospital beds will be needed to serve the resident and visitor population, with most of the beds utilized for long-term health care.

6. **Recreational and Educational Services**

Although the proposed project will generate jobs and employment, the extent to which employees within the project reside in Maunaloa is not known. Any impacts upon recreational and educational resources should be addressed in the context of specific residential project applications.

There are no known traditional beach land or mountain access trails which traverse the project site.

C. IMPACTS TO INFRASTRUCTURE

1. Transportation Systems

A traffic assessment report was done for the proposed project. See Appendix A. Existing and future conditions, without and with the proposed project, were evaluated for weekday morning and afternoon peak hours on Maunaloa Highway near Maunaloa Town. Future peak hour conditions at two (2) intersections within the town (with the proposed project) were also evaluated.

The assessment found that Maunaloa Highway, in the vicinity of the project, is adequate for existing traffic and will be adequate for future expected increases in traffic, without or with the proposed project. The nearest intersection outside of Maunaloa Town, at Kalua Koi Road, would continue to serve increasing traffic volumes.

Within Maunaloa Town, peak hour traffic volumes were estimated for typical weekdays. Capacity analyses at the intersections of (1) Maunaloa Road and Mokio Street, and (2) Maunaloa Road and Wai'eli Street, show acceptable conditions. It is anticipated that traffic volumes at other intersections within Maunaloa Town will be lower and conditions will be better than the intersections which were evaluated.

No traffic mitigation measures will be necessary. Roadways should be constructed to meet County of Maui standards and uniform traffic control devices, such as stop signs and pavement markings, should be installed.

All of the proposed commercial areas in the town will abut 56-foot wide streets, the standard width for streets serving commercial areas in Maui County. The new street configuration was designed so that commercial areas would be fully accessible from both Maunaloa Road and the other wide, higher capacity streets without requiring vehicles to pass through the residential areas of town.

2. Water

When the residential redevelopment in Maunaloa is completed, approximately 220,000 gallons of water per day will be needed for the town. With the proposed Maunaloa Town Center development, an additional 95,000 gallons per day would be needed, increasing total water demand to 315,000 gallons per day. See Appendix B.

With regard to source issues, the present 100,000 gallons per day available to Molokai Ranch from the Kualapuu Well is adequate to serve the current population of Maunaloa Town. However, additional water will have to be obtained in order to complete the full residential and commercial expansion of the town. Possible options which were under consideration include:

1. Purchase of additional water from the Department of Water Supply;
2. Participation in the joint development of a new well with the Department of Water Supply; and
3. Utilization of existing surface water sources owned by Molokai Ranch, Limited in Upper Kawela, Kamoku, and Lualoahi Basins.

The applicant had been coordinating efforts with the Department of Water Supply in the development of an additional well in the Kualapuu area.

While the most accessible source of potable water for West Molokai is the Kualapuu Aquifer, other factors have also been recently considered. Existing uses of water, a significant reservation of water by the Department of Hawaiian Home Lands, and possible downward revision in the sustainable yield for the Kualapuu Aquifer system make additional usage by other entities, such as Molokai Ranch, unlikely. Thus, to meet future water needs in Maunaloa, Molokai Ranch has proposed to utilize groundwater from the Kamiloloa Aquifer System with an attendant transmission system to the West End. The potential water from this system should provide an adequate long term supply in excess of the 315,000 gallons per day needed for Maunaloa development. The applicant intends to work closely with the applicable governmental agencies in the utilization of this resource.

A new 12-inch water transmission line between Kalamaula and Puu Nana is currently in the design stage. This 9.5-mile long line would replace the existing 6-inch line and increase the transmission capacity available to the Maunaloa area.

The existing 3 million gallon storage capacity of the Maunaloa reservoir exceeds both the 315,000 gallons of storage needed for domestic use and the 250,000 gallons of storage necessary for fire protection.

The commercial uses proposed within the Maunaloa Town Center project were largely anticipated when the new water distribution system for the residential subdivision was designed. Consequently, the distribution system will accommodate the additional domestic and fire protection requirements of the project without significant modification.

3. **Wastewater System**

When the residential redevelopment in Maunaloa is completed, approximately 150,000 gallons of wastewater per day will be generated. With the proposed Maunaloa Town Center development, an additional 70,000 gallons per day would be needed, increasing total wastewater output to 220,000 gallons per day. See Appendix B.

The expanded commercial uses being proposed in the Town Center development plan were planned for in the design of the new wastewater collection system now under construction. Thus, the improved sewer system should accommodate the additional needs of the expanded Town Center without significant modification.

The initial 105,000 gallons per day treatment capacity provided by the new wastewater treatment facility should adequately handle the early stages of commercial and residential development. However, the treatment facility will have to be expanded when the town's wastewater output grows beyond this initial treatment capacity.

12 11 10 9 8 7 6 5 4 3 2 1

4. **Drainage**

Runoff generated by the proposed project will be captured by the existing storm sewer system and discharged into two (2) existing gullies to the north and south of the subdivision. See Appendix C.

Based on calculations for a 10-year storm, the proposed project is expected to increase the amount of surface runoff from 59 to 89 cfs, a net increase of 30 cfs due to the increase in the number of buildings and paved area. The additional runoff can be accommodated by the existing drainage system and discharged into two (2) natural gullies to the north and south of Maunaloa Village. Approximately 26 cfs will be discharged into the existing gully to the north, increasing the existing flow by 11 cfs. Approximately 63 cfs will be discharged into the existing gully to the south of the residential subdivision, increasing the flow in that drainageway by 19 cfs.

The increase in runoff was anticipated when designing the existing drainage system. Thus, the capacity of the existing drainage system was sized accordingly to compensate for the additional runoff. The proposed project is not expected to have an adverse impact on the drainage conditions in the area.

All industrial and construction-related activities will obtain an NPDES Permit from the State Department of Health for storm water disposal, where applicable.

5. **Solid Waste**

Disposal of solid waste from the proposed project will be handled under contract with private disposal companies.

6. **Electricity and Telephone**

The proposed project was taken into consideration in the design of the new electrical and telephone system now under construction. Thus, the improved system should accommodate the needs of the proposed project with only minor modifications to the primary distribution system.

Chapter IV

***Relationship to Governmental
Plans, Policies and Controls***

IV. RELATIONSHIP TO GOVERNMENTAL PLANS, POLICIES AND CONTROLS

A. STATE LAND USE DISTRICTS

Chapter 205, Hawaii Revised Statutes, relating to the Land Use Commission (LUC), establishes the four (4) major land use districts in which all lands in the State are placed. These districts are designated "Urban", "Rural", "Agricultural", and "Conservation".

Most of the project is within the State "Urban" District. See Figure 6. However, 3.321 acres of Area "G" and the southern portions of Area "F", which are proposed for commercial and light industrial uses, are included in the State "Agricultural" District. See Figure 7. Southern portions of Area "H" (5.392 acres) which are proposed for hotel use, are also within the State "Agricultural" District.

While commercial, light industrial and hotel uses are compatible with the "Urban" designation, these are not permitted uses within the "Agricultural" District. A district boundary amendment for 8.713 acres is being requested to change Area "G" and the southern portions of Areas "F" and "H" from "Agricultural" to "Urban".

B. LAND USE COMMISSION RULES, CHAPTER 15-15, HAWAII ADMINISTRATIVE RULES

The proposed reclassification of 8.713 acres shown in Figure 7 is in conformance with the following standards of the Urban District set forth in Chapter 15-15-18, Hawaii Administrative Rules:

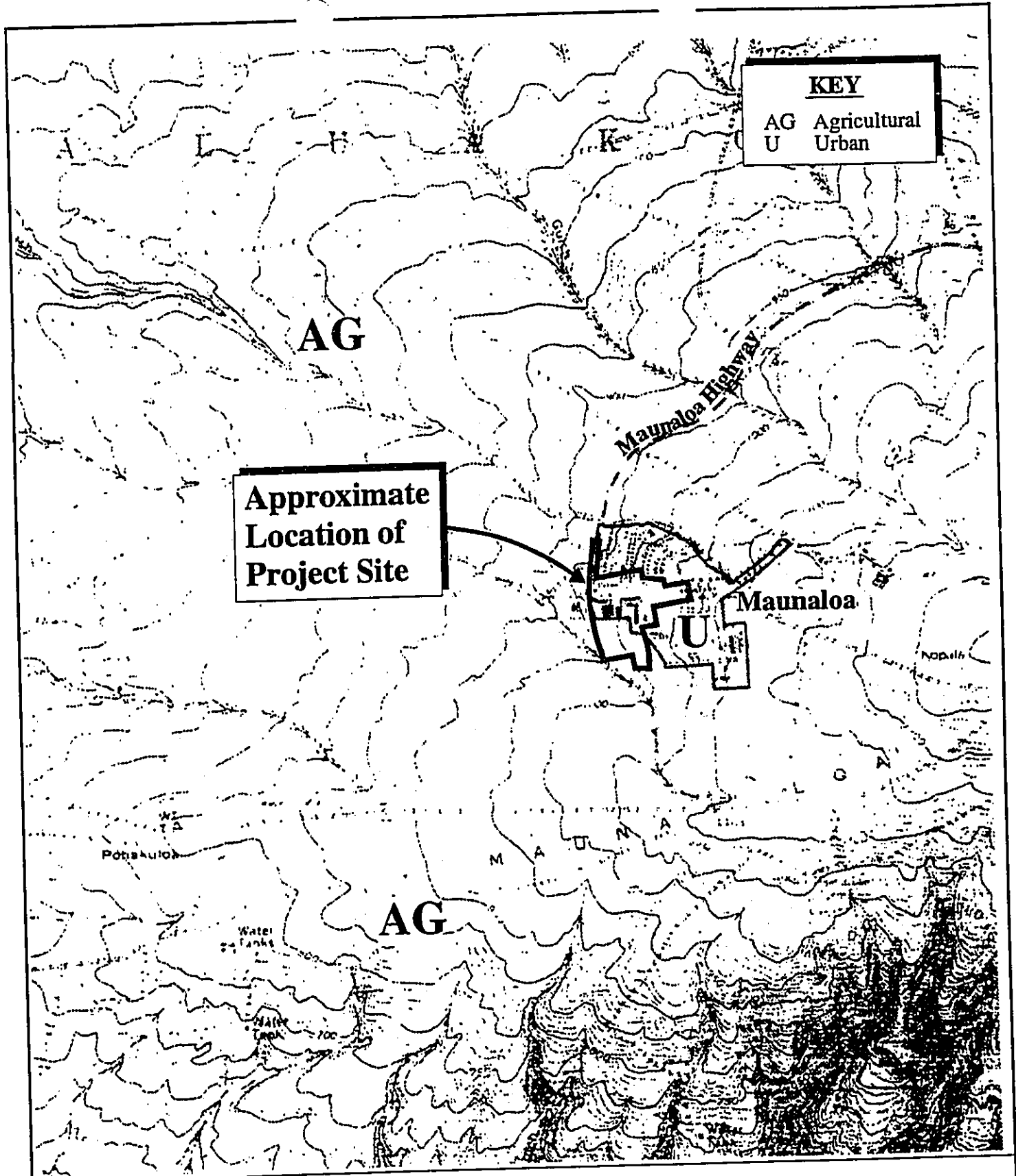
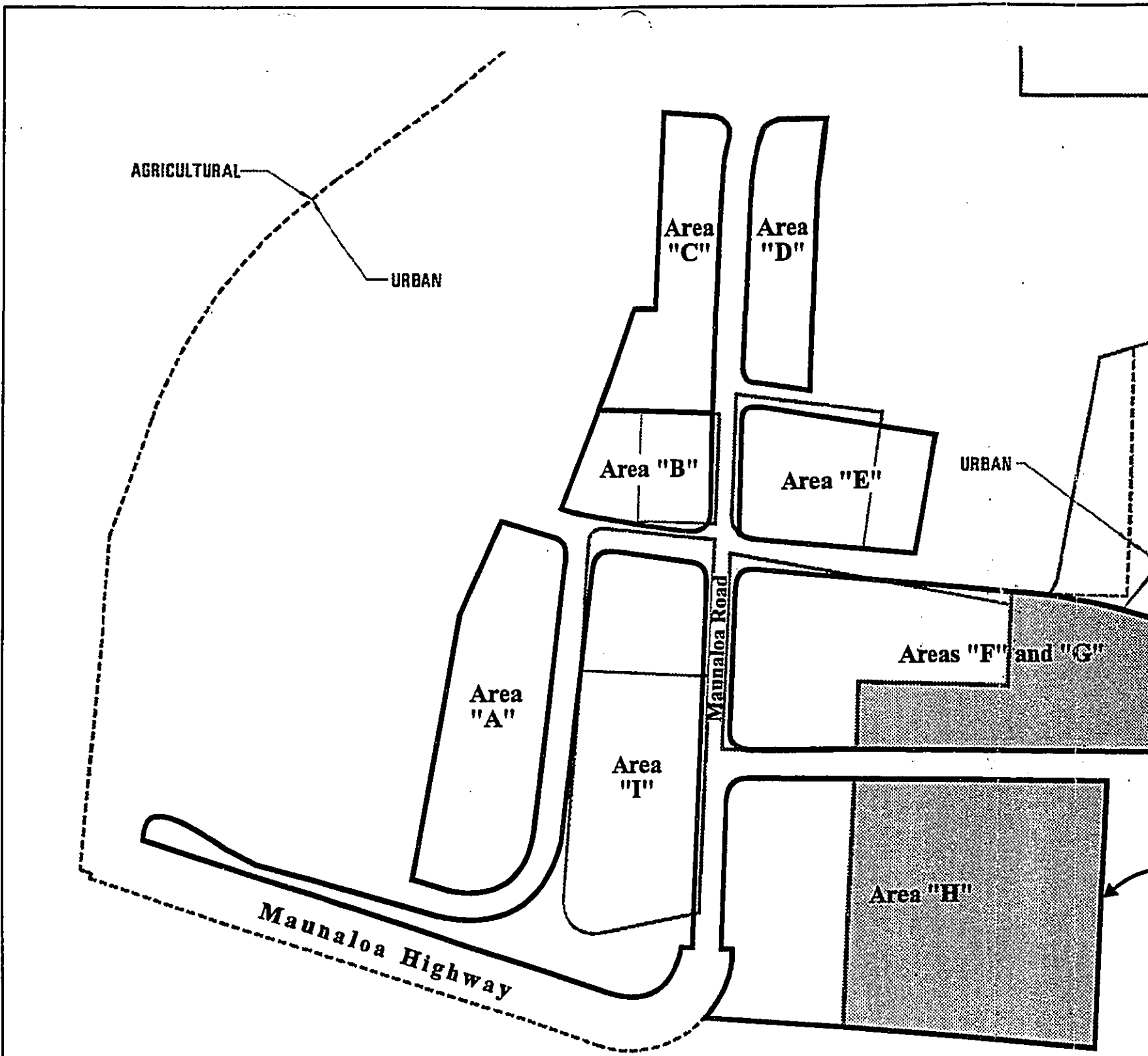


Figure 6

Maunaloa Town Center
State Land Use District Classifications



Prepared for: Molokai Ranch, Limited



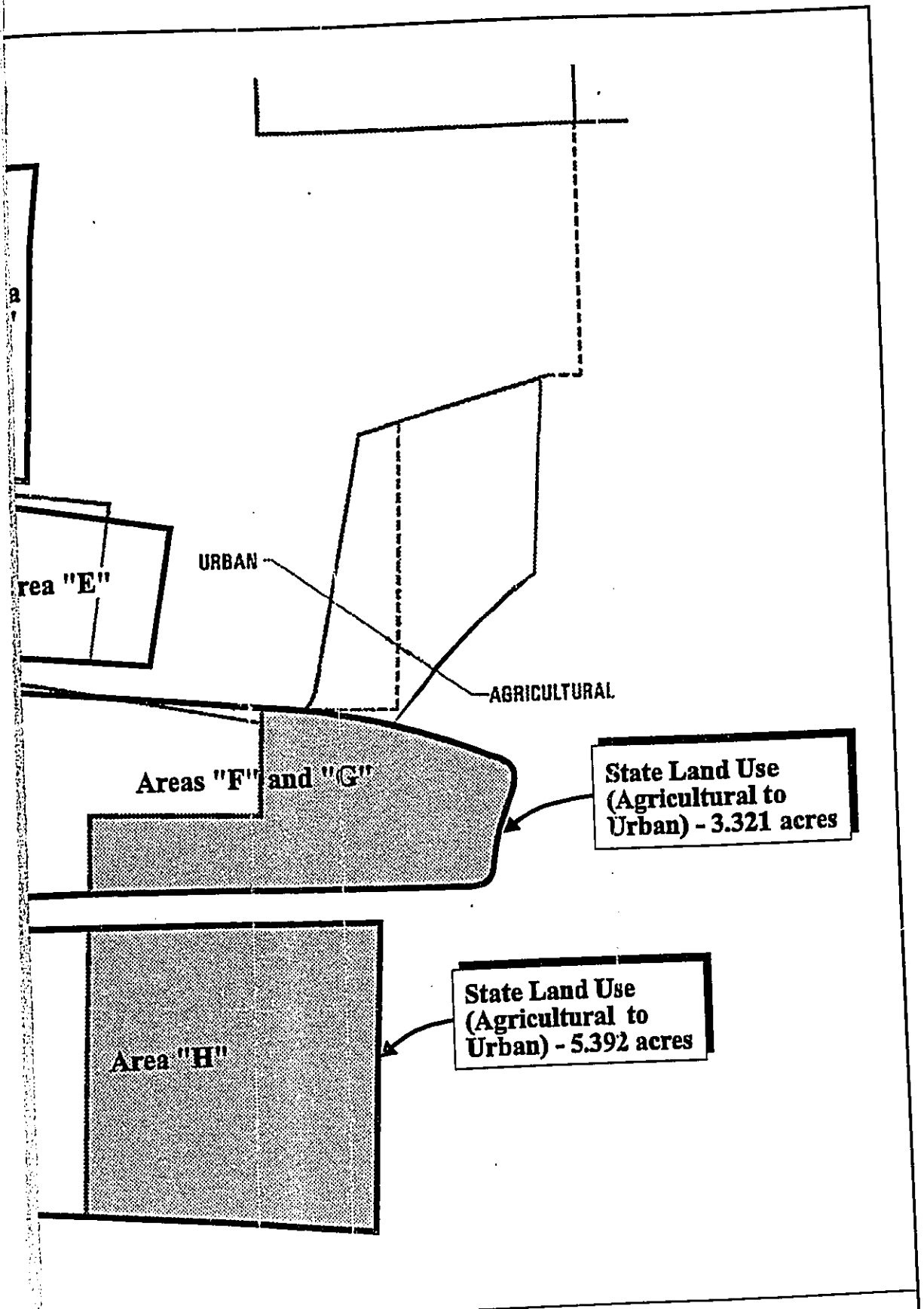
Source: Warren S. Unemori Engineering, Inc.

Figure 7

Maunaloa Town Center
 Areas Requiring District
 Boundary Amendment



Prepared for: Molokai Ranch, Limited



Area Town Center
Requiring District
Ordinary Amendment



NOT TO SCALE

Chapter 15-15-18(2)

- (1) **It shall include lands characterized by "city-like" concentrations of people, structures, streets, urban level of services and other related land uses**

Comment: The area of the proposed reclassification abuts Maunaloa Town which is in the Urban District. The area is adjacent to land which is already in urban uses. There are light industrial, commercial, and residential uses located in close proximity to the area of the district boundary amendment request.

- (2) **It shall take into consideration the following specific factors:**

- A. **Proximity to centers of trading and employment except where the development would generate new centers of trading and employment**

Comment: The subject property is located adjacent to existing light industrial and commercial uses clustered around Maunaloa Highway. In addition, residential uses within the town are located in close proximity.

- B. **Substantiation of economic feasibility by the petitioner:**

Comment: The owner of the property is Molokai Ranch, Limited. The Ranch is proceeding with the redevelopment of residential portions of Maunaloa Town approved through the Chapter 201E-210, HRS, process. The proposed improvements provide an economic and business component to the redevelopment of the town. The Ranch may be the developer of the District Boundary Amendment land area or may enter into agreements with qualified developers to construct the improvements.

C. Proximity to basic services such as sewers, transportation systems, water, sanitation, schools, parks, and police and fire protection

Comment: Basic infrastructural services such as transportation systems and water are available in close proximity to the project. Wastewater disposal will be handled by the wastewater treatment facility located to the west of the town which is in the process of being upgraded. Drainage improvements will comply with applicable County of Maui standards. Schools and parks within Maunaloa Town are available to service the proposed project. A police substation abuts Maunaloa Road. The County fire station in Hoolehua services West Moloka'i.

D. Sufficient reserve areas for urban growth in appropriate locations based on a ten (10) year projection

Comment: The area of the proposed reclassification is intended to be developed in commercial, light industrial and lodge use. The area has been designated Single Family Residential and Project District in the Moloka'i Community Plan since the original passage of the plan in 1984. Development of the subject 8.713 acres should address a portion of the demand for commercial, light industrial, and lodge uses without significantly affecting reserve areas for urban growth.

Chapter 15-15-18(3):

- (3) **It shall include lands with satisfactory topography and drainage and reasonably free from the danger of floods, tsunami, unstable soil conditions, and other adverse environmental effects**

Comment: The proposed project is gently sloping with a gradient ranging from 7 to 8 percent. Drainage improvements will accommodate on-site and off-site flows through the project site with no adverse effect on adjoining properties. The project site is located within Zone C, an area of minimal flooding. The project site is not subject to tsunami inundation and unstable soil conditions.

- (4) **In determining growth for the next ten (10) years, or in amending the boundary, land contiguous with existing urban areas shall be given more consideration than non-contiguous land, and more particularly when indicated for future urban use on state or county general plans**

Comment: Lands pertaining to the request are contiguous to areas already within the Urban District. Moreover, these lands are currently indicated for urban use in the Moloka'i Community Plan. The existing community plan designations of the property are Single Family Residential and Project District.

- (5) **It shall include lands in appropriate locations for new urban concentrations and shall give consideration to areas to urban growth as shown on the state and county general plans**

Comment: The subject property is an appropriate area for a new Urban District classification. The area abuts lands already within the Urban District.

-
- (6) It shall not include lands, the urbanization of which will contribute toward scattered spot urban development, necessitating unreasonable investment in public infrastructure or support services.

Comment: The proposed reclassification does not contribute to scattered spot urban development. It is adjacent to existing developed portions of Maunaloa Town. The proposed project will not necessitate unreasonable public investment in infrastructural facilities or public services. The applicant will be constructing infrastructural facilities, such as road, sewer, water, and drainage facilities to County standards.

- (7) It may include lands with a general slope of twenty percent or more which do not provide open space amenities or scenic values if the commission finds that those lands are desirable and suitable for urban purposes and that official design and construction controls are adequate to protect the public health, welfare and safety, and the public's interest in the aesthetic quality of the landscape.

Comment: The area of the proposed reclassification contains a slope significantly less than twenty percent.

C. GENERAL PLAN OF THE COUNTY OF MAUI

The General Plan of the County of Maui provides long-term goals, objectives and policies directed toward the betterment of living conditions in the county. Addressed are social, environmental, and economic issues which influence both the quantity and quality of growth in Maui County. The following General Plan objective and policy are addressed by the proposed project.

Land Use

Objective:

To preserve for present and future generations existing geographic and traditional lifestyles by limiting and managing growth through environmentally sensitive and effective use of land in accordance with the individual character of the various communities and regions of the County.

Policy:

Provide and maintain a range of land use districts sufficient to meet the social, physical, environmental and economic needs of the community.

D. MOLOKA'I COMMUNITY PLAN

Nine (9) community plans have been established in Maui County. Each region's growth and development is guided by a Community Plan, which contains objectives and policies drafted in accordance with the County General Plan. The purpose of the Community Plan is to outline a relatively detailed agenda for carrying out these objectives.

The proposed project is within the Moloka'i Community Plan region. Areas within the proposed project site are designated as Single Family Residential, Light Industrial, Park, Business/Commercial, and Project District. See Figure 8.

Various amendments to the Moloka'i Community Plan are needed to implement the project. See Figure 9. These are outlined in Table 1.

The above-noted community plan amendments are needed in order to implement the land uses envisioned within the proposed project. It is noted that the proposed community plan amendments are being requested independent of the County of Maui's Ten Year Update process.

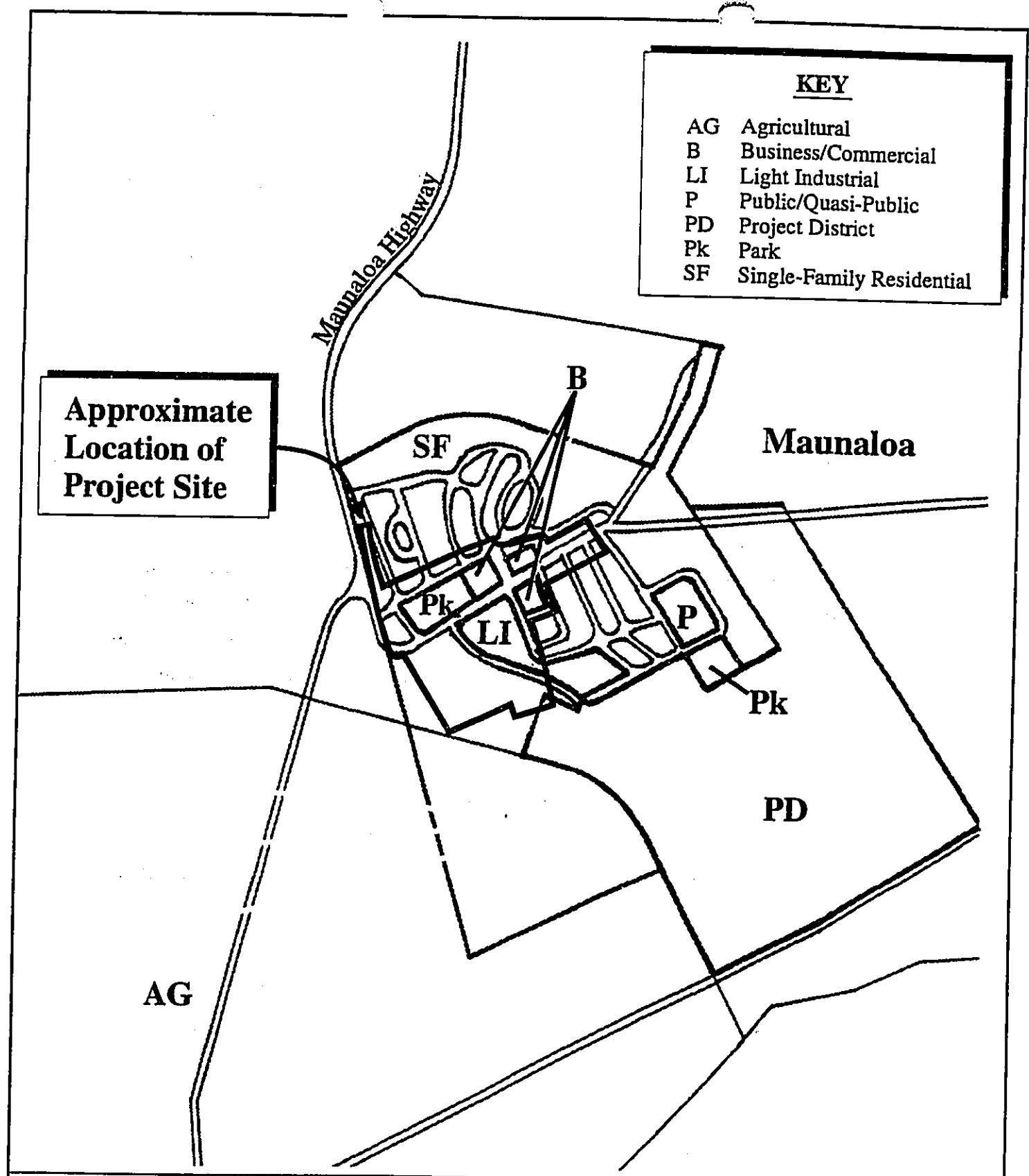
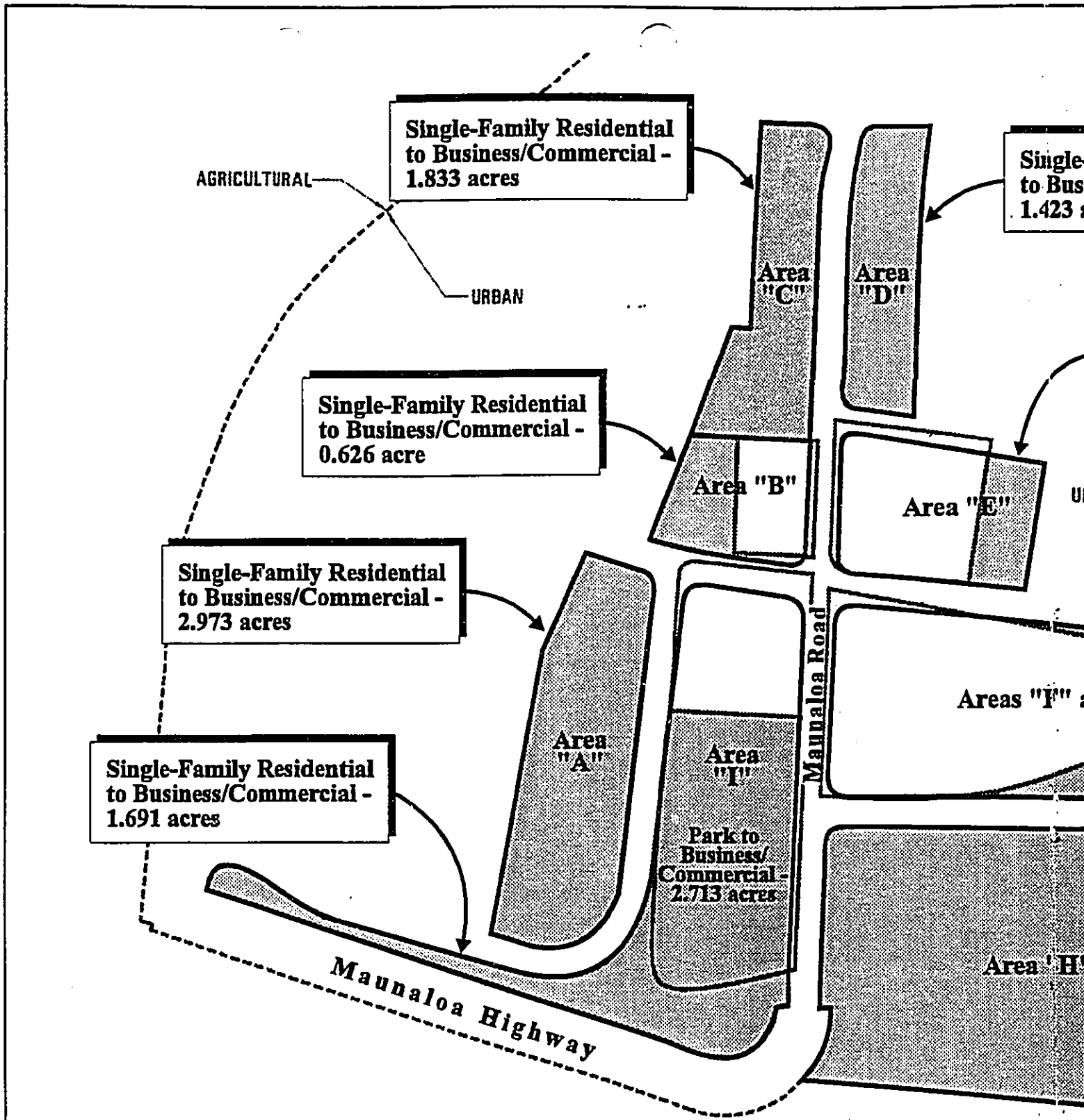


Figure 8 Maunaloa Town Center
Molokai Community Plan Designations



Prepared for: Molokai Ranch, Limited





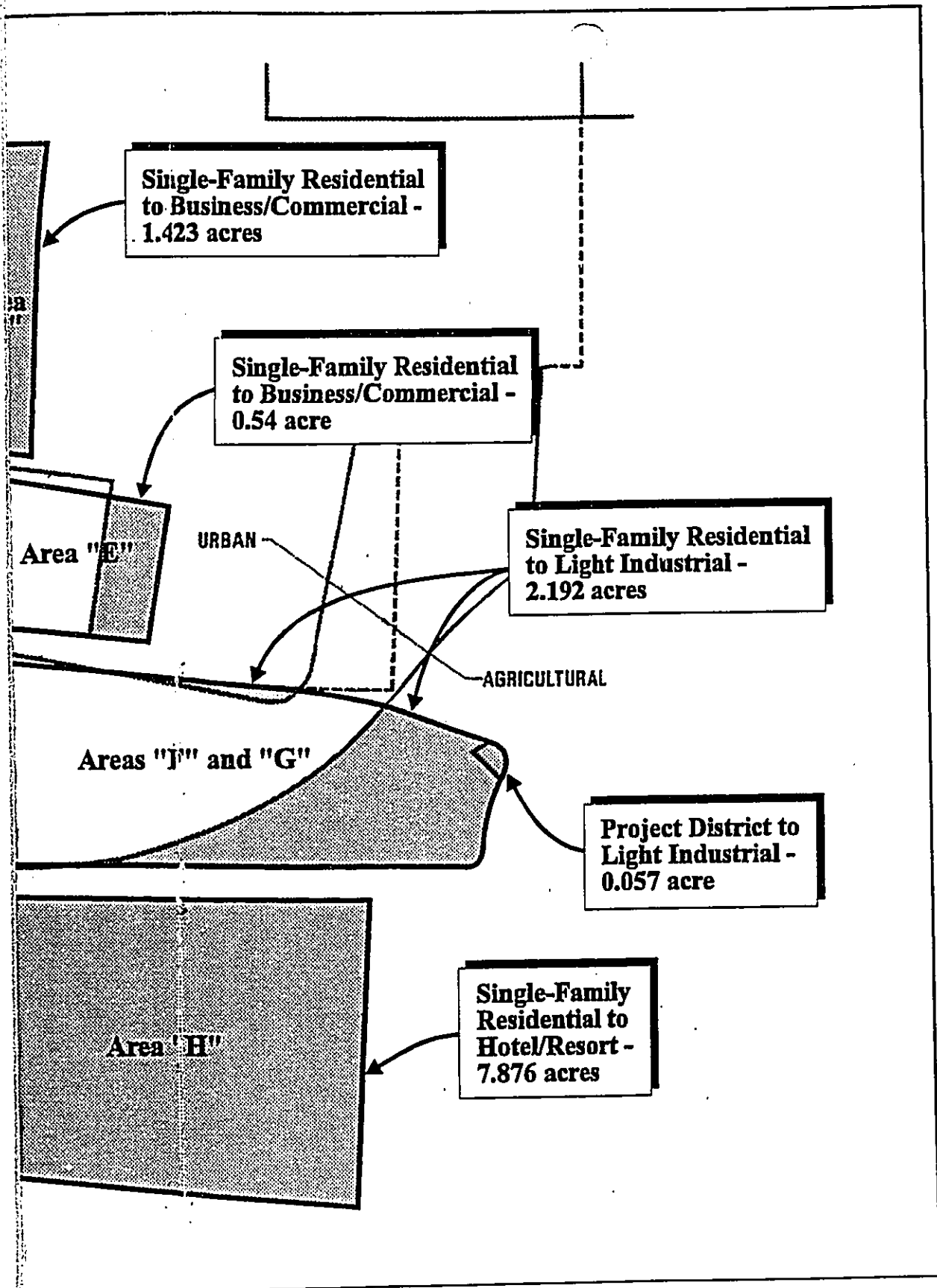
Source: Warren S. Unemori Engineering, Inc.

Figure 9



Maunaloa Town Center
 Areas Requiring Molokai
 Community Plan Amendment

Prepared for: Molokai Ranch, Limited



Town Center
 requiring Molokai
 Plan Amendment



NOT TO SCALE

Table 1

ACREAGES OF COMMUNITY PLAN REQUESTS			
Area	Existing Community Plan Designation	Proposed Community Plan Designation	Acreage
"A"	Single Family Residential	Business/Commercial	2.973
"B"	Single Family Residential	Business/Commercial	.626
"C"	Single Family Residential	Business/Commercial	1.833
"D"	Single Family Residential	Business/Commercial	1.423
"E"	Single Family Residential	Business/Commercial	.54
"F & "G"	Single Family Residential	Light Industrial	2.192
	Project District	Light Industrial	.057
"H"	Single Family Residential	Hotel/Resort	7.876
"I"	Park	Business/Commercial	2.713
	Single Family Residential	Business/Commercial	1.691
Subtotals	Single Family Residential	Business/Commercial	9.086
	Single Family Residential	Light Industrial	2.192
	Project District	Light Industrial	.057
	Single Family Residential	Hotel/Resort	7.876
	Park	Business/Commercial	2.713
Total			21.924

E. ZONING

Portions of the subject property within the State Urban District are within the Interim District. Other portions of the property within the State Agricultural District are not zoned.

Various changes in zoning are needed table to implement the project. See Figure 10. These are outlined in Table 2.

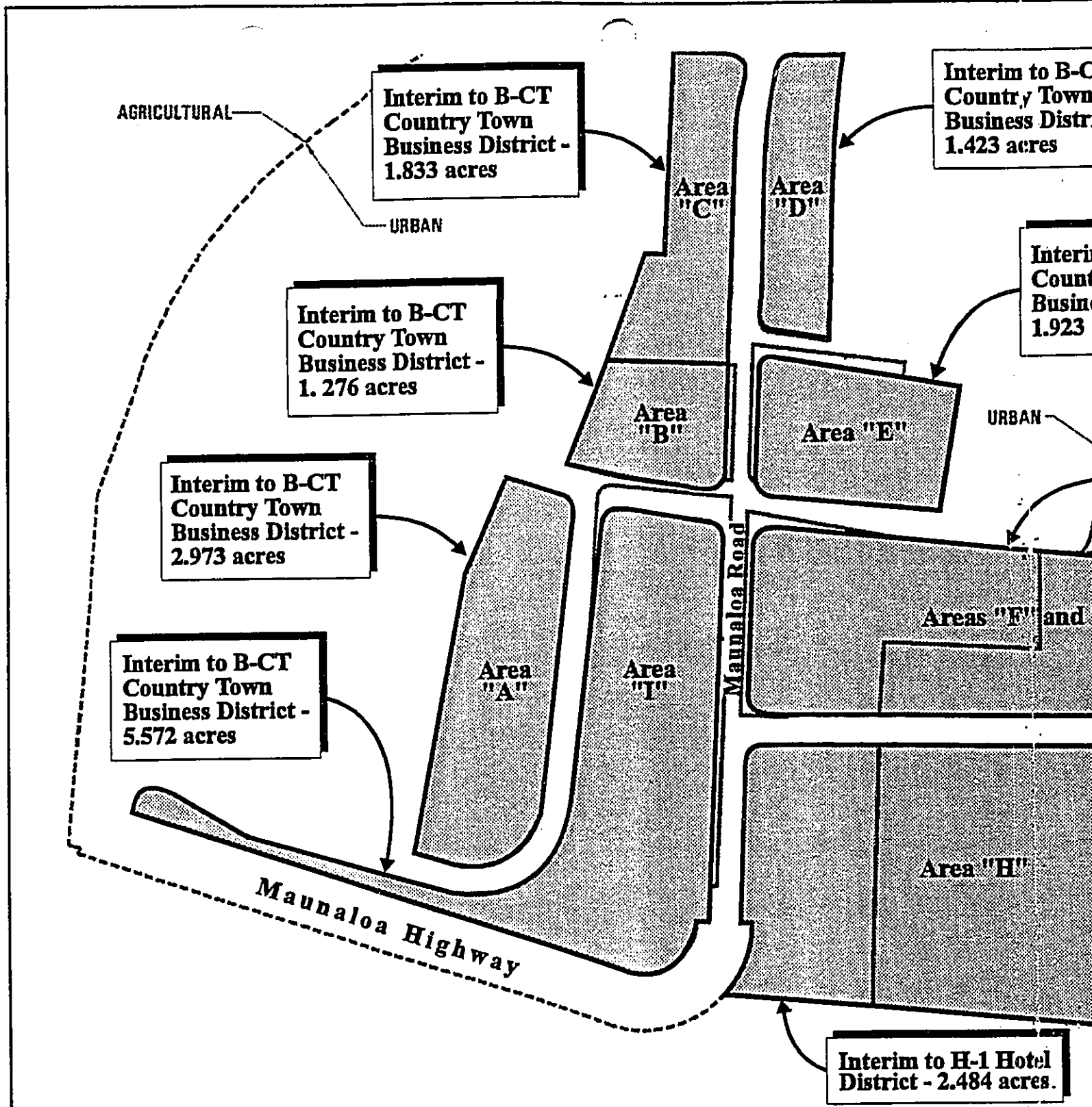
F. CONDITIONAL PERMIT

Conditional permit applications for several specific uses are also required. Within Area "A", apartment use is proposed on the second floor over retail use. B-CT Country Town Business District zoning is being requested. B-CT provisions note that apartments are considered a conditional use.

The rationale for requesting apartment use on the second floor is to allow a convenient living arrangement for an owner or operator of ground floor commercial use. This concept reinforces the traditional country town arrangement of a family living above the store. Approximately twenty (20) apartment units are proposed. A conceptual arrangement shows four (4) separate buildings, each containing five (5) units.

Within the site of the Maunaloa Museum and Cultural Park (Area "I"), B-CT zoning is also being requested. A conditional permit is being requested for the museum use. This would include a museum office of 6,700 s.f., as well as the various exhibits comprising the museum.

The reason for the request is that museum use is the key component within Area "I". It is envisioned that the museum will house artifacts, memorabilia and displays relating to the history and culture of Maunaloa. Restored plantation dwellings, garden displays, restaurant use and an amphitheater for musical and cultural events are planned in Area "I".



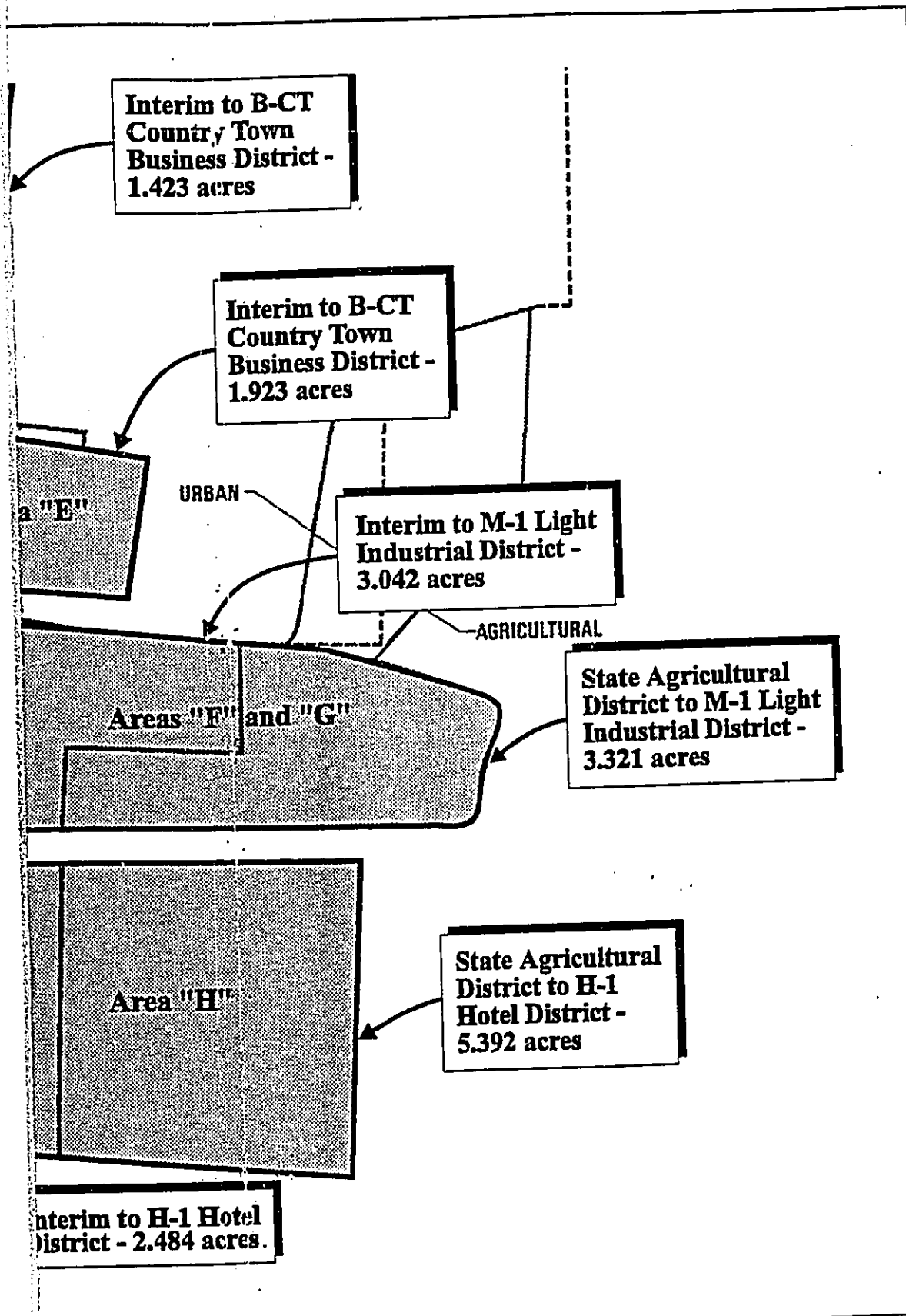
Source: Warren S. Unemori Engineering, Inc.

Figure 10

Maunaloa Town Center
Areas Requiring Change in Zoning



Prepared for: Molokai Ranch, Limited



Town Center
 g Change in Zoning



NOT TO SCALE

Table 2

ACREAGES OF ZONING REQUESTS			
Area	Existing Zoning	Proposed Zoning	Acreage
"A"	Interim	B-CT Country Town Business District	2.973
"B"	Interim	B-CT Country Town Business District	1.276
"C"	Interim	B-CT Country Town Business District	1.833
"D"	Interim	B-CT Country Town Business District	1.423
"E"	Interim	B-CT Country Town Business District	1.923
"F" & "G"	Interim	M-1 Light Industrial District	3.042
	None (State Agricultural District)	M-1 Light Industrial District	3.321
"H"	Interim	H-1 Hotel District	2.484
	None (State Agricultural District)	H-1 Hotel District	5.392
"I"	Interim	B-CT Country Town Business District	5.572
Subtotals	Interim	B-CT Country Town Business District	15.00
	Interim	M-1 Light Industrial District	3.042
	None (State Agricultural District)	M-1 Light Industrial District	3.321
	Interim	H-1 Hotel District	2.484
	None (State Agricultural District)	H-1 Hotel District	5.392
Totals			29.239

G. SPECIAL MANAGEMENT AREA

The project site is not located within the County Special Management Area boundary.

Chapter V

**Summary of Unavoidable, Adverse
Environmental Effects; Alternatives
to the Proposed Action; and
the Irreversible and Irretrievable
Commitment of Resources**

V. SUMMARY OF UNAVOIDABLE, ADVERSE ENVIRONMENTAL EFFECTS; ALTERNATIVES TO THE PROPOSED ACTION; AND THE IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES

A. UNAVOIDABLE ADVERSE ENVIRONMENTAL EFFECTS

The proposed project will result in some construction-related impacts as described in Chapter III, Potential Impacts and Mitigation Measures.

Potential effects include noise-generated impacts occurring from site preparation and construction activities. In addition, there may be temporary air quality impacts associated with dust generated from construction activities, and exhaust emissions discharged by construction equipment.

The proposed project is not anticipated to create any significant, long-term adverse environmental effects.

B. ALTERNATIVES TO THE PROPOSED ACTION

1. No Action Alternative

The existing structures within the business district have been repaired over the years on an as-needed basis. However, the wooden structures were constructed between 1926 and 1938, and consequently do not meet contemporary Building, Plumbing, and Electrical Code requirements.

Moreover, the existing zoning does not allow expansion of the business district which would provide additional economic opportunities and related employment. Although renovations to the Outfitters Center, Molokai Ranch and Cooke Land Company offices have recently been done, the no action alternative will involve a patchwork approach to renovation of existing structures.

Should no action be taken to refurbish the business district, then the existing structures will fall further into disrepair. This alternative does not represent a desirable option in meeting overall community development goals.

C. **IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES**

The development of the proposed project will involve the commitment of fuel, labor, funding and material resources.

Portions of the project contain existing commercial uses which are intended to be incorporated into the project. Structures will be renovated to be in conformance with Country Town Business design guidelines. Other structures such as the old fire station, dentist's office and existing gas station are intended to be part of the Maunaloa Museum and Cultural Park.

Demolition of other structures will represent an irretrievable commitment of resources. It should be noted, however, that new rental and home ownership opportunities will be available for the existing residents affected by the project. A range of commercial uses are intended to be implemented within the business district to provide additional employment and expanded services. The subject project as well as the residential portion of the project are being constructed under a consistent country town design theme.

Although social impacts can also be attributed to the project, these are relatively small and would occur gradually. As development occurs, the town may be perceived as less isolated and also less private. However, the project provides a steady stream of jobs which will address

unemployment issues. Increased jobs will also help to alleviate the stresses and difficulties of family life without regular sources of income and will tend to lower the incidence of crime.

Chapter VI

Findings and Conclusion

VI. FINDINGS AND CONCLUSION

The proposed project involves improvements to refurbish and redevelop the business district of Maunaloa Town in Maunaloa, Moloka'i. The project encompasses approximately 29.2 acres of land. Since the proposed project involves a community plan amendment independent of the County's Ten Year Update process, an Environmental Assessment has been prepared pursuant to Chapter 343, HRS, and Chapter 200 of Title 11, Administrative Rules of the State Department of Health.

The development of the proposed project will involve short-term environmental effects typically associated with construction activities. To mitigate air quality and noise impacts, construction activities will be limited to daylight hours. Appropriate dust control measures such as revegetation, sprinkling, and watering, will be undertaken to minimize fugitive dust. Although ambient air and noise conditions may be temporarily affected by construction activities, no significant adverse effects are anticipated.

From a long-term perspective, the proposed project is not anticipated to result in any adverse environmental impacts. There are no known significant habitats or rare, endangered or threatened species of flora and fauna located within the project site. Since the project site has been subject to a number of previous ground disturbing activities, it is not likely to contain any significant archaeological materials. However, should any archaeological materials be found during construction, then the State Historic Preservation Office will be notified. The project also involves the refurbishment of existing structures and construction of new buildings which maintain a country town urban design character. The intent of the Maunaloa Museum and Cultural Park is to preserve historic structures indicative of the town's plantation and ranching heritage.

Hours of operation for most of the businesses are anticipated to be normal weekday business hours. Hours of operation for other uses, such as the movie theater, community hall and pool hall, will be regulated by the landowner/operator. The project should not significantly affect views to and from Maunaloa.

The project is anticipated to aid in addressing unemployment, although the number of jobs is likely to remain small for the first few years of operations. The project's social impacts due to construction and incremental development are relatively small.

Relocation is necessary for residents currently located in Area "A". However, moving expense reimbursements as well as rental or purchase assistance are available for long-term Maunaloa residents. Prior to relocation, affordable rental and home ownership options will be available in the area south of Maunaloa Road which is presently undergoing construction.

The project is expected to have a negligible effect upon agricultural resources in the area. Police and fire protection are available to service the project.

While traffic volumes are expected to increase, conditions will be acceptable outside and within Maunaloa Town, with full development of the project.

The applicant is proposing to utilize ground water from the Kamiloloa Aquifer System to provide an adequate long-term supply of water. A new transmission line between Kalamaula and Puu Nana is also proposed to provide additional transmission capacity. The water distribution system is being upgraded with the residential redevelopment of the town. Thus, the distribution system should accommodate the project without significant modification.

The new wastewater treatment facility is currently under construction. The initial 105,000 gallons per day treatment capacity should adequately handle the early stages of the proposed project. However, the facility can be expanded to accommodate future wastewater treatment needs. The increase in runoff due to the proposed project was anticipated in the design of the existing drainage system implemented for the residential redevelopment. The proposed project is not expected to have an adverse impact on the drainage conditions in the area. Disposal of solid waste will be handled under contract with private disposal companies. Electricity and telephone system improvements for the proposed project were taken into consideration during the residential redevelopment of Maunaloa. Thus, only minor modifications to the primary distribution system are needed.

In light of the foregoing findings, it is concluded that the proposed action will not result in any significant impacts.

Chapter VII

***Agencies Contacted Prior
to the Preparation of the
Environmental Assessment***

VII. AGENCIES CONTACTED PRIOR TO THE PREPARATION OF THE ENVIRONMENTAL ASSESSMENT

The following agencies were contacted prior to the preparation of the Draft Environmental Assessment.

1. Terrell Kelley
Department of the Army
U.S. Army Engineer District,
Honolulu
ATTN: Operations Division
Building T-1, Rm. 105
Fort Shafter, Hawaii 96858-5440
2. Dennis Lau, Chief
Clean Water Branch
Department of Health
P.O. Box 3378
Honolulu, Hawaii 96801-3378
3. William Wong, Chief
Safe Drinking Water Branch
Department of Health
54 High Street
Wailuku, Hawaii 96793
4. Roger Evans, Administrator
Department of Land and Natural
Resources
Office of Conservation and
Environmental Affairs
P.O. Box 621
Honolulu, Hawaii 96809
5. Mr. Don Hibbard
Department of Land and Natural
Resources
State Historic Preservation Division
33 South King Street, 6th Floor
Honolulu, Hawaii 96813
6. Ms. Rae Loui
Department of Land and Natural
Resources
Commission on Water Resource
Management
P.O. Box 621
Honolulu, Hawaii 96809
7. Kazu Hayashida, Director
Department of Transportation
State of Hawaii
869 Punchbowl Street
Honolulu, Hawaii 96813
8. David Blane, Director
Department of Planning
County of Maui
250 South High Street
Wailuku, Hawaii 96793
9. Charles Jencks, Director
Department of Public Works and
Waste Management
County of Maui
200 South High Street
Wailuku, Hawaii 96793
10. Robert Johnson, Director
Office of Economic Development
County of Maui
200 South High Street
Wailuku, Hawaii 96793
11. Charmaine Tavares, Director
Department of Parks and
Recreation
County of Maui
1580-C Kaahumanu Avenue
Wailuku, Hawaii 96793
12. Maunaloa Community Action
Council
c/o Joanna Ramos
P.O. Box 111
Maunaloa, Hawaii 96770

OCT 10 1995

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



LAWRENCE MIKE
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. BOX 3378
HONOLULU, HAWAII 96801

In reply, please refer to:
EMD / SDWB

October 5, 1995

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793

Dear Mr. Arakawa:

SUBJECT: MAUNALOA TOWN CENTER

Pursuant to your letter dated September 21, 1995, we have comments listed below in two categories that are applicable to our branch. If you have not done so already, we suggest that you submit your request to the other branches of the Environmental Management Division for review that may be applicable to your project. Such branches are Clean Water, Wastewater, Solid & Hazardous Waste, and Environmental Planning.

Underground Injection Control (UIC)

The project site is located above (mauka) the Underground Injection Control line. The use of injection wells for the disposal of most forms of wastewater, such as sewage effluent and process water from commercial or industrial sources, are prohibited. Therefore, the disposal of wastewater, especially sewage effluent, will be a critical issue that may significantly shape the manner in which this project develops. Therefore, an environmental assessment should focus heavily on the treatment and disposal of municipal sewage, and it should also address the disposal of all forms of wastewater including rainfall runoff.

Drinking Water

Please advise us in writing, of how drinking water will be provided to the industrial park when the water service agreement between Molokai Ranch Limited and the Maui Department of Water Supply expires in 1996.

If you have any questions about this subject, please call the following people; UIC: Chauncey Hew, Drinking Water: Queenie Tan at 586-4258 (Honolulu) or call toll free at 1-800-468-4644, ext. 64258.

Sincerely,

William Wong
WILLIAM WONG, P.E., Chief
Safe Drinking Water Branch
Environmental Management Division

c: Gordon Muraoka, SDWB Sanitarian, Maui

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT
P. O. BOX 621
HONOLULU, HAWAII 96809

MICHAEL D. WILSON
CHAIRPERSON

ROBERT G. GIRALD
DAVID A. NOBRIGA
LAWRENCE H. MIIKE
RICHARD H. COX
HERBERT M. RICHARDS, JR.

RAE M. LOUI, P.E.
DEPUTY

OCT - 5 1995

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, HI 96793

Dear Mr. Arakawa:

Draft EA for the Maunaloa Town Improvements at Maunaloa, Molokai, Hawaii

Thank you for the opportunity to review the subject document. Our comments related to water resources are marked below.

In general, the CWRM strongly promotes the efficient use of our water resources through conservation measures and use of alternative non-potable water resources whenever available, feasible, and there are no harmful effects to the ecosystem. Also, the CWRM encourages the protection of water recharge areas which are important for the maintenance of streams and the replenishment of aquifers.

- [] We recommend coordination with the county government to incorporate this project into the county's Water Use and Development Plan.
- [] We are concerned about the potential for ground or surface water degradation/contamination and recommend that approvals for this project be conditioned upon a review by the State Department of Health and the developer's acceptance of any resulting requirements related to water quality.
- [] A Well Construction Permit and a Pump Installation Permit from the Commission on Water Resource Management would be required before ground water is developed as a source of supply for the project.
- [] The proposed water supply source for the project is located in a designated water management area, and a Water Use Permit from the CWRM would be required prior to use of this source.
- [] Groundwater withdrawals from this project may that affect streamflows. This may require an instream flow standard amendment.
- [] We recommend that no development take place affecting highly erodible slopes which drain into streams within or adjacent to the project.

Mr. Milton Arakawa

Page 2

OCT - 5 1995

- If the proposed project diverts additional water from streams or if new or modified stream diversions are planned, the project may need to obtain a stream diversion works permit and petition to amend the interim instream flow standard for the affected stream(s).
- Based on the information provided, it appears that a Stream Channel Alteration Permit pursuant to Section 13-169-50, HAR will be required before the project can be implemented.
- Based on the information provided, it does not appear that a Stream Channel Alteration Permit pursuant to Section 13-169-50, HAR will be required before the project can be implemented.
- An amendment to the instream flow standard from the CWRM would be required before any streamwater is diverted.
- OTHER:
Molokai Ranch, Ltd. has submitted applications for exploratory well construction, pump installation, and water use permits for this proposed project. The application for exploratory well construction will be submitted to the Commission on Water Resource Management (Commission) for action, tentatively on October 20, 1995. The water use permit application has not been accepted as complete. The pump installation and water use permit applications will be processed concurrently and will be submitted for Commission action at a later date.

If there are any questions, please contact Lenore Nakama of the Commission staff at 587-0218.

Sincerely,



RAE M. LOUI
Deputy Director

LN:ss

JAMIN J. CAYETANO
Governor of Hawaii



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. Box 621
Honolulu, Hawaii 96809

SEP 26 1995

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793

Dear Mr. Arakawa,

Subject: Maunaloa Town Center

Thank you for submitting the general description of the proposed improvements to Maunaloa Town business district. However, the project area is located outside of the Conservation District and we have no interest in the matter. If you haven't already done so, we advise you to consult the Department's Historic Preservation Division regarding the Project.

Very truly yours,


Roger C. Evans

Chairperson
MICHAEL D. WILSON
Board of Land and Natural Resources

Deputy Director
GILBERT COLOMA-AGARAN

Aquaculture Development
Aquatic Resources
Boating and Ocean Recreation
Bureau of Conveyances
Conservation and Environmental Affairs
Conservation and Resources Enforcement
Forestry and Wildlife
Historic Preservation
Land Management
State Parks
Water and Land Development

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



LAWRENCE MIIKE
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. BOX 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
EMD/CWB

September 29, 1995

P0947HC

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793

Dear Mr. Arakawa:

Subject: Maunaloa Town Center
Maunaloa, Molokai, Hawaii
(TMK: 5-1-2: por. 26, por. 27)

The Department of Health acknowledges the receipt of your letter and project summary for the Maunaloa Town Center improvement project (TMK: 5-1-2: por. 26, 27), and has the following comments:

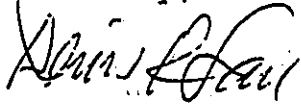
1. The applicant should contact the Army Corps of Engineers (COE) to identify whether a Federal permit (including a Department of Army (DA) permit) is required for this project. A Section 401 Water Quality Certification (WQC) is required for "Any applicant for Federal license or permit to conduct any activity including, but not limited to, the construction or operation of facilities, which may result in any discharge into the navigable waters..." pursuant to Section 401(a)(1) of the Federal Water Pollution Act (commonly known as the "Clean Water Act (CWA)").
2. If the project involves the following activities with discharges into State waters, an NPDES general permit is required for each activity:
 - a. Discharge of storm water runoff associated with construction activities, including clearing, grading, and excavation that result in the disturbance of equal to or greater than five (5) acres of total land area;
 - b. Construction dewatering effluent;
 - c. Non-contact cooling water;

Mr. Milton Arakawa
September 29, 1995
Page 2

- d. Hydrotesting water; and
 - e. Treated contaminated groundwater from underground storage tank remedial activity.
3. If there is any type of process wastewater discharge from the facility into State waters, the applicant may be required to apply for an individual NPDES permit.

Should you have any further questions regarding this matter, please contact Ms. Hong Chen, Engineering Section of the Clean Water Branch, at (808) 586-4309 or toll free at 1-800-468-4644, ext. 64309.

Sincerely,



DENIS R. LAU, P.E., CHIEF
Clean Water Branch

HC/sl

c: DHS, Maui
Department of Public Works, County of Maui



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U. S. ARMY ENGINEER DISTRICT, HONOLULU
FT. SHAFTER, HAWAII 96858-5440

October 10, 1995

Operations Branch

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793

Dear Mr. Arakawa:

This is in response to your letter of October 5, 1995, requesting a U.S. Army Corps of Engineers (Corps) jurisdictional determination for Molokai Ranch's Maunaloa Town redevelopment project.

From the information you provided, it appears that a Department of the Army (DA) permit will not be required for the proposed project. The only regulated stream in the proximity of the proposed project is Wahilauhue Gulch. Should your plans include any work in the Gulch, a DA permit may be required, and this office should be contacted.

The proposed project has been assigned file number NP96-008. If you have any questions, please call me at (808) 438-9258, extension 13.

Sincerely,

A handwritten signature in cursive script that reads "Terrell E. Kelley".

Terrell E. Kelley
Team Leader
Maui, Molokai, Lanai, and Kauai

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

STATE HISTORIC PRESERVATION DIVISION
33 SOUTH KING STREET, 6TH FLOOR
HONOLULU, HAWAII 96813

October 9, 1995

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, Maui, Hawaii 96793

Dear Mr. Arakawa:

**SUBJECT: Proposed Redevelopment of Maunaloa Town Center
TMK 5-1-2:por.26, por.27, Molokai, Hawaii**

Thank you for the letter dated September 21, 1995, regarding the proposed improvements to refurbish and redevelop the business district of Maunaloa Town. We believe that Maunaloa meets the criteria to be listed on the National and Hawaii Register of Historic Places as a historic district.

We request to review new construction within close proximity to the 'historic district' to insure that it does not 'adversely effect' the district. We also request to review the plans for historic structures which will be "refurbished" and/or "renovated." We recommend that historic preservation projects follow the U.S. Secretary of the Interiors Standards for the Treatment of Historic Properties.

Judging from 1972 aerial photographs, the land beneath the proposed lodge and related facilities was formerly under agricultural and residential use. Thus, it is unlikely that significant historic sites are still present. There remains the possibility that historic sites, including human burials, will be discovered during routine construction activities. Should this be the case all work in the vicinity must stop and the Historic Preservation Division must be contacted at 587-0047.

Thank you for the opportunity to comment, should you have any questions please have your staff contact Carol Ogata at 587-0004.

Aloha,

A handwritten signature in black ink, appearing to read "Don Hibbard".

DON HIBBARD, Deputy
State Historic Preservation Officer

CO:jk

OCT 18 1995

MICHAEL D. WILSON, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTY
GILBERT COLOMA-AGARAN

AQUACULTURE DEVELOPMENT
PROGRAM

AQUATIC RESOURCES
CONSERVATION AND

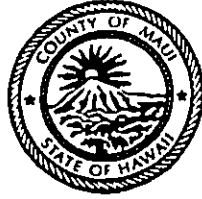
ENVIRONMENTAL AFFAIRS
CONSERVATION AND
RESOURCES ENFORCEMENT
CONVEYANCES

FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
DIVISION

LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

LOG NO: 15568
DOC NO: 9510co03
ARCHITECTURE

LINDA CROCKETT LINGLE
Mayor



DAVID W. BLANE
Director

GWEN OHASHI HIRAGA
Deputy Director

**COUNTY OF MAUI
PLANNING DEPARTMENT**
250 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

October 12, 1995

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793

Dear Mr. Arakawa:

Subject: Maunaloa Town Center

The Planning Department has reviewed your request for comments as part of the early consultation process for the formulation of a Draft Environmental Assessment, and has the following comments:

1. Due to the amount of business/commercial lands contemplated for the Maunaloa Town area in the current proposal, as compared to business/commercial lands for Maunaloa as shown in the 1984 Molokai Community Plan, and the introduction of the lodge, the Planning Department suggests that the addressing of potential socioeconomic impacts should be an important part of the environmental assessment.
2. Rather than applying for B-2 Community Business District zoning for Area A and Area I, the Planning Department recommends that it would be more appropriate to apply for B-CT Country Town Business District zoning, and concurrently apply for a conditional permit for those planned uses not specifically identified as a permitted use or accessory to a permitted use under the B-CT Country Town Business District Ordinance, Chapter 19.15 of the Maui County Code.
3. The environmental assessment should show how infrastructure will be provided concurrently with development so as not to increase any existing infrastructural deficiencies in Maunaloa Town.

Mr. Milton Arakawa
October 12, 1995
Page 2

4. The environmental assessment should also address traffic circulation matters as to how road rights-of-way for subject area match up with those for the adjoining 201-E project area.

Thank you for providing the Planning Department with the opportunity to comment during the early consultation period. Should you have any questions, please contact Staff Planner, Mr. Clayton Yoshida, AICP, of this office.

Very truly yours,



7th DAVID W. BLANE
Director of Planning

DWB:CIY:osy

cc: Colleen Suyama, Planning Program Manager- Land Use Management
Clayton Yoshida, AICP, Staff Planner
LUCA (5)
Project File
Molokai File
(g:\planning\all\clayton\maunaloa)

Chapter VIII

***Comments Received During and
After Public Comment Period
and Applicable Responses***

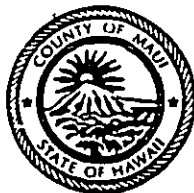
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LINDA CROCKETT LINGLE
Mayor

CHARLES JENCKS
Director

DAVID C. GOODE
Deputy Director

AARON SHINMOTO, P.E.
Chief Staff Engineer



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND WASTE MANAGEMENT
LAND USE AND CODES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

RALPH NAGAMINE, L.S., P.E.
Land Use and Codes Administration

EASSIE MILLER, P.E.
Wastewater Reclamation Division

LLOYD P.C.W. LEE, P.E.
Engineering Division

DAVID WISSMAR, P.E.
Solid Waste Division

BRIAN HASHIRO, P.E.
Highways Divisions

October 26, 1995

Mr. Milton Arakawa
MUNEKIYO & ARAKAWA, INC.
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793

SUBJECT: MAUNALOA TOWN CENTER
DRAFT ENVIRONMENTAL ASSESSMENT
FOR PROPOSED CHANGE-IN-ZONING APPLICATION
TMK (2)5-1-002:026 & 027

Dear Mr. Arakawa:

This is in reply to your September 21, 1995 letter requesting early input prior to your preparation of the Environment Assessment.

The proposed change-in-zoning into the business and industrial districts will allow existing structures on the affected properties to be used for a wider variety of business/industrial uses. Some of these business/industrial uses may create impacts adverse to the Maunaloa community if not properly addressed during a re-zoning application.

We therefore recommend that your Environmental Assessment address the following concerns.

- (1) Any new use (different than the use presently being conducted) in an existing structure will require a building permit and a certificate of occupancy. During this process, parking requirements in compliance with the Chapter 19.36 of the Maui County Code will be enforced to help prevent a parking problem caused by a new development.

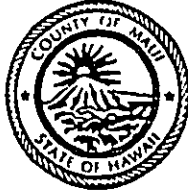
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LINDA CROCKETT LINGLE
Mayor

CHARLES JENCKS
Director

DAVID C. GOODE
Deputy Director

AARON SHINMOTO, P.E.
Chief Staff Engineer



COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND WASTE MANAGEMENT
LAND USE AND CODES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

RALPH NAGAMINE, L.S., P.E.
Land Use and Codes Administration

EASSIE MILLER, P.E.
Wastewater Reclamation Division

LLOYD P.C.W. LEE, P.E.
Engineering Division

DAVID WISSMAR, P.E.
Solid Waste Division

BRIAN HASHIRO, P.E.
Highways Divisions

DATE: DECEMBER 8, 1995

MEMO TO: DAVID W. BLANE, DIRECTOR OF PLANNING

FROM: RALPH M. NAGAMINE, LAND USE AND CODES ADMINISTRATOR

SUBJECT: APPLICATIONS FOR:
(1) DISTRICT BOUNDARY AMENDMENT #95/DBA-3;
(2) COMMUNITY PLAN AMENDMENT #95/CPA-5;
(3) CHANGE IN ZONING #95/CIZ-11; AND
(4) CONDITIONAL USE PERMITS #95/CP-4
FOR MOLOKAI RANCH'S MAUNALOA TOWN CENTER
TMK (2)5-1-002: 026 & 027

DEPT OF PLANNING
RECEIVED
95 DEC 11 4 09:03
RMN

We reviewed the subject proposal earlier and we submitted our comments to Munekiyo & Arakawa, Inc. on October 26, 1995. Our immediate concerns relative to the subject applications are as follows.

The proposed zoning changes into the business and industrial districts will allow existing structures on the affected properties to be used for a wider variety of business or industrial uses. Some of these business/industrial uses may create impacts adverse to the Maunaloa community if not properly addressed during this re-zoning process.

We therefore recommend that action on the subject applications consider the following concerns:

- (1) The property owner should be required to obtain a building permit and a certificate of occupancy for any new use which is different than the use presently being conducted in an existing structure. During the processing of a building permit or an occupancy certificate, parking requirements in compliance with the Chapter 19.36 of the Maui County Code can be enforced to help mitigate increased parking needs caused by a new development.

DATE: DECEMBER 8, 1995
MEMO TO: DAVID W. BLANE, DIRECTOR OF PLANNING
FROM: RALPH M. NAGAMINE, LAND USE AND CODES ADMINISTRATOR
SUBJECT: APPLICATIONS FOR:
(1) DISTRICT BOUNDARY AMENDMENT #95/DBA-3;
(2) COMMUNITY PLAN AMENDMENT #95/CPA-5;
(3) CHANGE IN ZONING #95/CIZ-11; AND
(4) CONDITIONAL USE PERMITS #95/CP-4
FOR MOLOKAI RANCH'S MAUNALOA TOWN CENTER
TMK (2)5-1-002: 026 & 027

Page Two of Two Pages

- (2) Infrastructural improvements; such as, roadway, drainage, sewerage, etc., may be required if the use of an existing structure is intensified. It would be beneficial to the community and to the property owner if these needed improvements are constructed as a single project instead of incremental as each structure is renovated. It is our recommendation that an infrastructure up-grade master plan be developed. Also, a construction schedule for said infrastructural improvements should be established and approved as a condition of the subject change-in-zoning.

If you have any questions regarding this memorandum, please call me at 243-7379.

RMN

f:\planning\comments\ciz\maunaloa



MOLOKAI RANCH

February 6, 1996

Mr. Charles Jencks
Director
Department of Public Works
and Waste Management
200 South High Street
Wailuku, Hawaii 96793

Re: Maunaloa Town Center

Dear Mr. Jencks:

We have received your comments to Milton Arakawa dated October 26, 1995 and a memorandum from Ralph Nagamine to David Blane dated December 8, 1995, pertaining to the subject project.

We would like to note that we intend to work with the Land Use and Codes Administration during the building permit and certificate of occupancy process to ensure that applicable parking requirements of the County Code are implemented.

With regard to infrastructure, it is noted that the improvements constructed for the Maunaloa Village subdivision actually provide the full scope of infrastructural improvements necessary to support the level of commercial use proposed for the Town Center. The only additional infrastructure-related items required will be relatively minor items specific to the type of building or site improvement being considered. For instance, buildings with fire sprinklers may need additional connections to the water system, or parking lot drains may need to be connected to the storm drain system. These items are best approved on a case-by-case basis as they tend to be site-specific and cannot really be master planned.

We hope that the above response clarifies your concerns. Thank you for your comments.

Very truly yours,

David Nakamura
Project Manager

DN/te

JAMIN J. CAYETANO
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

NOV 15 1995

KAZU HAYASHIDA
DIRECTOR

DEPUTY DIRECTORS
JERRY M. MATSUDA
GLENN M. OKIMOTO

IN REPLY REFER TO:

HWY-PS
2.8097

NOV 15 1995

Mr. Milton Arakawa
Munekiyo & Arakawa, Inc.
1823 Wells Street, Suite 3
Wailuku, Hawaii 96793


Dear Mr. Arakawa:

Subject: Environmental Assessment for Maunaloa
Town Center, Maunaloa, Molokai

Thank you for requesting our input for your Environmental
Assessment. We have the following comments:

1. Maunaloa Road is owned by the State of Hawaii. Sometime in the future, we intend to dedicate the end of Maunaloa Road to the County of Maui.
2. Plans for all proposed construction, new/relocated accesses, and utility easements within the State highway right-of-way (ROW) must be submitted for our review and approval.

Very truly yours,


KAZU HAYASHIDA
Director of Transportation

BENJAMIN J. CAYLANO
GOVERNOR



ESTHER UEDA
EXECUTIVE OFFICER

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
LAND USE COMMISSION
Room 104, Old Federal Building
335 Merchant Street
Honolulu, Hawaii 96813
Telephone: 587-3822

'95 NOV 29 P1:54

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

November 27, 1995

Mr. David Blane
Planning Director
County of Maui
250 S. High Street
Wailuku, HI 96793

Dear Mr. Blane:

Subject: Maunaloa Town Center, Maunaloa, Moloka'i
Application for District Boundary Amendment
(95/DBA-3), Community Plan Amendment (95/CPA-6),
Change in Zoning (95/CIZ-11), Conditional Permit
(95/CP-4)

We have reviewed the subject application as transmitted by your memorandum dated November 17, 1995 and have the following comments to offer:

- 1) We confirm that the approximately 8.713 acre property identified as TMK: 5-1-02: por. 27, and which is a portion of the total project area of approximately 29.2 acres, is within the State Land Use Agricultural District.
- 2) Clarification is needed in regards to whether portions of Mokia Street is a portion of the acreage requested to be reclassified from the Agricultural District to the Urban District.

It is our understanding that the acreage calculated for the areas proposed to be reclassified does not include portions of Mokia Street. This understanding is based on review of figures incorporated into the application and supporting documents, which depict the southern portion of Mokia Street remaining within the Agricultural District. This is also represented in the prints of mylar maps for Land Zoning Maps, submitted as item 12.

Mr. David Blane
November 27, 1995
Page 2

If the intent is to include the southern portion of Mokio Street within the Urban District (to be consistent with the northern portion of Mokio Street [towards Maunaloa Road], the acreage proposed for reclassification should be amended accordingly.

We have no further comments to offer at this time.

Thank you for the opportunity to provide comments on this matter.

If you have any questions in regards to this matter, please feel free to contact me or Leo Asuncion of my staff at 587-3822.

Sincerely,



ESTHER UEDA
Executive Officer

EU:th

cc: DBEDT (Director's Referral No. 95-198-T)



MOLOKAI RANCH

February 6, 1996

Ms. Esther Ueda
Executive Officer
Land Use Commission
Room 104, Old Federal Building
335 Merchant Street
Honolulu, Hawaii 96813

Re: Maunaloa Town Center

Dear Ms. Ueda:

We have received a copy of your letter to David Blane dated November 27, 1995 relating to the subject project.

We would like to confirm that the land area of Mokuo Street is not included in our request for reclassification. It is noted, however, that portions of abutting lots are proposed to be reclassified from the Agricultural District to the Urban District.

We hope that the above response clarifies your concerns. Thank you for your comments.

Very truly yours,

David Nakamura
Project Manager

DN/te

CROCKETT LINGLE
Mayor
CHARLES JENCKS
Director
DAVID C. GOODE
Deputy Director
AARON SHINMOTO, P.E.
Chief Staff Engineer



RALPH NAGAMINE, L.S., P.E.
Land Use and Codes Administration
EASSIE MILLER, P.E.
Wastewater Reclamation Division
LLOYD P.C.W. LEE, P.E.
Engineering Division
DAVID WISSMAR, P.E.
Solid Waste Division
BRIAN HASHIRO, P.E.
Highways Division

95 NOV 30 P1:27
COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND WASTE MANAGEMENT
DEPT OF PLANNING 200 SOUTH HIGH STREET
COUNTY OF MAUI WAILUKU, MAUI, HAWAII 96793
RECEIVED

November 27, 1995

MEMO TO: ESTELLE YAMASHITA, BUILDING PERMIT CLERK

F R O M: DAVID F. WISSMAR, SOLID WASTE DIVISION CHIEF *DFW*

SUBJECT: DISTRICT BOUNDARY AMENDMENT, COMMUNITY PLAN AMENDMENT,
CHANGE IN ZONING AND CONDITIONAL PERMIT APPLICATIONS,
MAUNALOA TOWN CENTER, TMK: (2)5-1-002:026 & POR. 027,
95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95/CP-4

We have received the subject request and offer the following comments for your consideration:

The owners and their contractors shall implement solid waste reduction, re-use recycling programs to reduce the amount of solid waste to be disposed of at the County landfills.

All yard debris shall be composted and re-used on their landscape plantings.

Contact the Central Maui Sanitary Landfill Operations Supervisor at 877-7596 or 877-5319, for instructions on the disposal of clearing and grubbing material.

Refuse collection shall be by a private collector.

We have no comments on the proposed project.

Thank you for the opportunity to comment on this proposed development.

DFW:jip

xc: Planning Department

898

Maui Electric Company, Ltd. • 210 West Kamahāmele Avenue • PO Box 398 • Kahului, Maui, HI 96732-0398 • (808) 871-8466



95 DEC -7 P2:03

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

MAIL ROOM	
SECRETARY	
ASSIGN TO	
TODAY'S DATE	
DATE OUT	

December 1, 1995

Mr. David W. Blane
Planning Director
Maui Planning Department
County of Maui
250 S. High Street
Wailuku, HI 96793

Dear Mr. Blane:

Subject: Maunaloa Town Center
TMK: 5-1-2:26
I.D. No.: 95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95/CP-4

Thank you for allowing us to comment on the subject project.

In reviewing the information transmitted and our records, we have no objection to the subject project. We encourage the electrical consultant to contact MECO to verify the project's electrical requirements so that service can be provided on a timely basis.

If you have any questions or concerns, please call Dan Takahata at 871-2385.

Sincerely,

Edward L. Reinhardt
Manager, Engineering

DT:rt



8891

BENJAMIN J. CAYETANO
GOVERNOR
STATE OF HAWAII



KALI WATSON
CHAIRMAN
HAWAIIAN HOMES COMMISSION

JOHIE M. K. M. YAMAGUCHI
DEPUTY TO THE CHAIRMAN

'95 DEC -4 P1:40

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

DEPT. OF HAWAIIAN HOME LANDS
COUNTY OF MAUI
RECEIVED

December 1, 1995

The Honorable David W. Blane
Planning Director
Planning Department
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Attention: Mr. Clayton Yoshida, Planner

Dear Mr. Blane:

Subject: 95/EA-9; TMK 5-1-2:26, por 27; Maunaloa Town Center

Thank you for the opportunity to review the subject application and report submitted by Molokai Ranch, Limited.

Although Hawaiian home lands are not located in the immediate vicinity of the project, the Department of Hawaiian Home Lands (DHHL) is concerned about the water supply situation on the island of Molokai.

We note that only about 100,000 gpd is available from the current potable water source currently supplying Maunaloa; and that total demand will be approximately 315,000 gpd. We request more information (source, transmission, storage, treatment) regarding each of the three alternative methods for supplying the additional 215,000 gpd needed for the proposed development.

If you have any questions, please call Darrell Yagodich, our Planning Office Administrator, at 586-3837.

Warmest aloha,

Kali Watson, Chairman
Hawaiian Homes Commission

3846L



MOLOKAI RANCH

February 6, 1996

Mr. Kali Watson
Chairman
Hawaiian Homes Commission
State of Hawaii
Department of Hawaiian Home Lands
P.O. Box 1879
Honolulu, Hawaii 96805

Re: Maunaloa Town Center

Dear Mr. Watson:

We have received a copy of your letter dated December 1, 1995 to the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and take this opportunity to provide a response.

Molokai Ranch has a three (3) year water agreement with the County Board of Water Supply to provide up to 100,000 gallons per day (gpd) to Maunaloa Town. This agreement expires on May 31, 1996. Molokai Ranch is in the process of requesting an extension of this agreement for an additional two (2) years.

Our current estimates for future water demand in Maunaloa town indicate that 315,000 gpd is needed at full buildout for the Maunaloa Town Center project and the approved residential development of the town. The total water demand represents a net increase of 215,000 gpd over the existing agreement.

The most accessible source of potable water for West Molokai is the Kualapuu aquifer. However, based on the existing uses, a significant reservation of water by the Department of Hawaiian Home Lands (DHHL), and possible downward revision in the sustainable yield for the Kualapuu aquifer, additional water allocation to other entities in the near future, such as Molokai Ranch, appear unlikely. Thus, to meet future water needs in Maunaloa, we have proposed to utilize groundwater from the Kamiloloa Aquifer System with an attendant transmission system to the West End. The potential water from this system should provide an adequate long term supply in excess of the 315,000 gpd needed for Maunaloa development without impacting DHHL's water reservation in the Kualapuu aquifer.

Mr. Kali Watson
February 6, 1996
Page 2

We hope that the above response addresses your concerns. Thank you for your comments. We look forward to continuing our efforts with DHHL in addressing the future water needs for all Molokaians.

Very truly yours,



David Nakamura
Project Manager

DN/te



POLICE DEPARTMENT
COUNTY OF MAUI



LINDA CROCKETT LINGLE
MAYOR

55 MAHALANI STREET
WAILUKU, HAWAII 96793
AREA CODE (808) 244-6400
FAX NO. (808) 244-6411

HOWARD H. TAGOMORI
CHIEF OF POLICE

95 DEC -1 P4:15

OUR REFERENCE

December 1, 1995

YOUR REFERENCE DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

LANNY TIHADA
DEPUTY CHIEF OF POLICE

MEMORANDUM

TO : DIRECTOR, PLANNING DEPARTMENT

FROM : HOWARD H. TAGOMORI, CHIEF OF POLICE

SUBJECT : I.D. No.: 95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95/CP-4
TMK: 5-1-2:26 por. of 27
Project Name: Maunaloa Town Center
Applicant Name: Molokai Ranch, Limited

No recommendation or special condition is necessary or desired.

Refer to attachment(s).

Assistant Chief Charles Hall
for: HOWARD H. TAGOMORI
Chief of Police

TO : HOWARD TAGOMORI
CHIEF OF POLICE
COUNTY OF MAUI

VIA : LANNY TIHADA
DEPUTY CHIEF OF POLICE
COUNTY OF MAUI

VIA : GLENN MIYAHIRA
ACTING ASSISTANT CHIEF OF POLICE
UNIFORM SERVICES DIVISION

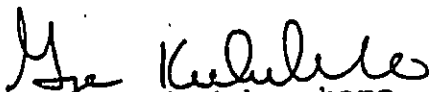
FROM : CAPTAIN GEORGE KAHO'OHANO
DISTRICT COMMANDER---MOLOKA'I
UNIFORM SERVICES DIVISION

SUBJECT : MAUNALOA TOWN CENTER PROJECT
MOLOKA'I RANCH LIMITED

In reviewing the Maunaloa Town Center plan, I can find nothing that we should have to contend with as far as the application goes. The only statement within the proposal that gives a slighted concept or idea is located in Chapter II, page 22 under section # 4 POLICE AND FIRE PROTECTION, and I am quoting "It is noted that one (1) police officer is stationed as Maunaloa to provide a local police presence."

This gives the impression that this one officer is there 24 hours a day and is scheduled to handle any an all call for service in the community. This is not so as the officer is part of the Community Police project and works according to the procedures that have been set by the department.

This is the only area of concern that I have, I do not see an increase in Population in Maunaloa Town to an extent that will cause an impact that more police will be needed than what was requested in the 95-96 Budget request for Moloka'i.


Captain George Kaho'ohano
District Commander---Moloka'i
11/29/95 1620 hrs.



DEPARTMENT OF THE ARMY
PACIFIC OCEAN DIVISION, CORPS OF ENGINEERS
FORT SHAFTER, HAWAII 96858-5440

REPLY TO
ATTENTION OF

December 4, 1995

'95 DEC -5 P12:29

Planning and Operations Division

DEPT OF THE ARMY
CORPS OF ENGINEERS
RECEIVED

Mr. Clayton Yoshida, Planner
County of Maui
Planning Department
250 South High Street
Wailuku, Maui 96793

Dear Mr. Yoshida:

Thank you for the opportunity to review and comment on the Application for a District Boundary Amendment for the Maunaloa Town Center, Molokai (TMK 5-1-2: 26 and por. 27). The following comments are provided pursuant to Corps of Engineers authorities to disseminate flood hazard information under the Flood Control Act of 1960 and to issue Department of the Army (DA) permits under the Clean Water Act; the Rivers and Harbors Act of 1899; and the Marine Protection, Research and Sanctuaries Act.

- a. Based on our previous comments dated October 10, 1995, a DA permit will not be required for the project (NP96-008).
- b. The flood hazard information provided on page 13 of the draft environmental assessment is correct.

Sincerely,

Paul Mizue, P.E.
Acting Chief, Planning
and Operations Division

BENJAMIN J. CAYETANO
Governor of Hawaii

8926



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. Box 621
Honolulu, Hawaii 96809

ref: OCEA/DH
file no. 96-215

DEC - 4 1995

Honorable David W. Blane, Director
Planning Department
County of Maui
250 S. High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Blane,

Subject: Environmental Assessment for Maunalua Town Center

Thank you for submitting the subject environmental assessment for our review. We have no comment to offer on the proposed project.

Please be advised that our Historic Preservation Division may submit comments to you under separate cover. Please contact Don Horiuchi at 587-0412 if there is any question.

Aloha,

Michael D. Wilson
for Michael D. Wilson, Chairperson

Chairperson
MICHAEL D. WILSON
Board of Land and Natural Resources

Deputy Director
GILBERT COLOMA-AGARAN

Aquaculture Development
Aquatic Resources
Boating and Ocean Recreation
Bureau of Conveyances
Conservation and Environmental Affairs
Conservation and Resources Enforcement
Forestry and Wildlife
Historic Preservation
Land Management
State Parks
Water and Land Development

RECEIVED
COUNTY OF MAUI

DEC - 5 12:29

Benjamin J. Cayetano
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P. O. BOX 2360
HONOLULU, HAWAII 96804

HERMAN M. AIZAWA, PH.D.
SUPERINTENDENT

'95 DEC -8 P1:46

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

December 5, 1995

OFFICE OF THE SUPERINTENDENT

Mr. David W. Blane
Planning Director
County of Maui
250 South High Street
Wailuku, Hawaii 96793

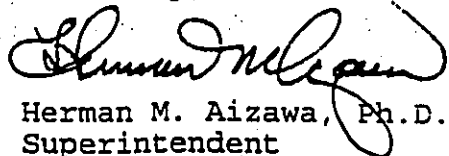
Dear Mr. Blane:

SUBJECT: Maunaloa Town Center
I.D.: 95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11,
95/CP-4; TMK: 5-1-2: 26 por. of 27

We have reviewed the subject application and have determined that the proposed development will have negligible impact on the school in the area.

Thank you for the opportunity to comment.

Sincerely,


Herman M. Aizawa, Ph.D.
Superintendent

HMA:hy

cc: A. Suga
R. Murakami, MDO

BENJAMIN J. CAYETANO
GOVERNOR



LORRAINE H. AKIBA
DIRECTOR
DAYTON M. NAKAN
DEPUTY DIRECTOR

DEC -8 P1:46

RECEIVED

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
OFFICE OF THE DIRECTOR
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

December 7, 1995

Mr. David W. Blane
Planning Director
Planning Department
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Blane:

The Department of Labor and Industrial Relations has received the Application for District Boundary Amendment, Community Plan Amendment, Change in Zoning and Conditional Permit for Maunaloa Town Center (TMK: 5-1-2:26 por. of 27).

The proposed refurbishment and redevelopment of the Maunaloa business district will help to diversify the island's economy, and thus, provide much-needed job opportunities for the people of Molokai. Molokai's unemployment rate is usually the highest in the state. In October 1995, the island's unemployment rate was 14.5 percent, compared to the statewide rate of 5.7 percent. Jobs created during the construction phase and to staff the new facilities will help ease joblessness on the island.

Thank you for the opportunity to review the document. If you have any questions, please call Naomi Harada, Chief of our Research and Statistics Office, at (808) 586-8999.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Lorraine H. Akiba".
Lorraine H. Akiba
Director

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



LAWRENCE MIKE
DIRECTOR OF HEALTH

STATE OF HAWAII 95 DEC 13 P2:51
DEPARTMENT OF HEALTH
MAUI DISTRICT HEALTH OFFICE
54 HIGH STREET
WAILUKU, MAUI, HAWAII 96793
COUNTY OF MAUI
RECEIVED

LAWRENCE HART, M.D., M.P.H.
DISTRICT HEALTH OFFICER

December 11, 1995

Mr. David W. Blane
Director
Department of Planning
County of Maui
250 S. High Street
Wailuku, Hawaii 96793

Dear Mr. Blane:

Subject: Maunaloa Town Center, TMK: 5-1-2:26 por. of 27, 95/EA-9, 95CPA-6,
95/DBA-3, 95/CIZ-11, 95/CP-4

Thank you for the opportunity to review and comment on the proposed project. We have the following comments to offer:

1. No onsite wastewater disposal will be allowed. The project must tie-in to the Maunaloa wastewater treatment works.
2. Any construction discharge into state waters will require a National Pollutant Discharge Elimination System (NPDES) permit.

Should you have any questions, please call me at 243-5255.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Matsubayashi".

HERBERT S. MATSUBAYASHI
Chief Sanitarian

LINDA CROCKETT LINGLE
Mayor



DAVID W. BLANE
Director

GWEN OHASHI HIRAGA
Deputy Director

'95 DEC 12 P2:49
COUNTY OF MAUI
PLANNING DEPARTMENT
250 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

TRANSMITTAL:

TO: State Agencies:

- Dept of Health, Maui
- Dept of Health, Honolulu
- Dept of Transportation, Statewide Planning Office (3) copies
- DLNR (2 copies)
- DLNR-Historic Preservation Div.
- DLNR-Maui Office
- Dept of Agriculture, Honolulu
- Dept of Agriculture, Maui
- DAGS, Survey Division (SMA Only)
- DOE, Office of Business Services
- Office of State Planning
- State Land Use Commission
- DBEDT
- DEPT of Hawaiian Homes Land
- Office of Hawaiian Affairs
- Dept of Labor
- Dept of Human Services, Maui
- Civil Defense (CPA/CIZ only)
- DLNR Commission on ~~Water~~ Water Resources Management

Date: November 17, 1995

County Agencies:

- DPW, LUCA (5 copies)
- Dept of Public Works
- Water Department
- Parks and Recreation
- Fire Dept
- Police Department
- Human Concerns
- Corporation Counsel
- County Clerk
- Mayor's Office
- Finance Dept

Federal:

- Natural Resources Conservatn Service
- Army Corps of Engineers
- Fish & Wildlife Service

Others:

- Maui Electric Company
- Hawaiian Telephone Co.
- Hawaii Housing Authority

SUBJECT: I.D.: 95/EA-9 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95/CP-4
TMK: 5-1-2:26 por. of 27
Project Name: Maunaloa Town Center
Applicant: Molokai Ranch, Limited

TRANSMITTED TO YOU ARE THE FOLLOWING:

- Application Traffic Report Housing Agreements
- Revised Project Plans Archaeological Report Unilateral Agreement
- Environmental Assessment Infrastructure Report Draft Ordinances
- Shoreline Map Drainage Report
- PREVIOUS AGENCY COMMENTS Soils Report

THESE ARE TRANSMITTED AS CHECKED BELOW:

- For Your Comment/Recommendation For Your Information
- For Your Approval/Signature For Appropriate Attention
- As Requested

Please submit your comments/recommendations by December 20, 1995

Remarks:

If additional clarification is required please contact me at 243-7735.

*AFD NO REFERENCE MADE TO FIREFIGHTING
WATER SUPPLY. JMA*

DWB:CIY:kic

cc: Gwen Ohashi Hiraga, Deputy Planning Director
Colleen Suyama, Planning Department
Project File
Applicant
Charles J. Jinks, Department of Public Works and Waste Management
Munekiyo and Arakawa

Planner: *Clayton Yoshida*
for DAVID W. BLANE, Planning Director

(G:\PLANNING\ALL\FORMS\TRANSMIT\AGENCY1:Rev. 7/5/95)



MOLOKAI RANCH

February 6, 1996

Mr. Ron Davis
Fire Chief
County of Maui
Department of Fire Control
200 Dairy Road
Kahului, Hawaii 96732

Re: Maunaloa Town Center

Dear Chief Davis:

We are proposing the Maunaloa Town Center project in Maunaloa, Molokai and have received comments from the Fire Prevention Bureau requesting additional clarification on the fire protection system for the town. We would like to provide the information as follows.

The improvements constructed with the Maunaloa Village Subdivision will provide Maunaloa Town with a modern fire protection system meeting current Maui County Department of Water Supply performance standards. Table 1 summarizes the criteria that the Maunaloa water system was designed to meet.

Table 1

Fire Protection System Performance Criteria

<u>Land Use</u>	<u>Minimum Fire Flow</u>	<u>Minimum Duration</u>	<u>Minimum Hydrant Pressure Under Fire Flow</u>	<u>Hydrant Spacing</u>
Single-Family	1000 gpm	2 hours	20 psi	350 feet
Business	2000 gpm	2 hours	20 psi	250 feet
Light-Industrial	2000 gpm	2 hours	20 psi	250 feet
Hotel/Lodge	2500 gpm	2 hours	20 psi	250 feet

Mr. Ron Davis
Fire Chief
February 6, 1996
Page 2

Water for fire protection will be drawn from the existing 3.0 million gallon reservoir above Maunaloa and piped into town through a network of 8- and 12-inch diameter ductile-iron water mains. Residual hydrant pressures will range between 30 and 80 psi under fire flow conditions, depending on the flow rate and the elevation of the hydrant(s) in use.

We hope that the above response clarifies your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



'95 DEC 14 P1:35

DEPT OF LAND AND NATURAL RESOURCES
COUNTY OF MAUI
RECEIVED
STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT
P. O. BOX 621
HONOLULU, HAWAII 96809

MICHAEL D. WILSON
CHAIRPERSON
ROBERT G. GIRALD
DAVID A. NOBRIGA
LAWRENCE H. MIKE
RICHARD H. COX
HERBERT M. RICHARDS, JR.
RAE M. LOUI, P.E.
DEPUTY

DEC 13 1995

Mr. David W. Blane
250 S. High St.
Wailuku, HI 96793

SUBJECT: Application for District Boundary Amendment, Community Plan Amendment,
Change in Zoning and Conditional Permit for Maunaloa Town Center

FILE NO.: 95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95CP-4

Thank you for the opportunity to review the subject document. Our comments related to water resources are marked below.

In general, the CWRM strongly promotes the efficient use of our water resources through conservation measures and use of alternative non-potable water resources whenever available, feasible, and there are no harmful effects to the ecosystem. Also, the CWRM encourages the protection of water recharge areas which are important for the maintenance of streams and the replenishment of aquifers.

- [X] We recommend coordination with the county government to incorporate this project into the county's Water Use and Development Plan.
- [] We are concerned about the potential for ground or surface water degradation/contamination and recommend that approvals for this project be conditioned upon a review by the State Department of Health and the developer's acceptance of any resulting requirements related to water quality.
- [X] A Well Construction Permit and a Pump Installation Permit from the CWRM would be required before ground water is developed as a source of supply for the project.
- [X] The proposed water supply source for the project is located in a designated water management area, and a Water Use Permit from the CWRM would be required prior to use of this source.
- [] Groundwater withdrawals from this project may affect streamflows. This may require an instream flow standard amendment.
- [] We recommend that no development take place affecting highly erodible slopes which drain into streams within or adjacent to the project.
- [] If the proposed project diverts additional water from streams or if new or modified stream diversions are planned, the project may need to obtain a stream diversion works permit and petition to amend the interim instream flow standard for the affected stream(s).

Mr. David W. Blane
Page 2

DEC 13 1995

- Based on the information provided, it appears that a Stream Channel Alteration Permit pursuant to Section 13-169-50, HAR will be required before the project can be implemented.
- Based on the information provided, it does not appear that a Stream Channel Alteration Permit pursuant to Section 13-169-50, HAR will be required before the project can be implemented.
- An amendment to the instream flow standard from the CWRM would be required before any streamwater is diverted.
- Any new development that is permitted along a stream that is not yet channelized should be based on the express condition that no streams will be channelized to prevent flooding of the development. Development in the open floodplain should not be allowed; other economic uses of the floodplain should be encouraged.
- OTHER:

On October 20, 1995 the CWRM approved Molokai Ranch's application for an exploratory well construction permit which may turn out to be the ultimate source for this project. A pump installation and a water use permit would need to be obtained from the CWRM before any water is used from this well for purposes other than testing. We have received an incomplete application for water use permit had been submitted and subsequently returned to Molokai Ranch for completion. For your information, the application requested 0.516 million gallons per day (mgd) while this document shows a total water demand of approximately 0.315 mgd and we are not sure of the reasons for this discrepancy. One issue which will eventually arise is how this well will affect the recently permitted (10/20/95) water use permit for the county from the Kualapuu Mauka well (0801-03) which currently supplies existing Maunaloa potable demands.

Finally, there is currently discussion about a downward revision in the sustainable yield for the Kualapuu Aquifer System from 7 to possibly 5, or less, mgd. With current allocations and reservations from this aquifer there may not be allocation available for future projects depending how the sustainable yield is revised. We suggest that any comments or positions by your office be provided to the Molokai Working Group in their deliberations of future water use on Molokai.

If there are any questions, please contact Roy Hardy at 1-800-468-4644 ext. 70274.

Sincerely,



RAE M. LOUI
Deputy Director

RH:ss



MOLOKAI RANCH

February 6, 1996

Ms. Rae M. Loui
Deputy Director
Commission on Water Resource Management
P.O. Box 621
Honolulu, Hawaii 96809

Re: Maunaloa Town Center

Dear Ms. Loui:

We have received a copy of your letter dated December 13, 1995 to David Blane of the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and take this opportunity to provide a response.

As you know, Molokai Ranch has a three (3) year water agreement with the County Board of Water Supply to provide up to 100,000 gallons per day (gpd) to Maunaloa Town. This agreement expires on May 31, 1996. Molokai Ranch is in the process of requesting an extension of this agreement for an additional two (2) years.

Our current estimates for future water demand in Maunaloa town indicate that 315,000 gpd is needed at full buildout for the Maunaloa Town Center project and the approved residential development of the town. The total water demand represents a net increase of 215,000 gpd over the existing agreement.

The most accessible source of potable water for West Molokai is the Kualapuu aquifer. However, based on the existing uses of water, a significant reservation of water by the Department of Hawaiian Home Lands, and possible downward revision in the sustainable yield for the Kualapuu Aquifer system, additional water allocations to other entities in the near future, such as Molokai Ranch, appear unlikely. Thus, to meet future water needs in Maunaloa, we have proposed to utilize groundwater from the Kamiloloa Aquifer System with an attendant transmission system to the West End. We have submitted this request to the Commission and look forward to working with you on the processing of the request. The potential water from this system should provide an adequate long term supply in excess of the 315,000 gpd needed for Maunaloa development.

Ms. Rae M. Loui
February 6, 1996
Page 2

We hope that the above response addresses your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te

December 14, 1995.

To Mr. David Nakamura
Molokai Ranch, LTD
500 Ala Moana Blvd.
Honolulu, HI 96813

4 pages.

From: MACK - Guy Espinola, Tim Leong, Susan Kanaike, Terry
McLutchen, Mercedes Espinola, Steve Reiff, Bernice
Santiago and Debra Vandenberg

The following are our comments on the draft EA for Mamanu Park Center.

Although MACK has been an active participant in the Mamanu
redevelopment process and has documented more testimonies than any
other community group before both State & County agencies over the past
couple of years, Molokai Ranch (MR) did not include MACK (Mamanu
Active Community Coalition) in the group it "contracted" prior to the preparation
of the Draft Environmental Assessment (draft EA).

We anticipate that MACK will be the only Molokai group providing
comments on the draft EA because the County at large has a real
problem with the ranch's "haphazard" "do it our way" approach to
development on Molokai. The Ranch realizes this & we suspect
that is the reason has done the legal minimum to solicit comments
on the draft EA from the community.

Many of the concerns of the community at large are highlighted in the
draft EA's Socio-Economic Impact Statement prepared by SMS
(Appendix D) which was put together, we understand, during a
relatively short interview process with a very limited number of
Molokai residents. We understand the final SMS report was not
shared with any of the interviewees prior to being published
with the draft EA and the interviewees were not specifically asked
by the Ranch to comment on the draft EA.

We have also learned from some of those who participated
in the interviews that names of key people who would
be able to speak to the details of the proposed projects and its
impacts were provided to SMS interviewers, but SMS chose

best to discuss the project with these people. Some of these interviewed suggested interviewing residents from Hoilehau and the East end of Mokolai, but SMS chose not to follow these suggestions.

Request

PLEASE HAVE SMS provide the results of the individual interviews (without names), as well as, a full list of the names SMS was asked to interview by these people SMS interviewed along with an explanation why those not interviewed were not interviewed.

Enclosed is MACK's Oct. 9 memo to Concedan Wayne K. Nishitani, Chairman of the Main County Council's Committee of the Whole, concerning questions for Mokolai Bank concerning its (and its parent company Pioneer Investment, Ltd of New Zealand) redevelopment plans for Mokolai and the islands of Mokolai and the impacts of those plans on existing businesses; questions on affordability and other social impacts of the projects for local residents, and questions concerning ^{the} consequences of the Bank's plans on the islands' environmental, natural and human resources.

MACK's 10/9/95 memo is provided to give the Office of Environmental Quality Control (OEQC) special some background on the Mokolai Bank/Pioneer Investment development history in Mokolai that is destroying a historic community, displacing many families and taking advantage of a well-intentioned state affordable housing law in order to "leave their pockets" at the expense of Mokolai residents and the state of Hawaii taxpayers. Hopefully somewhere down the line the abuses the Bank is inflicting on government processes and the people will be recognized by decision makers and some action taken to instill some balance.

The MACK letter is in response to a letter MACK received from Concedan Nishitani dated 9/14/95 asking for questions for the community.

Also enclosed is a letter dated 10/31/1995 to an Councilman Nischke to Melvin Rank regarding the Rank to answer questions he prepared, as well as, questions provided at his request from MACK.

On 12/22/95 MACK checked with Councilman Nischke's office and found that the Rank has "declined to answer" nearly all of the questions he submitted. We were informed the refusal came from Rank V.P. Harold Edwards.

This is not the first time the Rank has refused to answer questions. In July 1994 a series of pertinent questions for the County were submitted through another County Councilman were not responded to. These questions dealt with development in the Mammelon area. Question:

QUESTION

Why did the Rank answer these questions?

Rank CEO Jim Mozley was sent a letter in August 1995 from MACK asking questions about ~~water~~ development in Mammelon. The questions were specific to the water issue + the states Home Finance + Development Corp. (HFDIC) had suggested asking the Rank for responses to the questions. Mr. Mozley did not respond to MACK's questions. Why didn't Mr.

QUESTION
REQUEST

Mozley respond: We would ask the Rank to answer the questions posed to Mr. Mozley concerning the pipeline as part of the final EA. Also we'd request Mr. Mozley to explain the relationship between the proposed 24 inch pipeline (9.5 miles long) + the 9.5 mile 12" inch pipeline the Rank makes reference in the draft EA.

REQUEST

~~After reviewing the draft EA, the council decided to~~

~~ask of the questions~~

QUESTION

Question: As part of the final EA, MACK requests that ? reconsider its decision not to answer the Nischke questions + provide responses as part of the final EA

REQUEST

After reviewing the draft EA, it is evident that nearly all the questions ~~presented~~ submitted to the Ranch by Carolann Norvick are in some specific way tied into points raised in ^{various sections} of the ranch's draft EA. MACK therefore requests answers to these questions as part of the final EA.

MACK feels that the size of the project warrants a full environmental impact statement, unless the ranch can provide adequate responses in the final EA to the questions we have presented here in. We feel that by having responses to these questions, OEQC will be in a more qualified position to make a decision on the Ranch's final EA.

OEQC does not make a decision. Maui County does.

REQUEST

Maui's county plan is divided into three geographic areas. The draft EA is very confusing and misleading because the Ranch has divided the island into only (2) geographic areas East + West. We believe this gives a distorted picture of the island's dynamics + request that the final EA text be adjusted to reflect the (3) distinct geographic areas that the Maui County unambiguously identifies with.

~~Please explain attached State title of [unclear] [unclear]~~

cc: OEQC, Maui County Council, Maui Planning Dept.

REQUEST P.S.

QUESTION P.S.

QUESTION

Please explain attached June 16, 1995 New article in final EA when another hotel of security hotels are at 29% (of what) If 70 security visitor accommodations reach 70% (of what) additional full-time jobs will be generated. Why no mention of impact of projects build out on school. So Ranch planning to build more than 350 residential units in Maunaloa. If so, how many and over what time frame.

① QUESTION Why no mention of the 11 acres of undeveloped commercial lands at Kalaheka resort + the impact of the project on that area?

Council Chair
Alice L. Lee

Council Vice-Chair
Patrick S. Kawano

Council Members
James "Gmo" Apana
Alan Arakawa
Sol P. Kahoroahalela
Robert M. Mondan
Thomas P. Morrow
Dennis Y. Nakamura
Wayne K. Nishiki



Ken R. Fukuoka
Director of Council Services

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

September 14, 1995

Mr. DeGray Vanderbilt
P.O. Box 1348
Kaunakakai, Hawaii 96748

Dear Mr. Vanderbilt:

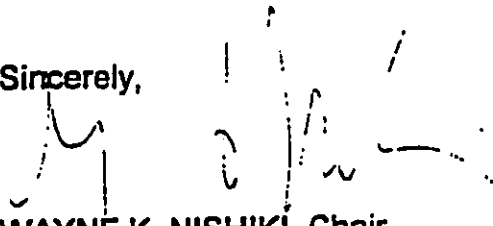
**SUBJECT: MOLOKAI RANCH 201E PROJECT AT MAUNALOA
VILLAGE (COW-09)**

As requested at the Maui County Council's Committee of the Whole meeting on August 29, 1995, please submit to the Committee a list of the community's questions about the project. The questions will be transmitted to Molokai Ranch.

I would appreciate receiving the list by September 22, 1995, so that Molokai Ranch will have enough time to prepare responses prior to the Committee's next meeting on this matter. The meeting will be held in Maunaloa on October 12, 1995.

Thank you for your attention to this request. Should you have any questions, please contact me or my Committee staff, Joanne or Tammy, at the Council Office, phone no. (808) 243-7838.

Sincerely,


WAYNE K. NISHIKI, Chair
Committee of the Whole

cow:ltr.09b02:ds

MACK

MAUNALOA ACTION COMMUNITY KOALITION
P.O. BOX 262
MAUNALOA, MOLOKAI, HAWAII 96770
(808) 552-2868 FAX 552-2682

MEMO TO: Councilman Wayne K. Nishiki, Chairman
Committee of the Whole of the Maui County Council
October 9, 1995

FROM: Maunaloa Action Community Koalition (MACK)
Core Group of Directors: Guy Espaniola, Tim Leong, Theresa McCutcheon, DeGray,
Vanderbilt, Mercedes Espaniola, Bernie Santiago, Gary Patel, Steve Reiff, Susan Kamaile

SUBJECT: Item 9—Committee of the Whole Meeting, Maunaloa, Molokai, Hawaii on Oct. 12, 1995
to revisit the controversial 201E plan being developed in Maunaloa by Molokai Ranch, Ltd.

ALOHA—Thank you for your letter dated September 14 asking for our community to provide you with questions for Molokai Ranch. We trust these will assist your Committee during its October 12, 1995 fact finding meetings in Maunaloa (6 p.m. Council meeting @ Maunaloa Rec. Center—3:15 Council site visit of Maunaloa).

We apologize for taking so much time getting the questions to your Committee, but finding someone to type them up proved difficult. We want to thank Susan Kamaile for her volunteer efforts in getting the questions in presentable form. Hopefully the questions will be able to be faxed to Molokai Ranch so they will at least be aware of them prior to the October 12, 1995 meeting and therefor be able to provide oral responses if required.

Unanswered Questions

In the past, MACK has put in much effort to obtain answers from the ranch to community concerns. We have had little success. We are concerned that the ranch may continue its pattern of refusing to answer questions.

Our concern stems from the fact that the ranch has elected on numerous occasions not to respond to questions from the community or government agencies/officials. The ranch did not answer questions submitted by MACK on many occasions including questions sent to the ranch at the suggestion of Human Concerns; questions sent by MACK at the suggestion Councilman Pat Kawano who said to use his name to get the ranch's attention; and questions forwarded to the ranch by MACK at the suggestion of the state's Housing Finance and Development Corporation (HFDC). At the 8/29/95 Council meeting, Councilman Nishiki mentioned ranch executives had also failed to provide written responses to questions he requested several months ago. Several Maunaloa residents also have sent in written questions to the ranch after the ranch's 1/21/95 sales brochure was distributed to residents in the Maunaloa community. They also received no responses.

"Basically when we get a request for questions, we try to decide whether or not if there is some sincere interest in some fact finding to get to the truth or if it's basically harassment, in which case we don't deal with them." Harold Edwards told the Council on 8/29/95 while trying to justify the ranch not answering questions in the past.

Legality of project not contested

The community is not challenging the legality of the ranch's plan—it is too gray of an area. The ranch is quick to present complex graphs and percentages to show its legal compliance with the 201E law. Generally these presentations are lacking detailed notes and assumptions to explain how the summary data was computed. But as stated in a recent October 1 Maui News editorial, "Just because it's legal doesn't make it right".

And the ranch's plan is not right. It does not provide affordable home ownership opportunities to those lower income families the ranch says it cares so much about—the same families that the ranch offered, then took

back its offer, for affordable home ownership through the community- supported 1992 Maunaloa "revitalization plan": it displaces too many families; it unnecessarily destroys too many historic homes which could be turned into truly affordable home ownership opportunities; it disrupts the town's commercial core; it condenses the historic perspective of a "living community" into a "lifeless" commercial tourist museum; it does not provide safeguards to insure that the Ohana families have housing alternatives that are guaranteed to be affordable in the future based on their fixed incomes; it destroys one of the last historic plantation towns in the state—an asset to Molokai's tourist industry and replaces it with a new real estate development designed to appeal to off-island investors with design guidelines and neighborhood restrictions that are contrary to the town's traditional architectural character and lifestyles.

Council approval is with reservations

On September 2, 1994, several Council members cast their approval votes for the ranch's 201E project reluctantly while voicing concerns about affordability, the demolition of so many homes, water service, ranch tactics with some existing commercial lessees, and the lack of answers to satisfy these concerns. "I think the 201E application wasn't tightly put together—I think there's a lot of loose ends in this application—I am disappointed in that I don't think we've gotten all the answers that were necessary," said one Council member before casting a approval vote.

Another Council member provided the following advice for ranch executives prior to voting for approval: "I hope you will come up with a price (for affordable lots) that is half what (\$80,000 per lot) you're telling us here—I understand all the concerns that people have about being displaced—So I hope that you do it right—And if it doesn't happen right, I'm sure many members of this Council are going to be down your throats, because you're going to have other things that you want to do on Molokai."

Overwhelming community opposition of 201E as proposed

In 1994, the Molokai community testified on four occasions before the Council on August 5 (on Maui), August 15 (on Molokai), August 23 (on Maui) and September 2 (on Maui). On each occasion testimonies were overwhelming in opposition to the 201E as proposed by the Ranch. Other than Ranch employees and/or their spouses, a TOTAL of only four Maunaloa residents testified in favor of the ranch's 201E plan.

Of these four ranch supporters, one testified that he felt, "the ranch needed to get into the community and work hand-in-hand with the community and come up to a good compromise where both sides (the ranch and MACK) will end up with a good deal"—one supporter told the Council on August 15, that she was happy the Council members toured her home so they could see "the condition and how much caring and loving" that had been put into her home. She went on to testify that she and her husband wanted "if at all possible to purchase our home that we are presently living in right now because that is our dream we have been looking forward to for 50 years." She also told the Council she was aware of MACK and had signed some letters because "I like what they have been promoting"....then one week later, on August 23rd, after meeting with ranch officials, she testified before the Council that she came to the conclusion that she really didn't want to purchase her home, but instead she and her husband looked "forward that our dreams for a brand new home will finally become a reality"—and one of the four ranch supporters was awarded a contract by the ranch to do development work associated with the 201E plan.

One Council member praised the elderly ranch supporter who almost overnight changed her mind and her dream, saying, "When I was over on Molokai (8/15/94) we talked and I expressed my feelings about what you just said—it took a lot of courage to come over here and say what you did—it definitely touched my heart." Luckily, the ranch supporter the Council member praised had sufficient money to afford one of the new homes being developed by the ranch at a cost of about \$50,000 more than the cost of renovating an existing home.

Unfortunately this same Council member did not share any of the same praise or aloha for the many other Maunaloa residents who pleaded with the Council to save their homes—homes they loved—homes that they raised families in—homes that provided them with so many special memories—and homes that they knew represented the only home ownership opportunity they could afford in Maunaloa.

Council and Administration do not address the public's concerns

All of the many testifying in opposition of the 201E, as proposed, were supportive of the "revitalization" of Maunaloa—but not at the expense of so many existing families living in Maunaloa who were being priced out of the home ownership market by unaffordable new lot prices and the ranch's unwillingness to preserve more of the existing plantation homes. These residents requested the Council to deny the 201E plan for six months in order for the community and Molokai Ranch to have time to try and work out some "fair" compromises. But ranch officials made it clear to the Council that they were not about to amend their plan.

So instead of electing to deny the 201E plan and force compromise negotiations between the ranch and the community, the Council instead unanimously approved the plan on September 2, 1994 without attaching any negotiated conditions for the protection the Maunaloa community from the ranch's discretionary decisions concerning final affordable lot prices and rental charges and their relationship to the actual Maunaloa incomes.

Not only did the Council not address many well-documented concerns raised through public testimony and correspondence, neither did the Administration during its review of the project according to what Deputy Director of Human Concerns Henry Oliva told the Council on 8/23/94. When asked by Council if the Administration "changed or convinced the applicant to make any changes to the application based on testimony (from the public) received", Oliva relied, "No, we did not."

Water controversy never resolved, key document not passed on to Council

In addition to not addressing any of the public's concerns, the Administration appears to have also failed to provide the Council with some key documents. One key document was the June 7, 1994 agency comments provided by David Craddick, Director of the County's Board of Water Supply. He recommended the project not be approved in its entirety because of the lack of a guaranteed water supply to service its build out.

One Council member asked the ranch directly, "...do you have a guaranteed water source to supply enough water for this project." The ranch's Harold Edwards slid by with a "none answer" saying, "I think the answer there is that we're still working with the County on finalizing *maybe* the optimal way to bring water to Molokai, but I think we're in agreement that we'll have water for Maunaloa." Another Council member said he checked with the Water Director and found that the County was supplying Maunaloa with 1000,000 gallons per day (gpd).

Mr. Edwards told the Council the 100,000 gpd would "get us about two years into the plan" despite the fact that he knew the ranch's agreement with the County for the 100,000 gpd expired in less than two years. Edwards did not clarify for the Council what "two years into the plan" meant. Recently, it was revealed that the ranch was using more than 100,000 gpd to service Maunaloa. Although Mr. Craddick had testified before the Council on another matter at its September 2, 1994 meeting, the Council did not choose to call Mr. Craddick back to clear up the water concerns before voting to approve the ranch's 201E plan.

In July of this year, the state's HFDC agency approved a financing package for a portion of the ranch's 201E project despite the concerns expressed over the ranch's lacking water supply raised at a public hearing on Molokai July 3, 1995. HFDC representatives said that the County Council approved the project so if the water situation was good enough for them it was good enough for the state. HFDC said water concerns should have taken up by the Council at the project approval stage.

Hopes dashed as Molokai Ranch loses sight of "true" affordable needs

What happened to the 148 plus affordable home ownership opportunities that were available in Maunaloa just a few years ago through two proposed projects? A big concern for those residents who are being priced out of a home ownership alternative because of the high prices associated with the ranch's 201E "affordable" project!

In 1991, Maui County opened bids for new fee-simple affordable residential lots in Maunaloa. The low bidder was Maui's Elima Engineering with a bid of \$1,200,000 for the development of 62 lots that were large enough to allow for the development of a future Ohana residential unit (\$20,000 per lot versus the ranch's current 201E lot development cost of \$38,275 for 25% smaller lots—a 90% increase in the s.f. development cost which is hard to believe considering construction prices in 1992 and today are approximately the same).

A few months later, in 1992, the current owners of the ranch, Brierley Investments, Ltd., offered to sell everyone in Maunaloa their existing house and lot at affordable prices. Unlike the sale of Kualapuu Town on Molokai a few years earlier, the Maunaloa sale included the development of new water, road and sewer infrastructure systems.

These two projects would have provided home ownership opportunities for 148 families at prices ranging between \$75,000 and \$85,000. These prices were truly affordable to lower income working families in Maunaloa and elsewhere on Molokai—those making \$25,000 and less annually. And very few families, if any, would have had to be displaced by the development of these two projects. Yet both projects were killed as the result of decisions made by ranch management—a fact which is made more disturbing by the fact that in 1992 Farmers Home had to return approximately 50% of the money it was budgeted because there were no affordable homes to finance on Molokai. Had the ranch not killed these two affordable projects, someone making \$12,000 could have afforded the \$85,000 house/lot packages and had a mortgage payment through Farmers Home Loan of only \$224 a month.

If the Council is able to convince Molokai Ranch executives to preserve and renovate more homes for sale on the northside of town, and assuming the \$85,000 price tag the ranch is charging for the eight homes it renovated for sale on the southside, that same \$224 a month payment could be available today if Farmers Home has any funds to loan. If Farmers has no funds, the monthly mortgage payment would be \$570 using a conventional lender, which is about the same amount as the \$550 monthly rent the ranch is proposing to charge for a 3-bedroom apartment.

In the place of these 1991 and 1992 affordable projects, the Council has approved the current 201E plan. This plan does NOT offer lots at "truly affordable prices" as quoted word-for-word from the ranch's current Maunaloa sales brochure—at least not affordable to most of Maunaloa's and Molokai's lower income working families.

Despite construction prices being about the same, or maybe even more competitive than they were in 1991 and 1992 when the County and the ranch offered affordable prices in the \$85,000 range, the affordable fee-simple prices intended by the 201E "fast track" affordable housing law are NOT AFFORDABLE to a majority of the residents in Maunaloa—many who could have qualified for home ownership in 1991 and 1992 had the ranch been willing to cooperate with the County and the community to achieve this goal. Today, the average house/lot package being offered is \$120,000 through self-help and \$140,000 if the house is built by a contractor. What happened to the affordable \$85,000 prices of a few years ago? And why are the costs so high today? The Council, it seems, should secure these answers for the public.

Forty lots sold—What is buyer profile?

Ranch community development specialist Harold Edwards told the Council on 8/29/95 that 60% of the Maunaloa community made purchase decisions when the ranch first took lot reservations on April 29, 1995. He said that 40 lots had been sold and were in escrow. However, he failed to say how many of the original applicants made the list; how many received final loan approval; what "in escrow" really meant; how many own another home or property or other major asset to use to generate funds for a downpayment; and how many families on the list of 40 (excluding the five renovated homes) are in the \$25,000 or less annual earnings category;

In response to a question from the Council at its September 2, 1994 meeting, Edwards said that ranch management believed that residents earning \$25,000 could "qualify for a house and lot in Maunaloa" worth \$150,000, and if the family had some money for a downpayment that \$150,000 price they could afford "would go up." To the Council this must have sounded terrific since no one doubted Mr. Edward's slanted analysis. Later in the day the ranch's project was approved by Council.

Edwards had told the Council that his \$150,000 affordability figure assumed financing through a government subsidized Farmers Home Loan mortgage. After the ranch received Council approval, Edwards made it known that ranch management did not believe there would be any Farmers Home Loan money available for the project. Edwards did not tell the Council, and the Council never asked, that without Farmers Home Loan, the majority of families in Maunaloa earning \$25,000 or less could afford to pay only \$80,000 to \$90,000 for a house.

and not if they had to rely on conventional mortgage funds. He also failed to volunteer that it was possible to provide home ownership opportunities at these low prices by renovating the existing homes in Maunaloa, as MACK had contended all along.

Ranch takes advantage of Council's good intentions, and describes them as "unjust and unwise".

Earlier this year, after the ranch had received approval of its project from the Council, Mr. Edwards wrote Councilman Kawano on February 15, 1995 and made it clear to the Council that the ranch had decided not to subsidize the prices of the project's 84 affordable fee-simple lots by increasing the prices of the 145 market priced lots, as intended by the Council. He told Council that the ranch felt such a pricing scheme was "unjust and unwise" and that Molokai's lower income families should basically pay the same price as other buyers investing in the project, even though the ranch had indicated in news articles that its target market for those "other buyers" would be more affluent people that the ranch intended to attract to Molokai from Honolulu and the Mainland".

As it turns out, there will be little or no Farmers Home money available as predicted by the ranch. So the Councilman, who had suggested at the 9/2/94 meeting a \$40,000 price tag for the affordable lots, was right on the mark as far as being aware of the maximum amount of money a lower income family could afford to pay for a lot and \$50,000 self-help home assuming a conventional mortgage. In testifying before the Council, the ranch used the Farmers Home subsidized mortgage rates to justify higher prices and to make its inflated prices seem affordable. This is contrary to what MACK proposed. MACK contended the ranch should strive to develop a plan that produced an affordable product based on conventional financing (i.e. preserve and renovate the existing homes at a cost of less than \$20,000) and then, if Farmers did have funds available, that affordable product would be affordable to even more lower income families.

The affordable alternative for the ranch to preserve more homes is still available. There are several homes on the northside of Maunaloa that have not been demolished and do not need to be demolished because they are either within 201E lot lines or, could be moved slightly to fit into the 201E lot lines. As the ranch proved in preserving eight southside homes for sale to existing tenants, several homes on the northside can be renovated and sold to tenants for "truly affordable" prices of between \$83,000 and \$89,000.

Some Council members question revisiting approved 201E plan

At the 8/29/95 Council meeting, some Council members questioned the purpose of revisiting the 201E plan since it has been approved. MACK and the community recognize that the Council is not able to reverse its decision, but we feel that the Council can urge the ranch to adjust the plan in certain areas so that it is more fair and affordable.

Ranch has the flexibility to make changes to the plan.

By its own recent admission to the Council, the ranch's rental schedule is still in the "proposed stage" and most of the fee-simple lots have not been priced. Prior to receiving Council approval, Harold Edwards told the Council on 9/2/94 that the ranch was "very sensitive not to amend" its 201E plan. However, once the ranch had its Council approval in hand, it clearly had no problem making self-serving changes to the approved plan's infrastructure, lot identification categories, pricing structure, land use patterns, as well as, changes to certain representations to the Council concerning future development plans for Maunaloa associated with the 201E plan. Hopefully the Council will ask the ranch to document these changes.

Ranch has the funds to agree to some changes to the plan.

Initially the ranch said that it was not making a profit on the project, but refused to provide the Council with a project budget to verify that statement. Since its 201E approval, the ranch has reaped a windfall of over \$7,000,000 in tax benefits, interest savings and profits by the state recently approving to provide financial assistance to just one segment of the project which represents only 21% of the 201E development approved by the Council. Yet the ranch has earmarked very little, if any, of this "bonus" money to improve the project's affordability over what it was projected to be before the ranch received all its financial benefits from the state.

MACK objectives to make the 201E more fair and affordable

Some of the issues MACK is asking the Council to urge the ranch to agree to include: more affordable prices on the project's remaining 84 affordable lots; *reserve the remainder of the 84 affordable lots for future purchase by Molokai's lower income families for some protected period of time at a fixed price*; provide reasonable down payment assistance loans to those lower income families who need such assistance to qualify for a mortgage loan; *provide existing commercial tenants with the same long-term lease and purchase options the ranch has said it will be providing to new commercial tenants*; provide a preservation plan for all existing commercial buildings the ranch advised the Council it will be preserving; *in order to provide more affordable home ownership opportunities, preserve for renovation as many historic plantation homes on the northside as possible, especially those that are within existing lot lines or those that can be moved slightly to conform with existing lot lines*; provide fix rentals for Maunaloa's Ohana families for a period of 10 years; *lower base rents and agree to an annual rent escalation cap of 3%*; offer rental tenants in the nani Maunaloa project an opportunity to purchase their units; *agree to carry over any unused rental pool subsidy monies to the following year and insure that a portion of the rentals units are reserved for those Molokai families most in need of affordable rentals*; take the lead in mending some old wounds and agree to pay Bernie Santiago the same \$6,300 the ranch is paying to all the other Ohana members in Maunaloa; *provide the \$6,300 Ohana payment to those Ohana families who decide they must relocate from Maunaloa*; save at least portion of the community's "kite flying" park at the entrance of town; *preserve as many mature trees as possible on the northside of Maunaloa.*

Hopefully, the Committee will allow reasonable rebuttal testimony by the community, and the ranch, if such testimony is needed to clarify any incorrect or misleading statements. This process may allow the facts about the controversies, or misunderstandings, between the community and the ranch to be better understood by all.

The ranch agreed to provide the state's HFDC agency a copy of the 201E project construction budget, but to date has refused to provide the same information to the County Council. As mentioned above, the ranch has insisted it is not making a profit on the project. No one on Molokai believes this.

Extending current lot sales prices results in an income total that is in excess on construction costs and the income side of the equation does not even include \$1,202,000 profit the ranch is projecting for its 61-unit 201E rental project or, over \$5,000,000 in federal and state tax credits flowing into the ranch's pockets as a result of recent state supported activities benefiting the 201E project. Hopefully, the ranch will share its project budget to determine the profit/cost picture for the project in relation to the affordability of the lots and rentals being offered.

Although, it is not expected that the ranch can provide written responses to the enclosed questions by October 12, we hope the Committee will require the ranch to provide written responses within a reasonable time frame, not only to the enclosed questions, but also, for any pertinent follow-up questions that result from the October 12 meeting. It would seem there could be a need for some follow-up after October 12.

Suggestion for Site Visit

As for the site visit, we hope the Council will drive past the homes on ninth (9th) avenue, as suggested, in order to see what excellent shape these structures are in— yet are all scheduled by the ranch for demolition. In addition, we have suggested you visit and tour the homes of Mercedes and Albert Espaniola, Theresa and Larry McCutcheon, and Louise and Roxanne Yen—homes that are all scheduled for demolition despite their ability to be easily preserved. MACK would also ask that for comparative purposes, the Council visit the existing homes being preserved as part of the rental project (renovation costs \$35,000—homes in no better shape than homes on northside which are scheduled for demolition), as well as, the eight homes that have been renovated for sale (renovation cost under \$20,000 to qualify for a 30 year mortgage). Also, please plan to visit the new for-sale model homes that were developed by the ranch (smaller square footage than the rental units). A map and directions for the tour outlined above were provided to Committee staff last week by MACK.

Thank you for your Committee's interest in revisiting our community and the 201E. **ALOHA—**
P. S. Enclosed is July 7, 1995 Maui News article reporting on the support the Council showed residents of Wainee Plantation Village who, like Maunaloa residents, are fighting to save their homes, their trees and their community. Maunaloa is asking for your support.

MACK

MAUNALOA ACTION COMMUNITY KOALITION
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MEMO TO: Councilman Wayne K. Nishiki, Chairman
Committee of the Whole of the Maui County Council
October 11, 1995

FROM: Maunaloa Action Community Coalition (MACK)
Core Group of Directors: Guy Espaniola, Tim Leong, Theresa McCutcheon, DeGray
Vanderbilt, Mercedes Espaniola, Bernie Santiago, Gary Patel, Steve Reiff, Susan Kamaile

SUBJECT: Item 9—Committee of the Whole Meeting, Maunaloa, Molokai, Hawaii on Oct. 12, 1995
to revisit the controversial 201E plan being developed in Maunaloa by Molokai Ranch, Ltd.

Enclosed are some of the MACK questions that were not included with MACK's covering Memo. We will provide more questions by 3 p.m. today to the Committee staff.

We experienced a computer problem on Molokai and the computer disk had to be shipped ovr to Maui for final processing.

Enclosed are the following questions:

- (A) Six pages—AFFORDABLE HOME OWNERSHIP OPPORTUNITIES FOR LOW INCOME MOLOKAI FAMILIES
- (B) Three pages—AFFORDABLE 201E RENTALS
- (C) Three pages—RANCH WATER SOURCES, CURRENT AND FUTURE

Obviously Molokai Ranch cannot provide written responses to these questions by October 12, 1995. However, we would hope that the Committee will ask the ranch to provide written responses within a reasonable time period.

Thank you.

P.S. We had some more questions (re: Commercial, Bernie Santiago, Design, Historic Preservation, 1992 Plan, etc.) still to be compiled from the disk we sent over to Maui, but the person doing the transcribing was asked to leave the area on the eighth floor where he was working. Therefor, if the remaining questions are not in by three we will have them available by the time your Committee arrives in Maunaloa for the site visit.

RECEIVED

(A) AFFORDABLE HOME OWNERSHIP (Fee-simple) OPPORTUNITIES FOR LOW INCOME MOLOKAI FAMILIES:

The record reflects that the Council was concerned with the high prices the ranch was intending to sell its substandard sized lots for (less than 6,000 sf average). One Council member said the proposed MR pricing was not affordable "by any stretch of the imagination." This is true especially in Maunaloa, where MR has represented that the median income is less than \$25,000.

After MR received its approvals it sent a letter to the Council addressed to Molokai Councilman Pat Kawano saying that it had no intention of pricing the market priced housing lots higher in order to subsidize lower affordable lot prices as the Council intended. The ranch justified its position by telling Councilman Kawano, "While, we acknowledge the financial difficulties facing the Molokai people, the Ranch is a *for-profit* entity that cannot be expected to provide a *free lunch* to anyone who thinks he deserves it."

Since the Council 9/2/94 201E approval, MR has received approval from the state's Housing Finance and Development Corporation (HFDC) to provide financing assistance for the \$8,600,000 Nani Maunaloa rental project (61 units) that was part of the Council's 201E approval of the Maunaloa project.

Through the state's involvement, MR is receiving more than \$5,300,000 (million) dollars in state and federal tax credits plus additional developer profits and overhead of \$1,202,000 (plus an undetermined amount of interest cost savings from the state involvement in the project's tax-exempt bond financing). And in return for its \$6,502,000 tax credit and profit bonanza, MR is guaranteeing very little of this total will go to make the project more affordable.

Despite the Council's concern over affordability and despite receiving \$6,502,000 millions in a windfall of tax credit and other financial benefits from the state's financial assistance subsequent to the Council's approval, MR made no significant guaranteed commitment to lower fee-simple lot prices or rentals for Molokai's lower income families.

In a letter to Councilman Pat Kawano after the Council's approval, MR's Harold Edwards stated that MR was offering the lots for sale "at their lowest possible cost". Please explain the parameters on which this statement is based (i.e no land value, no profit, minimal developer overhead, etc.)

Please provide a copy of the project for the Maunaloa 201E development.

MR has thrown out a figure of \$20 million dollars to the Council as being the amount it is "prepared to invest in Maunaloa". In the 6/95 issue of Building Industries Magazine, MR also referenced the \$20-million figure stating that it was for the "redevelopment plan that covers Maunaloa's entire 80 acres, and new infrastructure, affordable new homes and the revitalization of the town's commercial core" The "town's commercial core" is not part of the 201E plan. What is the total project cost of to develop the 290-residential unit 201E plan approved by the Council, exclusive of the "commercial core"?

Based on recent project adjustments, how many saleable fee-simple lots are in the 201E project, and what is the total square feet of these lots?

MR has represented to the Council that average sf lot is 5,200 s.f. and also 5,600 s.f.—What is the actual average s.f. per lot?

How much cost did MR incur before deciding to scrap its 1992 redevelopment plan for Maunaloa that involved

offering every rental tenant an opportunity to purchase their home and lot (50% of the 117 house/lot properties were priced affordable at less than \$70,000).

Has MR attempted to recover any of these costs associated with the 1992 project in the project budget for the 201E development?

In addition to the 201E plan how much has MR spent on the following:

Rodeo arena and stables:

New Offices:

New Outfitters Center:

Other projects in Maunaloa Town:

Is MR attempting to recover any of these costs from the 201E lot sales?

Is any improvements to the commercial areas (not part of 201E) included in the current Fletcher Pacific contract for the development of the 201E residential project?

In the past, MR executives have represented to the Council that MR is not making any profit on the development of the 201 project? Is this still MR's position?

If MR knew it was NOT making any profit on such a large redevelopment project as the 201E, why would MR undertake such an investment?

What was the recently accepted bid to construct the 61 rental structures?

Why did the ranch chose to develop such small lots (below County 6,000 s.f. minimum) in the new undeveloped areas instead of larger lots, like the 7,500 s.f. lots the County proposed for Maunaloa in 1991, so that low income residents could at least have had an opportunity for building an Ohana housing unit in the future to assist with their family to deal with higher housing costs?

Did MR receive a letter from the self-help developer indicating that some of the new lots being developed in Maunaloa were so small that some of the self-help models would not be able to fit on them legally?

Why is MR allowing Ohana units to be built on the northside, but not on the southside?

If there is a conflict between MR's covenants and restrictions and County or State land use law, which documents would prevail?

Did the MR allow the Council to review its covenants and restrictions applicable to the 201E project? If not, why?

Is it correct that the Fletcher Pacific contract for the site work was \$11.1 million, excluding development of the sewage treatment plant? If not, what was the price?

Two reasons MR's Harold Edwards gave at the 8/29/95 Council meeting for the development costs of the 5,600 sf lots in Maunaloa being higher than the 21,000 sf lots recently constructed by Fletcher in Ho'olehua was due to sewer line and drainage requirements associated with the Maunaloa project. What percent of the original Fletcher \$11.1 contract price was earmarked for drainage and sewer line improvements?

In 1991, the County received foral bids for the development of 62 fee-simple affordable lots in Maunaloa. The lots were 7,500 s.f., large enough to allow the development of an Ohana unit. The low bidder came in at \$20,000, which is significantly under the current \$38,000 bid of Fletcher Pacific to develop smaller lots (5,600 s.f. average). Please explain the reasons for the large difference.

How much additional cost does MR estimate the "affordable lots" incurred as the result of building on the sloped land in Area C as opposed to building on level land?

Why did MR chose to build affordable lots on the sloped land knowing that it would be add more costs their development.

In the December 1990 issue of Pacific Business News, a front page story announced Elima Engineer (Maui) was the low bidder for the County's 62 lot subdivision was \$1.2 million or \$19,350 per \$7,500 square foot lots which were designed large enough to allow for Ohana units. The Council received testimony from Elima in August 1994 before that the site construction costs would be much different in 1994 than they were in 1990. How does MR explain the big difference in Elima's \$19,350 average lot development cost. verses MR's \$38,275 per lot cost for the 201E project (290 lots for \$11.1 million)?

What was the accepted bid from Goodfellow Bros. for development of the new sewage plant (not part of Fletcher contract).

How does this price compare to the projected costs for a new sewage treatment plant costs projected by the ranch in its 1992 Maunaloa redevelopment project budget?

Identify by lot numbers the "affordable" lots represented on page 15 of the 201E plan and note which have been sold?

How many total saleable sf are represented by the 201E project's 84 "affordable" lots?

What is the average price per sf of the unsold "affordable" lots identified in the previous question?

What is average s.f. price of the 21 lots in Area "D" offered for sale?

Based on a 3-BR self help package, what is the estimated construction cost of the housing unit?

What is the price of the least expensive 3-BR model home being offered by MR (not including lot)?

Why did the ranch design its for-sale homes significantly smaller than its low income rental units (i.e 4BR sale home 988 sf vs. 1,248 sf for 4BR rental unit)?

According to documentation provided by MR the median income in Maunaloa is less than \$25,000. How much could someone qualify to borrow through MR's buy down interest program being financed by Bank of Hawaii if they earned \$25,000 and had \$0 in debt payments?

For each \$100 in monthly debt payments (i.e. car payment, credits card, tuition loan etc.) how much would this reduce that person's ability to borrow under the Bank of Hawaii loan program?

For each \$1,000 of income above \$25,000, and assuming no debt, approximately how much additional borrowing capacity will someone have under the Bank of Hawaii's program for Maunaloa?

From the start of the 201E process, the Maunaloa Action Community Koalition (MACK) and others including the state Historic Preservation office have represented to the Council and MR that a majority of the existing houses in Maunaloa can be economically renovated. MACK has consistently represented that the existing homes can be renovated to a standard that would qualify for long term mortgage financing for significantly less than the cost of building a new home.

MR has preserved and renovated eight of Maunaloa's historic plantation homes on Maunaloa's southside. These

are being offered for sale to existing tenants for an average price of \$86,300. Who was the contractor that performed the renovation work?

What was the average price per house to renovate these eight structures?

Did the renovation work include rewiring the electrical systems?

What loan term has the Bank of Hawaii agreed to finance these renovated houses for?

In planning the 201E project, did MR go through any process to determine if anyone on the northside of Maunaloa wanted to purchase their homes? If so, explain the process used and the conclusion reached.

In planning the 201E project, did MR conduct any study to determine if any of the homes on the northside were structurally sound enough to be preserved to a standard for a long-term mortgage commitment? If so, please explain the process used and the conclusions reached.

A few years ago, MR renovated several homes on the northside of Maunaloa. How many were renovated and what was the average cost of renovation per unit?

How many of these formerly renovated units had the inside electrical wiring replaced as part of the renovation work?

Where these renovated homes approved for Section 8 rentals?

In planning the development of the northside, why didn't MR try to preserve more of the historic plantation homes in order to provide more affordable home ownership opportunities?

In the June issue of building industries magazine MR Chief Executive Officer Jim Mozley rebutted MACK's position that the existing plantation homes "can be renovated more cheaply" than new houses can be built by saying: *"If that were true, why in the world would we be tearing them down?!"*

MR plans to demolish all the existing homes on Maunaloa's northside and build all new market priced housing along with possibly eight bed and breakfast establishment which the Council approved as part of the 201E plan for Maunaloa. Contractors and the state Historic Preservation office told MR, and testified before the Council, that a majority of the existing homes on the northside that MR's current owners offered to sell to existing tenants in "as is" condition a couple years ago, many for less than \$70,000 (offer withdrawn). MR, by its own actions in renovating eight of the existing plantation homes, has proven MACK's position that existing home "can be renovated more cheaply" than building a new home.

Terry McCutcheon, a mother of four (two in college) who works two jobs, was born and raised in Maunaloa. She can not qualify for a loan on a new house and lot. The house she rents on the northside is right in the middle of one of the new lots. If the ranch would provide her a fair price for her lot (like it did for certain existing rental tenants on the southside) and allow her to renovate her home, she and her family can afford to stay in the home they love. A licensed contractor has represented her home can be renovated for less than the one quarter of the cost of to build a new home of comparable size.

In his testimony before the Council on 8/15/1994 in Maui, MR's Harold Edwards told Council members that the Maunaloa 201E plan "is a good plan" that "perhaps most importantly" it would "help heal old wounds that have been sore for too long." Through MR's recent experience of preserving eight homes, it is evident that existing homes can be renovated for much less than building a new house. MR decision makers are now in a position to

make some adjustments on the northside of town and allow residents, such as the McCutcheon's, to save their homes through renovation and be able to afford the home ownership opportunity they have dreamed of having for so long in Maunaloa. The question is, "Is MR willing to make some adjustments to accommodate the renovations of some existing houses on the northside, especially those homes that are currently within 201E lot lines or that would be within the 201E lot lines by moving them slightly in order to *"help heal old wounds that have been sore for too long"*, which MR's Harold Edwards testified to the Council was one of the important goals of the 201E plan?

If MR is not willing to allow the McCutcheon family, and others on the northside, to save and renovate their homes in order to create home ownership opportunities for the working families and elderly in Maunaloa, please explain MR's reasoning?

On September 5, 1995, MR provided the Council with list of 40 lots it has sold. EXCLUDING LOTS B-2 thru B-6, please provide the following information concerning the remaining 35 buyers so that the buyer profile is better understood"

How many of the buyers are from off-island?
How many multiple lot buyers are included on this list.
To qualify for this list how much money has each buyer invested with the ranch.
Under what circumstances is this money refundable?
How many of these lot owners are speculating and not planning to build?
How many are ranch employees?
How many of the ranch employees are rental tenants in Maunaloa?
How many other Maunaloa rental tenants are on the list?
How many individuals on the list have lived in Maunaloa for more than 5 years?
How many lots are being purchased by potential buyers who own another home or other real estate?
How many of the buyers are earning \$25,000 or less?
How many of the buyers are earning \$30,00 or less?
Identify which lots are proposed for self-help?
How many of the self-help have been pre-qualified by Bank of Hawaii?
How many of the self help have been approved eligible for the Farmers Home Loan Program?
How many self-help have been pre-qualified through Bank of Hawaii?
Have any of the buyers on this list dropped off for any reason since the list was provided to Council.
How many of the above lot purchasers have received a final loan commitment guarantee from a lender?
If some of the purchasers come up a little short, is MR willing to provide some interim financing assistance?

How many of the Lots B-2 thru B-6 (lot price includes existing plantation home in renovated condition) sold to the existing rental tenants?

Since the above list of 40 was sent to the Council, how many additional sales contracts have been signed. If so please identify the lots covered by these additional contracts.

MR has identified the 40 "sold" lots as being "IN ESCROW". "In Escrow" means what?

On 8/29/94 the ranch represented to the Council that "60% of the town made purchase decisions when we first went out to sell". How many families does 60% represent? How many of these families are on the above mentioned list of 40?

When the previous owners of MR (local Hawaii residents) sold Kualapuu residents their homes, MR provided financing. One problem for many of Molokai's low income working families is coming up with downpayment. Is MR or its new foreign parent company prepared to provide any sort of financing/loan, even if only interim, in order to help deserving, working families a chance to qualify to purchase a home in Maunaloa? If not, why not?

In recent news articles, Bruce Hancox a Director of MR and officer of MR's New Zealand parent company Brierley Investments, Ltd. (BIL) and Jim Mozley, have stated that sales for Maunaloa will be targeted towards off-island buyers, and that it is the aim of MR to bring in new residents from Honolulu and elsewhere. Where does MR specifically see its target market to be, and what is the profile of the buyer likely to purchase a lot in Maunaloa?

It was reported in an issue of Christian Science Magazine that MR's Jim Mozley said MR was targeting "lone eagles" as potential purchasers of lots in Maunaloa. Please explain the buyer profile of a "lone eagle" and why these type individuals would want relocate to Molokai?

Now that the short protected sales period for Molokai and Maunaloa residents has passed, is MR reserving any of the affordable lots for Molokai low income families to purchase in the future or are sales of all lots opened to anyone on a first come first serve basis?

Is MR willing to protect the remaining affordable lots for sale to Molokai's low income families for a specific future period of time at a fixed price?

In January 1995, MR published lot prices for 21 lots in the "D" area and the ranch represented recently to the Council that 4 lots were sold in this area for an average price of about \$95,000 each. In its August 16, 1995 project status report to the Council, MR indicated these 21 lots were available for self-help. However, in its most recent public price list, the 17 unsold lots in this area are not included. If someone wanted to purchase one of these lots are they still available, and if so would they be priced at the January prices or subject to MR's recent 3% price increase?

MR amended the 201E plan as approved to allow self-help development in Area "D". Based on current lot prices what does MR estimate the lowest priced self-help house/lot package in area "D"?

Does MR consider the lots in Area "D" as part of it "affordable" lot inventory?

Why is MR holding back on the pricing approximately 137 lots out of the project's total 229 fee-simple lots?

MR's model 3BR and 4BR model homes are significantly smaller than the MR rental units (i.e 4-BR model at 988 sf verse 1,248 sf for 4-BR rental). Why did the ranch design the models so small?

With so much land surrounding Maunaloa, why did the ranch plan such small lots that on average are below the 6,000 s.f. minimum size required by the County?

Are MR employees being provided any special perks if they commit to purchasing a lot in the 201E project?

Why did MR decide to increase lot prices, which were already high at \$12 to \$13 per s.f., within only a few month of commencing sales?

How much additional project income does the 3% lot price increase represent?

MR will be receiving over \$5 million in federal and state tax credits, which we understand is a after-tax figure. How many dollars of lots sales income does the ranch have to realize to provide the same after-tax value of a) a \$1 of federal tax credit, and b) a \$1 of state tax credit?

Is MR able to pass the tax credit on for use by its parent company Brierley Investment, if it choses?

(B) AFFORDABLE 201E RENTALS

The Council approval of the Maunaloa 201E development plan included the development of a 61-unit low income rental project. On August 15, 1994 approximately 2 weeks before the Council approved the project, MR's Harold Edwards testified that the proposed rents would be \$550 for 1 BR, \$576 for a 2BR, \$ 575 for a renovated 3-BR, \$650 for a new 3-BR and \$719 for a 4 BR. Most long-term Maunaloa residents are paying MR approximately \$350 to rent their existing homes, and were shocked by the high rentals and testified as such to the Council. If the current MR owners had not withdrawn their offer to sell each rental tenant their existing homes in 1992, most low income families could have been able to purchase their homes with the cooperation of the MR, renovate them and could have been enjoying a fixed mortgage payment equal to much less than the rents being proposed by the MR—and the historic integrity of Maunaloa would have been retained as an asset for future generations.

But the Council did not ask MR justify its high rentals, or to have MR agree to a annual rent escalation cap or any other condition that would have provided some protection for the people.

On July 14, 1995 (only a few months ago), the state HFDC approved a funding assistance package for MR that gave MR a bonanza in profits and federal and state tax credits equal to over \$6,500,000 or, 75% of the project's \$8,600,000 cost. Sounds incredible at a time when the budgets of so many agencies supporting services to low income families are being cut back because of a lack of state funds. **BUT ITS TRUE.** And it is even more incredible when you understand that to reap all these financial benefits, the state required MR to make no guarantees that any of its profits or tax credits will passed on to the lower income families in the form of guarantees reduced rentals.

A few weeks ago on August 16, 1995, the Ranch provided the Council with a schedule of rents (again only proposed rents) in which MR showed it was willing to reduce the rentals across the board by \$100 a month over the proposed rents the Council had based its approval of the project on back on September 2, 1994 before MR received its \$6,500,000 in tax credits and profits resulting from the state's recently approved financing assistance for the project.

MACK and others in the community would hope MR may agree to fix the rental rate for the Ohana families for at least a 10-year period. If MR's Harold Edwards was being sincere when he testified before the Council on August 15, 1994 that MR is especially "sensitive to the financial concerns of the retired plantation workers and ensuring that they are not unfairly burdened during their golden years", then such a concession seems to be in order.

If the Nani Maunaloa rentals are indeed "proposed rents" as MR recently represented to the Council on Page 5 of its status update dated August 16, 1995, then it seems there is room for some adjustments, especially considering the windfall of new financial benefits MR will b inheriting based on the state's recent agreement to provide funding assistance for the project, especially if MR is sincere about meeting "the affordable housing needs of those with the greatest need" a quote from MR's Harold Edwards

When was the last MR rental increase in Maunaloa and what was the percentage increase?

Are MR employees currently renting in Maunaloa from MR being given any special consideration. If so, please explain.

Will there be any special consideration given to MR employees choosing to rent in Nani Maunaloa?

How many Ohana families (living in Maunaloa prior to January 1, 1976) qualify for the "standard subsidy" shown on the 8/16/95 rent schedules.

How many of these families have signed up to rent in Nani Maunaloa?

How many of those who have signed up currently rent the homes the Ranch is renovating as part of the project?

How many of these families have signed up to purchase a lot or house and lot in the 201 project?

What is the reason that the remaining families, if any, are not committing to rental or purchase in the 201E project?

Harold Edwards testified to the Council that MR was "especially sensitive to the financial concerns" of the Ohana families and sensitive to "ensuring that they are not unfairly burdened during their golden years." With this in mind, if one of the Ohana families are forced to move from Maunaloa for economic reason associated with fixed incomes or limited earning capacity, will MR provide these Ohana with the \$6,300 to help them financially with new rental or purchase accommodations in a more affordable location. If not, why?

If an Ohana family moved to the Kahale Mua project in Maunaloa would they receive the \$6,300 subsidy?

In its 8/16/95 project status report to the Council, MR provided a 10-year schedule of rentals. The proposed "base rents" increase at a rate of 3% a year. Is MR willing to commit to this figure as a maximum rental cap?

In return for the millions in tax credits MR is receiving from the state and federal government, MR has agreed to lower the rents \$100 across the board, which is reflected in the rent schedules provided the Council on 8/16/95. For example the base rent for a new 3 BR is shown to be \$550. It was \$650 before the tax credits. The second year base rent is shown as \$566.50 (3% increase). Is there any MR guaranteed commitment or law preventing MR from increasing the rent in year 2 by \$100 from \$566.50 to \$666.50?

MR has represented that HFDC will be monitoring MR to make sure that its affordable rentals are maintained within certain affordable guidelines. Based on those guidelines, what is the maximum rent MR could charge for a 3 BR unit and still be within the HFDC guidelines?

Most of the Ohana families have been paying in the area of \$350 a month. MR's proposed rents to the Ohana start at less than most of the Ohanas' current rents but escalate quickly to more than \$350 a month. Most Ohana incomes are fixed and may not increase as rapidly as the rents do during the first five years (15% annually). MACK is asking MR to fix the rents for the Ohana for a minimum of 10 years at a monthly rental of \$275 for a one bedroom, \$300 for a 2 BR or existing 3 BR, and \$375 for a new 3 BR. If the ranch agreed to this, how much less income would it receive over the 10 year period, assuming MR's best estimate of how many Ohana families will rent in Nani Maunaloa?

Is MR aware of the long-term rental the Lanai Company is providing for its retired plantation workers? Rumors are that is substantially less than the rents the Ranch is proposing for its retired former pineapple workers.

Of the 61 units, MR has advised the Council that the proposed affordable base rents will include utilities FOR ONLY 6 UNITS. Why only six units?

What is the estimated monthly utility fee and other service costs that will be assessed renters in addition to their base rents?

The ranch indicated in its 8/16/95 status report to the Council, that the rental subsidy pool will be available to those in need, and that the subsidies could be higher than shown on the MR rental chart if more subsidy was needed to be the "net rent" down to 30% of the renter's net income. If the rent subsidy amount is not used up will it be

carried over to subsequent years? If not, would the ranch be willing to agree to a carry-over provision?

MR had indicated to the Molokai community that it would be providing a rent subsidy pool equal to 15% of the base rents. In May of 1995, MR made the same commitment to HFDC. Yet as part of the final HFDC approval to provide financing assistance for the rental project, MR reduced the subsidy by 33% to 10% of base rents. Why the reduction?

If the budgeted amount of rental pool subsidy funds are not used in a given year, will these funds be carried over so they are available for use by those in need the following year? If not, is MR willing to agree to a carryover provision?

If the maximum amount of rental pool subsidy money were paid out, what is the total amount of the payout over a 10 year period?

What incentive does MR have to rent to a family of 4 earning \$12,000 that may be truly in need of a \$200 month subsidy from the rental pool instead of renting to a family of 4 that is earning \$38,820 (60% of Maui County's 1994 median income) that **WOULD NOT REQUIRE ANY RENT SUBSIDY FROM MR?**

MR represented that it would set 100% of the rental units aside for families earning 60% or less of Maui's median income. This means that MR could rent all the units to people earning in excess of \$30,000 according to MR own testimony. What about those truly in need earning less than 60% or \$25,000, \$20,000, \$15,000, \$12,000 or \$10,000? Is MR willing to commit a certain number of rental units to earning categories that represent people earning the "or less" of 60% of Maui County's median income, who are the families truly in need of affordable rentals.

MR testified to the Council that the Nani Maunaloa project was intended to provide an opportunity for Maunaloa residents to rent on a long-term basis? How many years is MR willing to commit for a long-term lease?

Is the same long-term rental basis available to non-Maunaloa resident?

HFDC has indicated to MACK that MR, or its designee, will be in charge of the setting who get priority for renting in the Nani Maunaloa project. Has MR set any priorities for accepting rental applications (i.e. Molokai's most needy rental families, Molokai residents before off-island residents, Molokai residents on Maunaloa's Kahale Mua project waiting list)? If so, please explain MR's priority process?

(C) RANCH WATER SOURCES, CURRENT AND FUTURE

The Molokai Planning Commission recently had a document prepared that shows there are over 1,400 potential vacant lots for sale on Molokai. The report cautioned that sale of these lots and the construction of housing was contingent on among, other things, the availability of water.

In his agency comments dated June 7, 1994 to the Administration, Board of Water Supply Director David Craddick recommended not approving the whole 201E proposal because MR did not have an adequate guaranteed water source to service the buildout of the project. It is our belief that the Administration did not forward Mr. Craddick's comments to Council when it transmitted the 201E plan to the Council.

In granting its approval for state funding assistance for MR's Nani Maunaloa rental project on July 14, 1995, HFDC noted that concerns over water is an issue that should have been addressed by the County Council at the project's approval stage. HFDC wrote to MACK on July 13, 1995 and stated, "Molokai Ranch has represented that sufficient water is available to sustain the development and operation of the project." HFDC accepted MR's statement at face value and did not ask for MR for any justification despite testimony from the public highlighting water concerns. HFDC told members of MACK, who testified at the July 14, 1995 HFDC Board hearing in Honolulu, that if the County Council approved the 2-1E, there must have been sufficient water to service the project.

MACK submitted questions to HFDC about the Maunaloa project. HFDC, with the assistance of MR answered some of the questions, but not the ones concerning MR's water source. HFDC advised MACK to request answers to water questions from MR. A letter was sent out by MACK on August 8 of this year to MR's Jim Mozley seeking answers to water questions. No response has been received.

In its 201E proposal to the Council dated July 20, 1994 MR represented that it had an agreement with the County to provide 100,000 gpd to Maunaloa from the County's well servicing Kaunakakai—but this agreement expires in March 1996—and currently MR is using more than 100,000 gpd to service Maunaloa.

Why didn't Mr. Mozley answer the questions from MACK that were sent to the ranch on August 8, 1995 at the suggestion of the state HFDC agency?

What is the capacity of MR's surface water system on an average gpd rate?

Can the capacity of this source be expanded? If so, how many additional gpd average does MR anticipate it can achieve through expansion of this system.

How much of this surface source is currently committed to service other users and would be available to service Maunaloa's future development?

Is any of this source currently being used to service Maunaloa Town's needs?

Other than the 100,000 gpd from the County, is MR acquiring water from any other entity to supply water to MR properties? If so, please identify each source, the amount of water being supplied by that source and the MR properties being supplied by each source.

In the past, this surface source had been the sole source of water supplying Maunaloa. MR participated in the 1981 Belt Collins study on Molokai water systems. That study concluded that during some summer months this

source of water was not sufficient to supply Maunaloa's needs domestic and agricultural needs and that additional water had to be supplied from the Kaluakoi resort water system. Is this an accurate statement?

Is the MR water system still have cross connections with the Kaluakoi resort system?

Since Brierley has owned all or a portion of MR, has MR had any verbal or written arrangements with Kukui to share surplus water sources (i.e Kukui supply water to Maunaloa during low flow periods and MR supply water to Kukui during high flow periods)? If so, please explain.

MR also has a temporary water source which is being supplied under a 3-year agreement with the County. The agreement, which we understand is to expire in May 1996, has the County supplying up to 100,000 gpd on an "as available basis" to MR for use in Maunaloa. The water comes from the County well that was developed to service Kaunakakai. Are these statements correct? If not, please correct the statements.

Why is the MR-County agreement only for a term of three years?

We understand that recently MR has been using in excess of 100,000 gpd to service Maunaloa town. If so, what is the source of the additional water?

MR has dedicated one of its lines to transfer the 100,000 gpd of potable water being supplied by the County. What size is the line and what is its transmission capacity?

At one point, MR's Jim Mozley filed a formal application with the state for a water use claiming all the water from the County's Kaunakakai well based on the County having violated an agreement with MR. Please explain the circumstances surrounding this action?

According to a MR associate, MR recently funded a new pump for the County's well in the Kualapuu aquifer. What was the cost of the pump, and why did MR agree to fund an improvement to this County asset?

The County's Human Concerns Dept. has indicated that MR is negotiating a joint venture agreement with the County to enter to develop a County back-up well? If so, please explain what capacity well is being considered and how much water or other benefits MR hopes to obtain from the County in relation to the financing it provides for the joint venture development?

What preliminary sites, if any, is the County considering for its back-up well?

What is the status, if any, of the water agreements MR is negotiating with the County on?

Recently MR filed an application with the state for a new 500,000 gpd well construction permit in the sensitive Kualapuu aquifer area? If MR is successful in developing this water source, what areas and projects does the Ranch intend for this water to service?

Has the County made any suggestions to MR that if it is successful with the Kualapuu well development, that the County would be willing to consider a joint venture agreement with MR on this well?

At September 25 water meeting to review the state water code, MR indicated that it had 3,000 acres in the area serviced by the Molokai Irrigation System (MIS) that aren't currently in ag production. If the 3,000 acres is developed, say in a perennial coffee crop, how much water would be approximately required to service the area based on the current usage of on coffee crops being grown on land leased from MR?

Does the MIS have sufficient water source capacity to supply the expanded water needs required for the MR's 3,000 additional acres?

How many total acres of productive agricultural lands are within the service area of the MIS, and how many of these acres are currently in production?

How much water will be required for MR's proposed 2,000 head dairy operation, and what is the proposed source of that water?

MR has recently filed a "public offering statement" with the state which calls for up to 1,200 residential lots in Maunaloa. How many gpd does MR estimate will be needed to service the 1,200 lots, and what is the proposed source of this water?

In the 4/24/95 issue of Pacific Business News, MR's real estate VP John Held, stated that within the next 10 years, MR "plans to expand its residential base in Kualapuu and possibly Holomua" where MR has said it plans to develop a new town. How much additional residential units is MR current project for those areas (MR projects 1,200 residential lots in Maunaloa).

What is the status of MR plans to develop a residential ag subdivision above Kualapuu on 300 plus acres?

If developed, what water source will supply these lots?

In a recent annual report published by MR's New Zealand owner, Brierley Investments, Ltd. (BIL) the availability of water to MR's mostly arid westend lands seemed to be the key for Brierley shareholders to reap "enormous" increases in land values. In that same annual report, Brierley told its shareholders that the needed water would be transmitted from east Molokai to the island's arid westend, where most of MR lands are situated, through a major project and stated, "construction work on this project will commence in the next few months." Is the project referred to Kukui's 24 inch pipeline? If not, please identify the project.

What is the status of the Kukui pipeline project?

If the Kukui pipeline project is not completed does the ranch plan to build it own pipeline?

Has MR had talks with Kukui about being associated in some way with the pipeline's development or operation? If so, what is the status of those talks?

HFDC wrote to MACK and stated that MR represented to their agency, "that sufficient water is available to sustain the development and operation of this project." What did MR mean by "this project"? Was MR referring to the 61-unit Nani Maunaloa project which is part of the 201E project or, the entire 290 unit 201E project?

Considering the project's mentioned above, and other facets of MR's master development plans for agriculture and real estate development, how much additional water does MR estimate it will need to support its overall master plan for it Molokai properties as envisioned today?

MACK

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MEMO TO: Councilman Wayne K. Nishiki, Chairman
Committee of the Whole of the Maui County Council

FROM: Maunaloa Action Community Koalition (MACK)
Core Group of Directors: Guy Espaniola, Tim Leong, Theresa McCutcheon, DeGray
Vanderbilt, Mercedes Espaniola, Bernie Santiago, Gary Patel, Steve Reiff, Susan Kamaile

SUBJECT: Item 9—Committee of the Whole Meeting, Maunaloa, Molokai, Hawaii on Oct. 12, 1995
to revisit the controversial 201E plan being developed in Maunaloa by Molokai Ranch, Ltd.

Enclosed are the following two categories of questions:

- (D) One page—COMMERCIAL and MAINTAINING MAUNALOA'S HISTORIC INTEGRITY
- (E) Two pages—BRIERLEY INVESTMENT AND ECONOMIC DEVELOPMENT ON MOLOKAI

We will have 15 copies of the remaining questions available for the Council by the time of the Maunaloa site inspection.

(E) BRIERLEY INVESTMENTS AND ECONOMIC DEVELOPMENT ON MOLOKAI

In its 201E plan and in its testimonies before the Council MR executives referenced it other development on Molokai outside of the 201E plan and pointed out that MR would be creating a lot of jobs. Since acquiring 100% ownership in Molokai Ranch in 1991, no officer or director of MR's New Zealand based owner Brierley Investments, Ltd. (BIL) have come and spoken in a public forum about its development strategies for Molokai. Based on reports filtering into through Brierley shareholder reports and the New Zealand news media, it appears that Brierley is promoting some very aggressive potentials for Molokai, while the Molokai community is hearing a different story from MR executives.

Why hasn't a BIL officer or director spoken in a public forum before the Molokai community?

Are there any plans in the near future to have a BIL officer come talk with the Molokai community and explain BIL's intentions for its Molokai investment. If so, when?

Reports out of New Zealand are that BIL paid \$48 million for MR, other reports say closer to \$87. What was the price BIL paid for the 53,000 acre MR property?

Would it be an accurate statement to say that BIL takes pride in its ability to generate double-digit after-tax returns on its invested funds? If not, what rate of return does it strive for?

What type of after-tax return is BIL expecting on its Molokai investment?

What is the total dollar amount of the invested funds in its Molokai project that BIL is seeking a return on (i.e. its purchase price, its book value amount, etc.)

On 4/29/95 one Councilman asked what would happen to Molokai if BIL went away. What would it take for BIL consider leaving Molokai?

Has BIL discussed the sale of its Molokai ranch property with Bishop estate or any other potential buyers?

What has been MR's contribution to BIL profits in 1991, 1992, 1993, 1994 and 1995 (3 quarters)

When does MR anticipate it will be generating enough profits to provide BIL with an adequate return on its invested funds.

It was reported in the 4/24/95 issue of Pacific Business News that MR will be investing \$120 million of new capital into the island of Molokai. Over what period of time does MR see this investment happening?

Explain the projects and the projected investment amounts for each project that make up the projected \$10 million investment.

MR has promoted its proposed 2,000 herd dairy aggressively to the Council. Ranch executives have stated that it will provide up to 100 jobs. From articles in MR's own newsletter the dairy should have been under construction by now, but MR has been silent on the progress of this project with the Molokai community. A MR executive said the dairy project "was dead", and so did one government official that has been in contact with MR. What is the status of this project?

There is some talk that a new dairy is being evaluated for Oahu. If that dairy becomes a reality, will MR go ahead with its dairy plans for Molokai?

MR executives have told the Council that MR is not making a profit on its \$20 million dollar 201E project? Is this still projected for the project, and if so, is BIL and its shareholders aware of this?

(D) COMMERCIAL and MAINTAINING MAUNALOA'S HISTORIC INTEGRITY

On page 5 of the 201E presented to Council, MR states it plans to provide "Opportunities for new commercial uses in the Village core to support the existing and planned residential expansion areas". MR has said that it is planning to restore the existing commercial core, but it seems that MR is trying to establish a new commercial core at the entrance of Maunaloa which is focused around the "pay-for-view" Maunaloa Museum.

Is MR still proposing to preserve all of the existing non-residential/commercial building in Maunaloa with the exception of the warehouse at the entrance of town?

When MR says it will restore the existing commercial core of town, does that mean that the architects integrity of the existing will be maintained if they are renovated?

MR has said that it will be offering reasonable options to new commercial tenants to chose from a long-term lease or purchase. Harold Edwards told the Council on 4/29/95 that "residential is important but you also have to have the community services and business". Considering these statements, why isn't MR offering the same options to all the existing commercial tenants in Maunaloa, especially the ones who have stayed on and serviced the community during the lean years?

Has MR provided a long-term lease or license agreement with any of the commercial tenants in Maunaloa in the last coupe of years? If so, please explain the circumstance?

Is MR willing to offer to existing commercial tenants "fair market" options to either purchase or long-term lease their existing commercial sites?

Is it true the old Maunaloa fire station will be moved from the commercial core to the museum area?

Jojo's restaurant is in the center of town, but according to MR's Museum Coordinator Dan Aquino, MR is planning to develop another restaurant at the entrance of town where the gas station is. Is this true?

Is it true the Dolly Hale building in the commercial core is being moved down to the proposed museum area at the entrance of town?

One of the key commercial successes in Maunaloa and a favorite tourist stop in the Big Wind Kite Factory. Many tourist fly kites in the park just across from the ranch offices. Is MR planning to preserve any of this kite flying park. If not, would MR be willing to consider a change in plan to preserve a portion of the area as Park?

The Council question MR about playing "hardball" with Gary Patel, because Mr. Patel did not support the 201E plan, as proposed by MR. We understand that MR voided Mr. Patel's lease extension. Can you explain the details of why Mr. Patel's lease extension was voided?

Harold Edwards testified the following before the Council "we will enhance Maunaloa's historical image by employing a design philosophy consistent with the town's heritage. On 4/29/95 Mr. Edwards told the Council, "The architecture (of the model homes) very strongly resembles the plantation architecture that is part of Maunaloa's history and is something that we're working hard to keep" Reflecting on these comments, how does the fact that the ranch is allowing 2 -story homes to build within the 201E plantation camp area?

Is it true that residents of Maunaloa will be prohibited from having chickens on their property?

The 201E plan that the MR had approved for Maunaloa was supposed to create affordable home ownership opportunities for residents there. But prices MR is charging for its product are equivalent to "market" prices when compared to real estate being offered in many other areas of the island. How do you explain this?

It seems that BIL has some very aggressive financial goals for its Molokai investment. Is MR comfortable that BIL shareholders are being given an accurate picture of what the situation is on Molokai?

Assessing the ranch's three operating units, what percentage do you feel each will contribute to profits generated by MR over the next five years? Agriculture ____? Recreation ____? Land Development/Sales ____?

In a recent article from New Zealand BIL's chief executive Paul Collins predicted potential profits from BIL's Molokai investment of at least \$100 million during the remainder of the 90s. Do you think this is a realistic prediction by Mr. Collins? If not, what would be a more appropriate estimate of profit potential for the remainder of the 90s?

Another article from New Zealand mentioned that BIL recently increase the book value of its Molokai investment from \$87 million to \$176 million. What warranted such a large increase?

BIL states that the key to its investors realizing "enormous" increases in land value is MR's ability to transport large amounts of water from the east end of the island to its arid lands on the west end of the island. Does MR contemplate any problem securing all the water it needs to realize the "enormous" increase in land value projected by BIL?

Why does MR have such a big office operation in Honolulu, if its only land holdings are on Molokai?

Some say the Honolulu office/salary budget is over \$1 million a year? What is the annual cost to maintain the Honolulu office.

Many on Molokai have said that MR would have more successes if its executives lived on Molokai and were part of the community's day-to-day activities. Do you agree? If not, why do you feel more can be accomplished having a Honolulu office?

Would it be an accurate statement to say that BIL's mode of operation has been to buy undervalued companies, turn them around and then sell them off?

BIL has been divesting itself of many of its US investments. Has there been talk of divesting itself of its Molokai investment?

What scenario, if any, do MR executives see that could warrant BIL pulling out of Molokai?

If BIL had to sell MR today, what do you estimate the market value would be?

October 12, 1995 Maunaloa, Molokai
AL-o-o-o-o-o-HA members of the Council and welcome to the Friendly
Island of Molokai and our community of Maunaloa

The "memories are cherished"—"think about the old trees that have sheltered residents for decades"—"no matter how crappy it looks from outside, when people live inside, somehow it is able to stand up"—"sometimes I think you should have a little more heart and leave things alone".....*Sound familiar Maunaloa?*

These were the sentiments expressed by Council members Pat Kawano, Sol Kaho'ohalahala, and Tom Morrow and all the other members of the Council's Planning Committee. (See attached Maui News article handout)

The Council members were reacting to pleas heard a few months ago from long-time residents of historic Wainee plantation village. They were asking the Council to save the homes they had lived in so long from being bulldozed by the large developer/landowner Amfac., a company that seem to think progress would best be served by destroying the historic and building something new...And Council is working to save their homes.

So What About Maunaloa ? — where more homes can be saved and renovated to provide more affordable home ownership opportunities that would otherwise not be available to many lower income families in Maunaloa.....like \$85,000 for house and lot.....not \$135,000

HERE TO LISTEN....The Maui County Council Committee of the Whole (includes all 9 Council members) is here tonight in Maunaloa to revisit the 201E Plan. Committee Chairman is Wayne K. Nishiki. If the Council members feel there are some concerns that need to be dealt with, hopefully, they will go to bat for the residents of Maunaloa, like they are doing for the residents of Maui's Wainee Village, and urge ranch executives in Honolulu to adjust their plan to make it fairer and more affordable.

NEW COUNCIL....The Council here tonight is different from the Council that approved the ranch's 201E project on September 2, 1994, despite overwhelming opposition by the Maunaloa and Molokai communities to the plan as proposed. Gone are Council members *Lynn Britton, Junior Moniz, Goro Hokama and Rick Medina*. The new Council members are *Bob Monden, Alan Arakawa, Wayne Nishiki and Sol Kaho'ohalahala (Lanai)*, who join Molokai's *Pat Kawano, Alice Lee, Kimo Apana, Tom Morrow and Dennis Nakamura* to round out the Council. They are here tonight to listen and get the FACTS.

RANCH PROJECT APPROVED RELUCTANTLY

On September 2, 1994, several Council members cast their approval votes for the ranch's 201E project reluctantly while voicing concerns about affordability, the demolition of so many homes, water service, ranch tactics with some existing commercial lessees, and the lack of answers to satisfy these concerns. "I think the 201E application wasn't tightly put together— I think there's a lot of loose ends in this application— I am disappointed in that I don't think we've gotten all the answers that were necessary," said one Council member before casting a approval vote.

Another Council member provided the following advice for ranch executives prior to voting for approval: "I hope you will come up with a price (for affordable lots) that is half what (\$80,000 per lot) you're telling us here—I understand all the concerns that people have about being displaced—So I hope that you do it right—And if it doesn't happen right, I'm sure many members of this Council are going to be down your throats, because you're going to have other things that you want to do on Molokai "

MACK/COMMUNITY CONCERNS

13 Reasonable Concerns the Maunaloa Action Community Coalition (MACK) is asking the Council for help in urging Molokai Ranch to seriously consider accepting in order to make the 201E plan more fair and affordable.

1. more affordable prices on the project's remaining 84 affordable lots, at least \$30,000 to \$40,000 lower as intended by Council. One member told ranch officials, "It's always been our contention that the (145) market rate lots would be sold at a rate much higher, simple because it must offset the subsidy paid for the affordable lots."

2. provide reasonable down payment assistance loans to those lower income families who need such assistance to qualify for a mortgage loan—its rumored that one Maunaloa resident wasn't able to qualify for the purchase of a home because he was a few hundred dollars short for a downpayment.

3. provide existing commercial tenants with the same long-term lease and purchase options the ranch has said it will be providing new commercial tenants.

4. in order to provide more affordable home ownership, preserve for renovation as many historic plantation homes on the northside as possible, especially those that are within existing lot lines or those that can be moved slightly to conform with existing lot lines—hopefully the ranch will reconsider its plan and preserve all the homes on the north side of town instead destroying all the homes in order to build new houses and several bed and breakfast units for the tourists...renovating an existing home is \$50,000 less than building a new home as the ranch has finally admitted.

5. provide fix rentals for Maunaloa's Ohana families for a period of 10 years—most on fixed incomes, current rents increase 17% in each of the 1st five years.

6. lower base rents and agree to an annual rent escalation cap of 3%;

7. offer rental tenants in the 61-unit Nani Maunaloa project an opportunity to purchase their units—an Eddie Bart suggestion at July 3 HFDC public hearing.

8. agree to carry over any unused rental pool subsidy monies to the following year and insure that a portion of the rentals units are reserved for those Molokai families most in need of affordable rentals

9. take the lead in mending some old wounds and agree to pay Bernie Santiago the same \$6,300 the ranch is paying all the other Ohana members.

10. provide the \$6,300 Ohana payment to those Ohana families who decide they must relocate from Maunaloa

11. save at least portion of the community's "kite flying" park at the entrance of town

12. come up with a plan to retain the mature trees rather than bulldozing them like was done on the southside of town

13. reserve the remainder of the 84 affordable lots for future purchase by Molokai's lower income families at a fixed price for an extended period of time.

NO PROFIT?—SAYS WHO? Ranch officials say they are spending \$20 million on this project and not making a profit. A Council member asked for the 201E project budget to verify the ranch's "no profit" claim—BUT THE RANCH IS REFUSING TO PROVIDE THAT INFORMATION: On July 7 of this year, the state agreed to provide financial assistance for the ranch's 61-unit Nani Maunaloa project which only represents 21% of the 201E project. From this small segment of the 201E project, the ranch is expecting to line its pockets with profits of \$1,202,000 (million) and additional tax-credit/profits of over \$5,000,000 (million). Very little of these big financial benefits are guaranteed by the ranch to be shared with Maunaloa residents in order to make the rentals and lot purchase prices more affordable.

(F) NON PAYMENT OF \$6,300 OHANA PAYMENT TO MR. BERNIE SANTIAGO

Did Mr. Santiago qualify for the \$6,300 Ohana payment from MR based on his being a resident of Maunaloa since before January 1, 1976?

Is it true that MR Pearly Hodgins sent Mr. Santiago an eviction notice giving him 120 days notice (until June 30, 1995) to vacate House No. 508 his family had been renting from MR for close to 30 years?

Is it true that in May 1995, subsequent to MR sending Mr. Santiago his eviction notice, MR's Harold Edwards sent Mr. Santiago a letter acknowledging his legal right to stay in his home until June 30, 1995, but then stating that if Mr. Santiago stayed in his home until June 30, MR would not pay him the \$6,300 Ohana payment?

Between when Mr. Santiago was given his eviction notice and June 30, 1995 was Mr. Santiago delinquent in any of his rent payments. If so, please explain the details.

Is there any provision in the MR relocation policy that was provided to residents on January 21, 1995 that justified MR refusing payment of the \$6,300 to Mr. Santiago? If so, please explain.

Councilman Apana has said that he's very concerned about how the Ohana families in Maunaloa are treated. He has noted the \$6,300 is very important to the Ohana to provide them with affordable alternatives. Is MR will to reconsider its decision not to pay Mr. Santiago the \$6,300 payment other Ohana families are receiving? If not, please explain why?

(G) RENOVATION—HISTORY

"Regardless of whether they choose to buy a home or rent, residents are being offered the best opportunity to upgrade their home and their quality of life in the past 15 years," Molokai Ranch's Harold Edwards told the County Council. **NOT TRUE!** In 1991 and 1992, two affordable project's were proposed for Maunaloa that woud have provided approximately 148 home ownership oppourtunities at very affordable prices of between \$75,000 and \$85,000—but MACK's understanding is that MR management made decisions that killed both projects.

MR on several occasions MR represented to the Council that the cost renovating an existing house "would far exceed the costs to build a new house". MACK's construction expert testified before the Council that the cost of renovating an existing home to a standard that would qualify for a long-term mortgage loan would be significantly less than building a new house. The Council did not pursue the matter to determine who was correct and seemed to believe MR's position. As it turns out, an existing home can be renovated for about 1/3 of the costs of buiding a new home, and provides the only home ownership oppourtuny many of Maunaloa's lower income residents can afford.

Council Chair
Alice L. Lee

Council Chair
Patrick S. Kawano

Council Members
James "Omo" Apone
Alan Ahkewa
Sol P. Kaho'ohalahala
Robert M. Monden
Thomas P. Morrow
Dennis Y. Nakamura
Wayne K. Nishida



Ken R. Fukuoka
Director of Council Services

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
October 31, 1995

Mr. Harold Edwards
Community Development Manager
Molokai Ranch
4 Waterfront Plaza, Suite 400
Honolulu, Hawaii 96813

Dear Mr. Edwards:

**SUBJECT: MOLOKAI RANCH 201E PROJECT AT MAUNALOA
VILLAGE (COW-09)**

As requested at the Maui County Council's Committee of the Whole meeting on October 12, 1995, please submit written answers to the questions posed by the Maunaloa Action Community Coalition (MACK). Copies of the questions are attached for your review.

In addition to the questions posed by MACK in Section C of the memorandum dated October 11, 1995, additional questions concerning the sources of water available for the Maunaloa project were raised at the meeting. Please provide the following information.

1. Is surface water being used to satisfy the water requirements for Maunaloa Village? If the answer is yes, please provide information concerning the source of the water (e.g., the collection points and the filtration mechanisms being utilized) and the amount being used (e.g., gallons per day).
2. If surface water is being used by Molokai Ranch for agricultural or housing needs, is the water being obtained from stream diversions? If so, please provide information concerning the location of the diversions, the amount of water being diverted, and copies of any stream diversion permits required by State law.

Mr. Harold Edwards
October 31, 1995
Page 2

According to an October 22, 1995 newspaper article, the estimated sustainable yield for the Kualapuu aquifer has been sharply reduced, from the original estimate of 7 million gallons per day to 5 million gallons per day. A copy of the article is attached for your review. Concerning the reported decrease in the available water supply, please answer the following questions.

1. Given the decrease in the sustainable yield of the Kualapuu aquifer and the May 31, 1996 expiration date of the County's agreement to supply 100,000 gallons per day to Molokai Ranch, how does Molokai Ranch intend to satisfy water availability requirements for new building permits for the project?
2. If the decrease in the available water supply is expected to lead to a Department of Water Supply decision to withhold approval of new building permits, might the tenants of the homes currently scheduled for demolition be given more time to vacate their homes pending approval of Molokai Ranch's request for additional water?

In view of the large number of questions posed by MACK, I would appreciate receiving your answers by November 28, 1995. Regarding the questions contained in this letter, I would appreciate receiving your response by November 15, 1995.

Thank you for your attention to this request. Should you have any questions, please contact me or my Committee staff, Joanne or Tammy, at the Council Office, phone no. (808) 243-7838.

Sincerely,



WAYNE K. NISHIKI, Chair
Committee of the Whole

cow:ltr:09b03:jvl
Attachments

July 25, 1994

MEMO TO: Kimo Apana, Chair
and Members of the Human Services, Housing, Water and Agriculture
Committee

FROM: Councilmember Patrick S. Kawano *PK*

SUBJECT: MAUNALOA VILLAGE, ITEM #12

Attached are correspondences received relating to the above subject matter.

Thank you for your consideration and assistance on the matter.

cht

Attachment

DOCUMENT CAPTURED AS RECEIVED



BGHP, Inc. DBA

MAUNALOA GENERAL STORE

523 Maunaloa Highway, P.O. Box 44
Maunaloa, Molokai, Hawaii 96770
(808) 552-2868

July 25, 1994

Fax: 1-243-7717

Councilman Pat Kawano
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Subject: Molokai Ranch's Application for Housing Development
and Commercial Use Pursuant to Chapter 201E-210 and
215, HRS.

Dear Mr. Kawano,

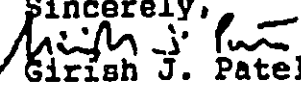
It is time for me as a business owner in Maunaloa to complain about the inclusion of a commercial district in the Ranch's 201E application. I strongly object to approval of any such commercial use district in Maunaloa along with housing development.

As you already know we have basic services available in Maunaloa today. These include: a general store, restaurant, gas station, beauty salon, gift stores, laundromat, video store and video game room. I can confidently say that none of these businesses are doing great. I know we barely make it by putting in 16 hour days and more. The town will have to grow atleast five times its size in order for more businesses to survive without extreme hardship.

I believe the objective of 201E-210 and 215, HRS is to build affordable homes not commercial districts to drive existing businesses out of town. If the council approves the application, I am afraid we will have to go out of business!!

In the last six months alone the Ranch has approved the laundromat to sell candy, soda and other foods. Thereby creating competition for the general store. The gas station is being taken over by a new manager and they are going to be selling hot dogs, hamburgers, soda, candy, chips etc.. It should be apparent from this that in a small town there already are too many businesses doing the same thing. So, what happens when a new commercial district is approved? You know we can not depend on tourism to survive.

Please circulate copies of this letter to other councilmembers. Please call me if you have any questions in this matter. Mahalo.

Sincerely,

Girish J. Patel
President, BGHP, Inc.

cc: Mr. Henry Oliva, Fax 1-243-7870

DOCUMENT CAPTURED AS RECEIVED

Girish J. Patel
P.O. Box 44
Maunaloa, Molokai
Hawaii 96770
July 22, 1994

Mr. Henry Oliva
Deputy Director Human Concerns
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Oliva,

It was nice talking to you over the phone regarding concerns of Maunaloa community (MACK, Maunaloa Action Community Koalition). MACK believes that the questions that were sent to you to be forwarded to Molokai Ranch, Ltd are very important and should be answered. I hope you will request the Ranch to comply.

Thank you for confirming that Ranch's application for Federal tax credit for the affordable rental development has been rejected. The Ranch has not made any public statements in that regard yet and the community is concerned.

Maunaloa was a viable community 5 years ago with about 118 rental units with an average rent of about 200 dollars. Today, average rent is about 300 dollars and about 60 units are left. The Ranch is now talking about building affordable rentals that would cost about 650 dollars!! I don't get it. I don't call this a win-win situation. In my book, this is not progress. Please help. Mahalo.

Would you be willing to meet some of our community members if they were to come to Maui to meet with members of your department? Please advise.

Sincerely,


G. Patel

P.S. Contrary to Ranch's opinion, MACK believes that it is possible to build homes on a lot larger than 5000 sq. ft. for around 80,000 dollars, even today!!

MACK
MAUNALO'A ACTION COMMUNITY KOALITION
P.O. BOX 262
MAUNALO'A, MOLOKAI, HAWAII 96770

July 22, 1994

Councilman Pat Kawano
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Dear Pat:

We received a call from Tina today saying that she received word from Mr. Henry Oliva that the Administration had decided to forward Molokai Ranch's 2018 plan on to the Council next week. Knowing how many important questions have gone unanswered, and realizing the Council has only 45 days to review the plan before it has to make a decision, we were both frustrated and concerned on hearing the news from Tina.

It is very disheartening to see the Administration seemingly "pass the buck" to the Council, especially when the Administration is not bound by the short 45 day review period the Council is burdened with.

I spoke with Mr. Henry Oliva yesterday after we had faxed him some of the petitions MACK had gathered along with our group's important follow-up questions. During that conversation, I asked Mr. Oliva when he planned to send the follow-up questions we submitted to the Ranch. He said that he had to check with Stephanie Aveiro and Ed Okubo first, and based on their comments he would either forward the questions or not forward them.

Another member of our group also spoke with Mr. Oliva today about the questions that were handed out by you at the July 6 meeting. Mr. Oliva said that all the questions would be directed to you by the parties that were at the July 6 meeting. It has been more than two weeks since that meeting. Since we have not heard anything from you, we assume you have not received any of the written responses you requested from the parties.

We fear the same scenario going down with the Council as happened with the questions Human Concerns sent to the Ranch on July 22. The Ranch failed to answer 30 of the questions and gave very vague answers to many of the others. As a result, MACK members had to meet and prepare follow-up questions. We forwarded a copy of those questions to you. We see the Ranch using the same stall tactics with the Council, and putting the Council in a compromised position where it will not have the necessary time effectively follow-up and obtain the information needed.

In addition to the many unanswered questions forwarded to the Ranch by Human Concerns on July 22, Mr. Oliva did not obtain responses, as he represented he would, to other questions given to Human Concerns as part of oral and written testimonies at the May 26 County sponsored meeting in Maunaloa.

One specific request was for responses to questions contained in a letter addressed to County Managing Director Richard Haake dated February 11, 1994. Despite repeated assurances from Mr. Haake that he would answer that letter, no response has been received to date.

We also requested copies of the agency comments received by Human Concerns, and any responses to those comments received from Molokai Ranch. To date we have not received this information.

The Molokai community, starting with the Molokai CAC and now with our MACK group, have done all they can to secure meaningful information from Molokai Ranch. Our efforts have been rebuffed.

We respectfully request that you ask the Administration to complete a thorough review of the 201E project before sending it on to the Council. At a minimum we feel this should involve the Administration at least securing responses to all the outstanding questions they received before today's date.

Tina did not mention anything about whether or not you would be able to meet with our MACK group on Tuesday, August 2 in Maunaloa. We hope you are able to meet with us.

We have enclosed a copy of our MACK group's letter to the members of the Maunaloa Advisory Planning Committee. This document will provide you with some interesting information, and support why there is a need for more answers from the Ranch.

We appreciate anything you can do to support our community's diligent involvement to date. It seems the Ranch is getting a lot of cooperation from someone within the County. We need your help to balance things out.

Respectfully yours,
MAUNALO A ACTION COMMUNITY KOALITION

cc: MACK members
Maunaloa Advisory Planning Committee Members.

MACK

MAUNALOA ACTION COMMUNITY KOALITION
P.O. BOX 262
MAUNALOA, MOLOKAI, HAWAII 96770

July 22, 1994 (3 pages) cc: Councilman Pat Kawano

Dear Maunaloa Planning Advisory Committee Member:

Enclosed is a letter to Councilman Pat Kawano dated 7/20/94 which is represents the result of some of the work our MACK group has accomplished in the past couple of months. Our efforts were initiated as the result of a lack of meaningful information our community was receiving from Molokai Ranch about the Maunaloa Master Development Plan and the Maunaloa 201E Plan. Both plans have been submitted to the County for review.

Earlier this year, the Molokai Community Advisory Committee (CAC) completed its review of the Molokai Community Plan. Based on that Committee's inability to obtain specific information from Molokai Ranch about its future intentions for Maunaloa, the CAC made the following recommendation to address the future development plans for Maunaloa:

" That a Maunaloa Town Working Group be established by the Maunaloa community with at least two-thirds of its members consisting of long-term Maunaloa residents (over 5 years) and that this group work with the County of Maui and Molokai Ranch to achieve broader community consensus and understanding of the Ranch's proposed Town Master Plan and Chapter 201E-210 proposal."

Obviously, the CAC felt the Maunaloa community should have an important roll in planning Maunaloa's future. The CAC's recommendation was a thoughtful one, and to conform to that recommendation we formed the MACK group.

In order to have constructive meetings, and to have as many parties as possible represented, we would like to invite a member of your Committee to join the MACK Group. If you chose to work with us, we would prefer that the member you select to join MACK is someone who qualifies as a long-term Maunaloa resident.

We will meet at least once a week in Maunaloa. All MACK meetings will be opened to anyone who wishes to attend. We are also intending to invite a member of Molokai Ranch's management to be a member of the MACK group, as well as, a Molokai Ranch employee.

One question that has come up in our recent meetings is the roll of the your Advisory Committee in developing the current 201E plan?

Less than 24 months ago, the Ranch was promoting its Experimental Housing Plan which would have allowed most of our residents to purchase their existing homes for an average price of under \$74,000.

In that 1992 plan, the Ranch made the following statement in the document it submitted to the County of Maui highlighting your Committee's involvement with the development of the plan:

"The purpose of the Planning Advisory Committee was to assist in the preparation of and to provide input into the master plan for Maunaloa. Through meetings with the Advisory Committee, it was evident that the primary concern of Maunaloa residents was to be able to buy the homes they are presently renting from the Ranch. In the past, plans to subdivide the Village without meeting current subdivision standards have not received adequate support from previous County administrations, to proceed with the subdivision. Conventional subdivisions within the existing residential areas would result in the loss of many homes, the displacement of many residents and the loss of the unique character of Maunaloa Village."

In the current 201E plan submitted to the County for review on March 15, there is no mention of your Committee's roll in developing the plan as submitted.

As you are probably aware, the 201E plan currently being promoted by the Ranch, seems to conflict with almost every objective you were trying to accomplish for the good of the Community with your 1992 plan. These objectives are reflected in the above statement set out in bold type.

The current 201E plan allows for only 8 Maunaloa residents to purchase their existing homes, as compared to the 117 residents that were provided an option to purchase their existing homes under your 1992 plan. Your 1992 plan called for saving 117 homes, while, in contrast, the current 201E plan calls for the demolition of all but 16 of those 117 homes you wanted to save. The present 201E plan calls for the displacement of many families, a bad situation your 1992 plan clearly and thoughtfully avoided. Your 1992 plan focused on preserving the "unique character" of our community by not only preserving as many homes as possible, but also, by developing strict Architectural Design Guidelines (see attached Exhibit A) for all new construction, two features which are not included in the current 201E plan.

In 1992, the Ranch highlighted your Committee's involvement in the Maunaloa development plan submitted to the County. In the 201E plan recently submitted to the County by the Ranch, your Committee's rolls in the planning of the 201E project and new Master Plan are not mentioned at all, not even once. This is why members of our NACK group are wondering what suggestions your

Committee recommended to the Ranch regarding the 201E plan, and which of your Committee's suggestions were included by the Ranch in the final 201E plan it submitted to the County for review.

In addition to the documents we have included for your information, we also wanted to inform your Committee members what we learned a couple of weeks ago, namely that the State's Housing Finance and Development Corporation denied the Ranch's tax credit application.

The Ranch was seeking approval for over \$10 million dollars of tax credits. The tax credits applied only to its 61-unit 201E rental project. This is a tremendous amount of money, especially when you consider the Ranch's statement in the May issue of the Friendly Newsletter that the total cost to build the entire rental project was estimated to be only \$7,850,000.

The Ranch kept the Community in the dark about the large amount of tax credit it was seeking, and refused to provide the community with a copy of the tax credit application package it submitted to the state. If the Ranch has shared a copy of the application with your Committee, we would appreciate a copy. We are very curious to learn where the Ranch intended to apply the \$10 million in tax credits to make the project more affordable for Molokai's lower income families.

MACK's goals are similar to the goals your Committee seemed to be trying to achieve for the good of the community in your 1992 plan, namely: 1) insuring as few homes as possible are demolished and a minimum number of families forced to relocate, 2) establishing design guidelines to insure the preservation of the character our town's residential and commercial areas, 3) insuring that the homes are priced in the affordable range that your plan promoted in 1992 (\$74,000 or less) so they are truly affordable to Molokai's lower income working families, 4) making sure that existing commercial tenants are given a fair shake and offered the security of a long-term lease or purchase option on their existing businesses, 5) seeing that additional lands be set aside for the future expansion of our school and 6) providing for a large area of land be set aside to insure future affordable housing on decent sized, view lots for ALL of Molokai's lower income families, as our existing Molokai Community Plan calls for on the 110 acre parcel designated "project district" located on the south side of Maunaloa Town.

We hope the enclosed information is helpful to each of you, and we look forward to hearing from your Committee concerning our invitation to have a representative join our MACK group. We would also like to know if your Committee would mind if some members of our MACK group sat in on your next Committee meeting. The exchange of information may be helpful to both our groups. If you have any questions or need more information please call 552-2868.

In addition to the many unanswered questions forwarded to the Ranch by Human Concerns on July 22, Mr. Olive did not obtain responses, as he represented he would, to other questions given to Human Concerns as part of oral and written testimonies at the May 26 County sponsored meeting in Maunaloa.

One specific request was for responses to questions contained in a letter addressed to County Managing Director Richard Haake dated February 11, 1994. Despite repeated assurances from Mr. Haake that he would answer that letter, no response has been received to date.

We also requested copies of the agency comments received by Human Concerns, and any responses to those comments received from Molokai Ranch. To date we have not received this information.

The Molokai community, starting with the Molokai CAC and now with our MACK group, have done all they can to secure meaningful information from Molokai Ranch. Our efforts have been rebuffed.

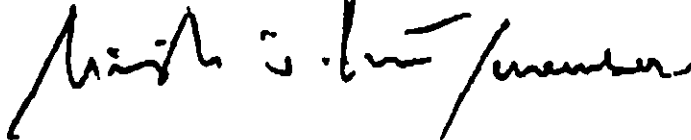
We respectfully request that you ask the Administration to complete a thorough review of the 201E project before sending it on to the Council. At a minimum we feel this should involve the Administration at least securing responses to all the outstanding questions they received before today's date.

Tina did not mention anything about whether or not you would be able to meet with our MACK group on Tuesday, August 2 in Maunaloa. We hope you are able to meet with us.

We have enclosed a copy of our MACK group's letter to the members of the Maunaloa Advisory Planning Committee. This document will provide you with some interesting information, and support why there is a need for more answers from the Ranch.

We appreciate anything you can do to support our community's diligent involvement to date. It seems the Ranch is getting a lot of cooperation from someone within the County. We need your help to balance things out.

Respectfully yours,
MAUNALO A ACTION COMMUNITY KOALITION



cc: MACK members
Maunaloa Advisory Planning Committee Members.

FAX TO 243-7870 (6 PAGES)

Memo to Henry Oliva
From DeGray Vanderbilt

Date: July 22, 1994

Henry, attached is letter from MACK which was faxed to me this afternoon. It is self-explanatory.

I trust you will share this with Stephanie Aveiro and other appropriate parties, and that after your review, the Administration will reconsider sending the 201E on to the Council until the questions from the Community have been answered, including the important follow-up questions that were sent to you a few days ago by MACK.

It seems that if all the questions are appropriately answered, the information will be beneficial to all parties concerned.

By making the receipt by your Department of responses to questions that have been asked prior to today's date a condition to forwarding the 201E plan to the Council, you will get the responses on a timely basis.

It is hard to believe that your Department could have found the responses received from Molokai Ranch to the questions you sent out on June 22 adequate.

The Molokai community once again has tried to work diligently through the system. Hopefully, you will support that diligence, and encourage future community participation, by holding up the 201E plan until you have received answers to all outstanding questions. Thank you.

Thank you for your consideration.

Sincerely,

cc: Councilman Pat Kawano
MACK



DeGray Vanderbilt
Box 1348
Kaunakakai, Hawaii 96748
553-3716

MACK

MAUNALOA ACTION COMMUNITY KOALITION
P.O. BOX 262
MAUNALOA, MOLOKAI, HAWAII 96770

Councilman Pat Kawano
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

July 20, 1994

Dear Pat:

Thank you for the tape of your July 6 meeting between County and Molokai Ranch officials. The tape contained some interesting comments but there didn't seem to be much specific information thrown out on the table. We look forward to receiving the responses to the questions you gave out to those participating in the meeting.

These responses, along with the responses we are requesting Housing and Human Concerns to obtain from Molokai Ranch, will give a good basis of information that will give all interested parties, including residents of our community, the opportunity to gain a better understanding of Molokai Ranch's 201E proposal and the company's intentions concerning the future of our community.

DeGray Vanderbilt confirmed to us your intention of trying to schedule a meeting between him and Molokai Ranch President Jim Mozley. We feel this would be a positive move. DeGray suggested it would be more appropriate if a member of the Maunaloa community also attend the meeting with Mr. Mozley. We concur.

We appreciate your offer to meet with us. We would like to propose for your consideration a small meeting between 7 or 8 of our community members and yourself. We suggest Tuesday, August 2, in Maunaloa starting at 7 p.m. If the date or, the Maunaloa location, is inconvenient for you, we will be pleased to work out an alternative date and/or site.

The purpose of the meeting would be for us to share with you where our community group is coming in the areas of preserving the traditions and character of our community, stopping the demolition of our town, minimizing the relocation of families, insuring future affordability for Molokai's lower income working families and our elderly, and creating a "balance" between what the Ranch is asking for and what the Ranch is contributing towards the affordability side of the 201E plan. We would also like to know more about the Council's roll in the process.

We want to be straight with you and let you know why we are taking certain positions. Hopefully, the Ranch and the County

Departments will have answered the questions you gave them at the July 6 meeting. The responses would be very useful to have when we meet with you to support some points we have been trying to make.

Enclosed please find some petitions supporting the Maunaloa community's efforts to stop the unnecessary bulldozing of houses and relocation of families. The petition also supports our efforts to set aside lands in Maunaloa to service future affordable home ownership opportunities for ALL of Molokai's lower income working families.

We would like to ask you to please call Molokai Ranch President Jim Mozley and urge him to stop any further destruction of Maunaloa Town until a decision is made on the 201E plan and there is a purpose for destroying homes and relocating families.

Also enclosed is a copy of a letter we sent to Henry Oliva enclosing some pertinent follow-up questions from our community group. Our group thoroughly reviewed the initial Ranch response and we feel our follow-up questions are valid. The Ranch's responses to these questions will be valuable information for our community and the Council.

Thank you for your interest and assistance to date. Hopefully something positive can be worked out which is to the mutual benefit of all parties involved. We would appreciate it if you could forward a copy of this letter and our enclosure to each of the other Council members. There has been a lot of information going back and forth during the last few months. We understand that each Council member has a binder. We hope that all of the information to date is going into those binders and is available for review when the Council takes up the matter at a later date.

Sincerely,

MAUNALO A ACTION COMMUNITY KOALITION

John [unclear]
Steven Huff
Nancy [unclear]
Benji [unclear]
Jimmy [unclear]

MACK

MAUNALOA ACTION COMMUNITY KOALITION
P.O. BOX 262
MAUNALOA, MOLOKAI, HAWAII 96770

Mr. Henry Oliva
Deputy Director Human Concerns
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96748

July 19, 1994

Dear Mr. Oliva:

Members of our community met last week Thursday and again last night to discuss several agenda items, including our growing concern over the continued demolition of Maunaloa town by Molokai Ranch. We only have a very few homes left. Less than 24 months ago, 118 homes were standing. Less than 24 months ago, current Ranch owners had agreed to preserve our homes and extended a written purchase offer to each of us. But those offers were withdrawn, and no explanation given to the community. Soon after, the demolition of houses began.

Another agenda item we covered at our meetings was a review of the information Molokai Ranch sent to you responding to some of our community questions about its proposed 201E plan and related matters. Thank you for forwarding the Ranch's responses to us.

We anticipated there would be a reluctance on the part of Ranch management to provide straight answers to many of our questions, especially if those responses were requested in writing. Therefore, we were not surprised at the quality of the responses we received.

Ranch officials failed to answer at least 30 questions. No answers were provided to any of the questions about the 201E process, a subject our community continues not to understand very well. They also failed to answer all but one of the important water questions. We were provided no information on either the Ranch's estimated costs and prices associated with the affordable portion of the 201E plan or, the assumptions used to develop these estimated figures. Based on the Ranch's lack of serious responses, maybe now you can better understand why people who attended the County's May 26 meeting in Maunaloa testified about the need for more information about the details of the Ranch's 201E plan.

You have probably already learned that the Ranch did not get approval from the state for the \$10 million in tax credits it applied for on the affordable rental phase of its 201E plan. The

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Ranch did not share with the community either the large dollar amount of the credits it was seeking or, what percentage of those tax credits would be applied to make the 201E project more affordable for Molokai's lower income families. At our meeting last week, one community member speculated that the Ranch probably intended to pocket most of the tax credit as profit.

Whatever the Ranch's intentions were, \$10 million is a big number. The entire development cost of the 61-unit rental project is only \$7,800,000. Its loss will impact the project's "economic feasibility", a term the Ranch is always referring to when it talks about the viability of projects. In the Ranch's May newsletter, management wrote that the tax credits were one of the two "significant critical events affecting the redevelopment of Maunaloa".

Now that there appears to be no tax credits, what happens? Does the Ranch drag the project out for another year and reapply? Now more than ever, we are concerned about the affordability of the overall project, especially the fee simple lots for lower income families. Ranch estimates for affordable rents and sale prices are already highly inflated. Maybe that is why they won't share them with us. In fact, the affordable rents being proposed by the Ranch are considerably higher than what we are now paying, even after applying the meager rental assistance program the Ranch is proposing to the few Maunaloa elderly who qualify.

There seems to be a lot of unanswered questions surrounding this project. Is the Ranch providing your Department with more definitive answers while keeping our community in an information vacuum? If you have any information that would be helpful, we would appreciate it if you would forward it to us.

Please provide us with copies of all agency and other comments received by your department on the Ranch's 201E plan, as well as, copies of any responses to these comments received from the Ranch.

Our review of the Ranch's responses to our questions resulted in the follow-up questions, which are attached to this letter. We are requesting that you please forward these to the Ranch for responses, and also request Ranch management to please provide responses to those original questions we submitted which they elected not to answer.

The responses which you request, along with the responses to questions given the Ranch and various County Departments by Councilman Pat Kawano on July 6, will provide a much clearer understanding of both the 201E process and the Ranch's true

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intentions for the future development of our community. This information will give Molokai's young families, and our elderly, a better understanding of the options available to them for affordable housing. They will then be in a much better position to make the right decisions impacting their future security. The information will also provide a solid base of data from the which the Council will be able to make more informed decisions concerning the project. The more information that is available to everyone, the better off everyone will be in the long run.

We also would like for you or, the Mayor if necessary, to encourage the Ranch not to demolish anymore of the few remaining housing units in Maunaloa until such time as various matters are resolved between the County, our Community and the Ranch. Enclosed are some of the petitions we have supporting our legitimate concern over the Ranch's continued demolition of our community and the needless relocation of families.

Please confirm to us when you have sent our follow-up questions to the Ranch and when you think we may expect a response. If you have any questions please call us at 552-2868. Thank you for your assistance.

Sincerely,

MAUNALO A ACTION COMMUNITY KOALITION ("MACK")

Berni S. S. S.
Jimmy Long

John S. S.
Steven Huff

P.S. At our last meeting we formed "MACK" to conform with the following recent recommendation made by the Molokai Community Advisory Committee concerning the revitalization of Maunaloa Town during its review of the Molokai Community Plan which was completed earlier this year:

"That a Maunaloa Town Working Group be established by the Maunaloa community with at least two-thirds of its members consisting of long-term Maunaloa residents (over 5 years) and that this group work with the County of Maui and Molokai Ranch to achieve broader community consensus and understanding of the Ranch's proposed Town Master Plan and Chapter 201B-210 proposal."

cc: Councilman Pat Kawano

Pat Kawano

MACK

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MAUNALOA, MOLOKAI, HAWAII 96770

Follow-up questions for Molokai Ranch prepared July 18, 1994 by the Maunaloa Action Community Koalition (MACK) and submitted to the County of Maui Department of Human Concerns for follow-up action with Molokai Ranch.

1-2Q What does the ranch currently charge residents for water? Does the PUC regulate the ranch's water system in Maunaloa? If not, when is the PUC required to be involved to regulate the rates associated with the Maunaloa water system?

1-3Q We have asked only for the ranch's estimated costs are at this time. What are the estimated "rough" lot costs (Areas B, C and D) that the Ranch refers to and what are the infrastructure components that are currently being considered as part of those estimated "rough" lot costs? What square foot land value estimates is the ranch are currently considering be applied to both the affordable lots and market priced lots in each area?

1-4Q How many affordable lots in Areas B and C will be offered to Molokai families who fall in the incomes ranges of 50% and below Maui County's medium income, and in the over 50% but below 80% range of Maui medium income range. What do you feel is an affordable price for a lot for Molokai families in these income groups and why?

1-5Q Please explain some of the alternatives the ranch has pursued regarding fire protection for Maunaloa residents and the status of any negotiations having to do with those alternatives.

1-6Q The \$60 per month figure the ranch assumes is an "adequate amount" for a general homeowners policy" seems low. Please provide the details of the coverage amounts (and deductibles) associated with your \$60 cost estimate?

1-7Q The monthly property tax cost estimate of \$45 to \$55 for a 5,000 lot and house seems high. Please explain what values were used to calculate these figures.

1-8Q Your suggested 1993 medium income figure of \$34,672 for Molokai seems too high. We have heard that island-wide it is below \$30,000, and for families in the Maunaloa area it is \$20,000 or less. Where did Locations, Inc. get its figure and what family size was the medium income figure based on? Who at Locations, Inc. could we speak to directly.

1-11Q How many families will qualify for the \$6,800 rental

assistance payments you reference? Several of Maunaloa's elderly families live in 2 and 3 bedroom units, which they enjoy because it works well for their ohana lifestyle. With the rental assistance payments in the first year, how much more or less rent will the senior citizen's be paying for a new unit with the same number of bedrooms as the unit they now occupy?

1-12Q Without the approval for its tax credits, will the ranch meet the same construction schedule referenced in the May issue of the Friendly Newsletter for the completion of rental project. If construction is started on the rental project, will the ranch be able to re-apply next year for state and federal tax credits next for the rental project?

1-13Q What are the "short term lease agreements" in Maunaloa you refer to in your answer, and will they have any significant impact on future transfers of title to lands in Maunaloa?

1-15Q You say the ranch is "not aware of anyone in Hawaii who can develop a single family house and lot for \$80,000." We disagree. Let's assume that the County trades even up for some land in Maunaloa for the development of fee simple affordable housing for Molokai's low and very low income families. The County requires no land value profits. We believe that under these circumstances a house and lot can be delivered for approximately \$80,000, that is if the cost charged by the ranch for water and sewer hook-up is reasonable. Documents from a few years ago show that the ranch was willing to allow the county free water and sewer hookups. Would that offer still be available if the County became involved in a joint-venture affordable housing project in Maunaloa? If not, based on current data, what is the ranch estimating it will charge for sewer and water hookup for affordable lots in Areas B and C.

You speak of affordable home ownership being available to families earning as low as \$25,000 based on "information currently available" What is the current information available that led you to reach this conclusion? What maximum price do you assume someone earning \$25,000 can afford pay for house and lot. What assumptions were employed to reach your conclusion?

1-16Q Based on the current 30 year HFDC agreement you reference, what are the maximum rents that can be charged for each of the various sized units the ranch is proposing based on your statements that the units will be affordable to families with incomes at or below 60% of medium income. How frequently may the rents be increased? Please explain how the rental cap is calculated using a hypothetical example.

1-18Q The specifics you provided for the proposed 201E "commercial district" are not very extensive. We have provided some follow-up questions below which we hope will provide us with a better understanding of the future commercial character of our community.

a) How much of the 276,170 square feet of commercial zoning proposed in the 201E plan is currently developed, and what are the existing businesses on the developed portions.

b) Identify the existing businesses serving Maunaloa town which are operating outside of the 201E area (i.e. Dada's, Outfitters Center, Maunaloa Store, etc.).

c) How does the ranch intend to support a viable, stable business environment in Maunaloa, and avoid the chaotic and expensive atmosphere that exists in places like Lahaina where an uncontrolled, business-free-for-all opened to anyone who can pay the going price for commercial property, has developed and resulted in numerous tenant turnovers?

d) What measures is the ranch taking to insure that the historical character of the existing Maunaloa village core is maintained?

e) Has the ranch attempted to secure historical status for any of the existing commercial buildings? If not, why not?

f) Will the ranch preserve the existing Kite Shop, Jojos and Washerette, Maunaloa General Store commercial buildings. If not, why not?

g) Will the ranch preserve the Catholic Church building?

h) Light industrial is shown on the master plan in the 201E application. How many square feet does this parcel represent and what are the permitted uses for this zoning.

i) What are the permitted uses allowed in the public zoning shown on the master plan in the 201E application.

j) We understand that the planning director, as part of the community plan review process, has recommended the "lodge" be changed from hotel zoning to commercial zoning. Please explain if the ranch is supportive of this change or not, and why.

k) The ranch has said that it will allow two story commercial buildings "in some circumstance". Please explain what those circumstances might be.

l) A conflict in the 201E document seems to exist regarding the Jojo's restaurant building. Figure 4 shows the building in the plan's Area E (commercial), but Exhibit B does not. Which document is correct?

m) What approximate square foot rents are commercial tenants now paying at Maunaloa General Store, Washerette, Kite Shop, Jojos, Blue Nalu. Does the ranch anticipate any significant increase in these rents during the next couple of years?

n) Are there any existing long-term leases with renewal option clauses in force with existing tenants. How many? If not, why?

o) Will the ranch offer existing commercial tenants an option to either purchase or enter into a long-term lease on their existing properties? If so, is the ranch willing to make such a commitment before a decision is made on the 201E plan? If not, why not?

p) If the 201E plan is approved, is the commercial zoning for the commercial parcels included in the plan automatically approved?

q) Why did the ranch elect not to include the Washerette, the Post Office, Maunaloa General Store, the Kite Shop and other existing commercial business under the 201E plan?

r) Will the same standards that apply to the 201E commercial areas also apply to the commercial areas which are outside the 201E area; but part of the developed and undeveloped commercial areas shown as part of the master plan? If not, how will they differ?

s) Please provide a list of all businesses located in Maunaloa that are currently servicing our community, and give us a short explanation of what service each business offers.

1-20Q Based on the best estimates you have to date, what is the estimated difference between Area C "affordable" and Area C "market" lot prices?

1-21Q How long will the ranch allow tenants in Areas B and D to continue renting their homes?

1-22Q When you mention "an equitable basis". Do you mean the same basis? If not, please explain your meaning. After rental and for sale units are made available to the larger Maunaloa community will they be made available to the greater Molokai community before being made available to off-island residents?

2-1Q see follow-up question no. 1-15Q.

2-2Q You indicate you will maintain Oshiro's gas station. Does this mean the ranch or operator will make the investment for the necessary improvements to meet the EPA standards for service stations or, is the ranch planning to relocate the station? Please explain. Also if the ranch is planning to maintain the station, why is "park zoning" being sought for the area Oshiro's is located? Is the ranch planning to have a new operator for Oshiro's?

2-3Q Since 1987, has the ranch dedicated any land to Maunaloa school for the expansion of the existing site? If not, is the ranch currently negotiating with anyone to expand the school site?

2-4Q The following questions are related to the copy of the Ranch's Relocation Policy that you included with your responses.

a) How many families qualify for the \$6,300 rental/purchase assistance package?

b) How many families qualify for the \$1,500 relocation payment?

c) How many families qualify for the \$500 moving expense reimbursement?

d) Will the relocation and moving expense payments only be paid if families relocate in Maunaloa?

e) We understand the ranch's tax credit application was not approved. Will the ranch still provide the rental, relocation and moving assistance payments mentioned above?

f) If the ranch paid out all of the rental, moving and relocation payments it proposes under its relocation policy, what would that total amount be as a percentage of the total tax credit amount the Ranch applied for?

2-5Q. What restrictions will the ranch impose on existing commercial structures, newly developed commercial structures and newly developed residential structures to meet your stated objective on Page 5 of "retaining the residential character of the Village Core." If historic Maunaloa Town consisted of single story structures, why is the ranch allowing two-story construction on the 201E residential lots it is offering for sale if its objective is to maintain "rural village character"?

2-7Q Does the ranch consider the following current operators of commercial businesses in Maunaloa to be "qualified" as referenced in your response: Dada's, Outfitters Center, Oshiro's, Maunaloa General Store, Kite Shop, Jojos Restaurant, Washerette?

2-8Q When you describe wanting to preserve the rural village character of Maunaloa village, describe what the ranch's definition of "rural village character" is as it applies to Maunaloa.

2-10Q What do you estimate the "higher construction costs" you refer to are to develop a 10,000 s.f lot verses a 5,200 s.f lot in Area C? What cost components would this difference be made up of? Assume the same number of lots are developed in Area C and all are 10,000 s.f.

You mention that other communities have created lots as small as 2,200 s.f. to meet affordability requirements. Are these communities in Hawaii? If so where? You mention that "we felt" that 5,200 average lot size for affordable lots "was an appropriate size". Is the "we" ranch management or a consultant? What were the guidelines used to determine the "appropriate size".

2-11Q All we asked for is estimated lot costs in Area B and C. In your response you noted that you had these figures. We realize you would not have final costs at this time. Please provide these estimated lot costs and an explanation of the estimated costs elements you used to determine these prices.

2-13Q Where existing homes can be preserved when Area D is developed (i.e lots D-1, D-7, D-76, D-78, D-91, etc. as shown on Exhibit B) why couldn't these homes be preserved and the Ranch sell the lot and house for an affordable price to current tenants. This means less people would have to be re-located. Please explain.

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2-14Q What is the average monthly rents the long-term (before 1976) tenants are paying?

2-18Q We did not ask for "specific lot prices" but merely estimated lot prices based on the best data you have today. Please provide the estimated lot costs we asked for and the assumptions used to calculate these prices as requested in 2-11Q above.

2-19Q Your response doesn't make much sense unless the ranch is planning to change the lot configuration of Area C of Exhibit B. Are you planning to do this? Will the affordable and market lots be intermingled in Area C. If not why not? Will the front row view lots (C-78 thru C-90 on Exhibit B) be allocated on a fair basis between "affordable" and "market priced" lots?

In Area C, you include both affordable and market priced lots. Why not the same plan for Area D so a number of the existing tenants in that area will have an opportunity to move back when it is completed? As it stands now very few, if any, will be able to afford to move back into Area D if the lots are all "market priced".

2-23Q You say this question is not relevant. We believe it is relevant. Area C, which is part of the 201E plan, is also part of the 110 acres that we understand ranch representatives Larry Gilbert and John Held indicated to the Molokai Community Advisory Committee that the ranch would be willing to make available to the County in 15 acre increments for affordable housing. Therefore, we would appreciate receiving a response to our question as to whether or not the ranch is planning to follow through with the representation made by Mr. Gilbert and Mr. Held. If not, why not?

We understand that about year or two ago the ranch and county had identified a 15 acre site within the 110 acre site, which the Ranch agreed it would give to the county for affordable housing development. Is this true? If so, please explain the location and the status of the ranch's negotiations with the county for that site.

2-25Q Before the current designs for the 201E plan and master plan were completed, was any survey done to identify the significant, historic trees worth saving to preserve the character of Munaloa Village? If so, please provide a copy of that survey.

2-26Q Will the lots permitted for bed and breakfast use be priced higher than similar lots without the same use flexibility? If any of the existing homes on these lots are in good shape, and with a small addition could be made into a bed and breakfast, please explain the need to tear down the existing structures as you have stated you plan to do. Did any of the existing tenants on the B&B lots D-76 thru D-80 on Exhibit B, initiate a request to the Ranch for B&B use for their lots?

2-27Q Please explain what you mean by "in some

much of the estimated "new" sewer system cost did the ranch allocate to the rental project in the project cost it submitted to the state's Housing Finance and Development Corporation.

2-30Q We did not intend for our question to infer that the ranch should "presume on the Maui County Council as to where they should hold their meetings" as indicated in your response. When there are important agenda items impacting our island, the Council has generally made an attempt to hold these meetings on Molokai. All we are asking of the ranch is, would you be supportive of a community initiative to request the Council hold its meetings on Molokai for your 201E project? Does the ranch feel that the community would be better served by having the Council's 201E meeting on Molokai or, on Maui?

2-31Q Your response to our initial question is not clear, except for the fact that the ranch has a new phasing plan from the one presented in Table 4 of the 201E plan. For example, in your response, there is no mention of the "market priced" lots in Area C. Please provide a revised Table 4 based on the ranch's new phasing plan, including the new limited phasing strategy the ranch is considering for affordable lots in Area C?

2-33Q There are 50 affordable units proposed in Area C. You say that based on the ranch's "current planning" (since the 201E plan was submitted) that a "majority" of the affordable lots would be constructed before the "market priced" units. Does this mean about 26 would be constructed initially? What are the benefits of this new limited Area C development strategy for the ranch and/or to the lot prices for lower income families?

2-34Q On page 16 of the 201E plan, you state, "Rough estimates of sales and rental prices have been developed on the basis of preliminary engineering and construction costs." Please provide us with a copy of these estimated prices with the estimated cost components identified?
You say that the prices will be refined before the plan is

RESIDENTS HAVE HAD ENOUGH! THEY ARE FIGHTING BACK.

THEY WANT TO SAVE THEIR HOMES

THEY WANT TO SAVE THE LOCAL TRADITIONS, LIFESTYLE AND CHARACTER OF THEIR MAUNALOA COMMUNITY

THEY WANT TO INSURE THERE IS A PLACE SET ASIDE IN MAUNALOA TO PROVIDE AFFORDABLE HOME OWNERSHIP OPPORTUNITIES FOR ALL OF

MOLOKAI'S LOWER INCOME WORKING FAMILIES IN NEED

WE SIGN THIS PETITION TO PLEDGE SUPPORT FOR OUR NEIGHBORS,
OUR FRIENDS AND OUR OHANA WHO LIVE IN MAUNALOA AND FOR THEIR
FIGHT TO SAVE THEIR HOMES, THEIR COMMUNITY AND THEIR DIGNITY.

IF MAUNALOA IS BULLDOZED, WHAT WILL MOLOKAI LOSE NEXT?

Kūpa'a Maunaloa
(stand firm Maunaloa)



Signature

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Lilabeth Balorow	" "	" "	96748
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Philip Day	Box 151	Hoolua	96787
Jim Lamm	Box #693	Kaunakakai, HI	96748
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(Mary)			

submitted to Council. The plan could be submitted to Council any day now. It seems, therefore, that the ranch should have the refined numbers it plans to give the Council available at this time. If so, please provide these to us. If not, please let us know when you anticipate having the refined numbers available?

We are concerned about the affordability of the 201E project based on the Ranch's "rough" prices. Your May newsletter indicated that the estimated cost of developing the 61 Area A affordable rental units (including 8 refurbished units) is \$128,688. Most elderly now live in homes now? Why would they want to move out of their existing homes and pay more rent for an Area A rental unit, if they could purchase a new house and lot for less than \$128,688 in Area B or C? Do you anticipate that affordable house and lot packages in Areas B and C will cost more than \$128,880?

Please provide us a copy of the detailed Area A project cost summary that the ranch provided the state with its tax credit application. This information will provide the community and the Council with a better understanding of the infrastructure cost, profit, overhead, land cost, etc. off-site/on-site costs, construction financing and other factors which contribute to the affordability formula.

2-35Q Maybe our question was not clearly stated, but the response we received was not what we were looking for. There are 32 affordable lots proposed for Area B and 53 affordable units in Area C. In each of these areas, what is the breakdown, based on 100% of the lots planned, for lots priced in the following the income groups which are identified as a percentage of Maui County's medium income: 40%, 50%, 60%, 70%, 80%, 90%, 100%, other? Based on Maui County's current medium income, what is the maximum house/lot price the ranch could charge for the lots in each of the above income groups and still meet the County's affordable guidelines, assuming an 8% finance interest rate.

2-38Q Maybe our original question was unclear. Note a.) on Table 5 says, "prices and rents are in 1993 dollars." Does this infer that rents and prices will be adjusted based on the value of future dollars at the time units are developed? If not, please explain what this means. Also note b) indicates Table 5 prices are "based on a 1993 Maui Medium Income Family income of \$46,400." What size family is this applicable to? Has there been any change in the Maui Medium Income from 1993? If so, what is the current figure.

2-39Q You say that housing prices have not been determined so therefore the ranch is unable to break out the lot-only price from its proposed house/lot prices set forth in Table 5 (Areas B and C). Assuming a 3-bedroom house could be built for \$48,000 under the self help program, what does the ranch estimate, based on its current data, the proposed house/lot prices would be for the affordable units in Areas B and C?

2-400 Please explain the specifics of the several issues "related to infrastructure" that you indicate caused the ranch's current owner not to follow through with the sale of existing house and lots to resident less than 24 months ago? At the May 24 meeting in Maunaloa sponsored by the County, a County official indicated to those in attendance that the ranch never submitted a final proposal to the county for approval. Is this a correct statement. If not, please explain what happened.

Also people have continually asked why the County's affordable fee-simple project in Maunaloa never went through in 1991 after formal site development bids of \$20,000 were received by the county for sixty-two 7,500 s.f. lots (this would have allowed for house and lot packages to be offered at less than \$65,000). In a recent letter to the editor in the Molokai Dispatch, Mayor Linda Crockett Lingle stated the project failed because "the property owner, Molokai Ranch, failed to provide (the County) clear title to the property." Is this true? If so, why couldn't the Ranch provide clear title? Please explain? What encumbrances were on the title? Are they still encumbering the land? In your opinion, were these encumbrances significant enough to keep the county from accepting title?

2-420 Why did the Ranch and the County work out a water agreement for only three years, and for only 100,000 gallons per day? Is there any renewal option in the agreement? If so, what is the renewal provisions? We understand that the 100,000 gpd of water from the County is not guaranteed. Is this true?

As a backup to the County water source, has the Ranch evaluated the costs of filtering water from its surface water system to meet EPA requirements. If so, what conclusions were reached from your evaluation. How does the cost per 1000 gallons of filtration compare to the cost of purchasing water from the County?

Respectfully submitted,

MACK

MAUNALOA ACTION COMMUNITY KOALITION

P.O. BOX 262

MAUNALOA, MOLOKAI, HAWAII 96770

NOTE: Molokai Ranch did not answer 30 of our community questions which were forwarded to it on ~~May~~^{JUNE} 22 by the County's Department of Housing and Humm Concerns. We would ask the Ranch to reconsider and respond to those 30 questions and include its responses with its responses to the above questions.

**petition of support
to save the Maunaloa community**

MOLOKAI RANCH IS BULLDOZING HOMES AND MOVING PEOPLE OUT.

RESIDENTS HAVE HAD ENOUGH! THEY ARE FIGHTING BACK.

THEY WANT TO SAVE THEIR HOMES

THEY WANT TO SAVE THE LOCAL TRADITIONS, LIFESTYLE AND CHARACTER OF THEIR MAUNALOA COMMUNITY

THEY WANT TO INSURE THERE IS A PLACE SET ASIDE IN MAUNALOA TO PROVIDE AFFORDABLE HOME OWNERSHIP OPPORTUNITIES FOR ALL OF MOLOKAI'S LOWER INCOME WORKING FAMILIES IN NEED

WE SIGN THIS PETITION TO PLEDGE SUPPORT FOR OUR NEIGHBORS, OUR FRIENDS AND OUR OHANA WHO LIVE IN MAUNALOA AND FOR THEIR FIGHT TO SAVE THEIR HOMES, THEIR COMMUNITY AND THEIR DIGNITY.

IF MAUNALOA IS BULLDOZED, WHAT WILL MOLOKAI LOSE NEXT?

Kupa'a Maunaloa
(stand firm Maunaloa)



Signature	Address
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petition of support to save the Maunaloa community

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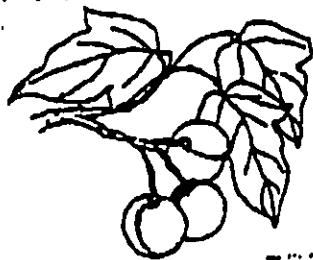
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Kupa'a Maunaloa!
(stand firm Maunaloa)



Signature

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**petition of support
to save the Maunaloa community**

MOLOKAI RANCH IS BULLDOZING HOMES AND MOVING PEOPLE OUT.

RESIDENTS HAVE HAD ENOUGH! THEY ARE FIGHTING BACK.

THEY WANT TO SAVE THEIR HOMES

**THEY WANT TO SAVE THE LOCAL TRADITIONS, LIFESTYLE AND
CHARACTER OF THEIR MAUNALOA COMMUNITY**

**THEY WANT TO INSURE THERE IS A PLACE SET ASIDE IN MAUNALOA TO
PROVIDE AFFORDABLE HOME OWNERSHIP OPPORTUNITIES FOR ALL OF
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IF MAUNALOA IS BULLDOZED, WHAT WILL MOLOKAI LOSE NEXT?

**Kupa'a Maunaloa
(stand firm Maunaloa)**



Signature

Address

Steven Reiff P.O. Box 98 Maunaloa, HI 96770
William H. Miller P.O. Box 98 Maunaloa, 96770
John Miller Reiff P.O. Box 98 Maunaloa 96770
Franklin P.O. Box 51 Kilauea 96757
Arthur McCutcheon P.O. Box 162 Maunaloa 96770
J. Lawrence P.O. Box Maunaloa 96770
Gerse Fuller Reiff P.O. Box 98 Maunaloa 96770
Paul Richardson P.O. Box 25 Maunaloa 96770
Thomas O. McCutcheon P.O. Box 162 Maunaloa HI 96770
Lang McCutcheon P.O. Box 162 Maunaloa HI 96770

4

5

**petition of suppo.
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Kupa'a Maunaloa!
(stand firm Maunaloa)



Signature

Address

<i>[Signature]</i>	Box 95, Maunaloa, HI 96770
<i>[Signature]</i>	Box 251 Maunaloa HI 96770
<i>[Signature]</i>	Box 27 Maunaloa HI 96770
<i>[Signature]</i>	Box 62 Maunaloa 96770
<i>[Signature]</i>	Box 137 Maunaloa 96770
<i>[Signature]</i>	P.O. Box 174 Maunaloa 96770
<i>[Signature]</i>	P.O. Box 217 Maunaloa 96770
<i>[Signature]</i>	Maunaloa general delivery 96770
<i>[Signature]</i>	P.O. Box 75 Maunaloa 96770
<i>[Signature]</i>	P.O. Box 129 Maunaloa HI 96770

6

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Kupa'a Maunaloa
(stand firm Maunaloa)



Signature	Address
<i>[Handwritten Signature]</i>	Box 44, M'loa 96770 552-2868
<i>[Handwritten Signature]</i>	P.O. Box 166 M'loa 96770 552-2209
<i>[Handwritten Signature]</i>	Box 44, M'loa, 96770 552-2868
<i>[Handwritten Signature]</i>	P.O. Box 46 Maunaloa
<i>[Handwritten Signature]</i>	Box 6 Maunaloa 96770
<i>[Handwritten Signature]</i>	Box 344 M'loa 96770
<i>[Handwritten Signature]</i>	Box 13 Maunaloa 96770
<i>[Handwritten Signature]</i>	Box 104 Maunaloa 96770
<i>[Handwritten Signature]</i>	Box 13 M'loa 96770
<i>[Handwritten Signature]</i>	P.O. Box 6 M'loa 96770

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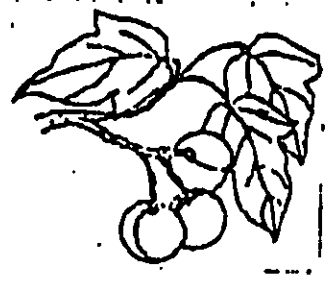
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(stand firm Maunaloa)



Signature	Address	
Don Marcellino	Hoolehua	96729
Lucia Marcellino	Maunaloa	96720
Charles J. Joseph	R'Kai	96748
Joseph Joseph	R'Kai	96748
Ray B. Ali	Maunaloa	96770
James Cook		96770
Randy Webb	M'loa	96770
J.C. Merrick	P.O. Box 1798	Kaunakakai, HI 96748

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Kūpa'a Maunaloa
(stand firm Maunaloa)



Signature	Address
<i>[Handwritten Signature]</i>	P.O. Box 462 Kuanakakai, Hawaii 96748
<i>[Handwritten Signature]</i>	Box 162 Kualapuu Hawaii 96757
<i>[Handwritten Signature]</i>	Box 162 Kualapuu HI 96757
<i>[Handwritten Signature]</i>	Box 1294 Kikui HI 96748
<i>[Handwritten Signature]</i>	Box 924 Kikui, HI 96748
<i>[Handwritten Signature]</i>	P.O. Box 320 Kikui HI 96748
JOHN KAIMIKAWA	Ho'olehua 967
<i>[Handwritten Signature]</i>	P.O. Box 1365 Kikui HI 96748
<i>[Handwritten Signature]</i>	P.O. Box 255 Hoolehua, HI 96749

7

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(stand firm Maunaloa)



Signature

Address

Don Espinoza

Maunaloa, HI

Yedani Espinoza

" "

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Signature	Address
Geraldine Adolpho	Moomoni Ave. Hoolohua
Shirley Robinson	P.O. Box 223 K'Kai HI
John Puffly	PO 33 KUALAPUU
John Puffly	PO BOX 16779
John Puffly	K'Kai HI
John Puffly	Box 1307 KAKI 96748
John Puffly	HO 01 141 KIKAI 96748
John Puffly	P.O. Box 1733 K'Kai 96748
Cynthia U. dejesus	P.O. Box 1504 K'Kai, HI 96748
Ken	Box 1541 K'Kai 96748

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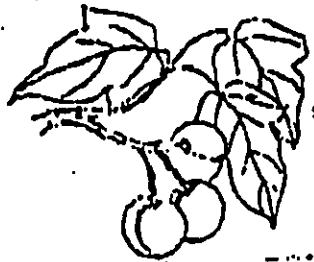
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**Kupa'a Maunaloa
(Istand Ilima Maunaloa)**



Signature

Address

<i>Jan Kupa</i>	<i>P.O. Box 213</i>	<i>Maunaloa, HI 96770</i>
<i>Rachel Kupa</i>	<i>P.O. Box 213</i>	<i>Maunaloa HI 96770</i>
<i>Lawrence Kupa</i>	<i>P.O. Box 213</i>	<i>Maunaloa, HI 96770</i>
<i>Roy Kupa</i>	<i>P.O. Box 252</i>	<i>Maunaloa HI 96770</i>

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Signature

Address

<i>Jaelle Eno</i>	<i>1801 Kikoi</i>
<i>Kalei Eno</i>	<i>PO Box 570 Kikoi</i>
<i>Nelene Pipaha</i>	<i>HC 01 410</i>
<i>Paula Collins</i>	<i>1406 Kuanakakai HI 96748</i>
<i>Kate Barlow</i>	
<i>Mona Foster</i>	<i>P.O. Box 68, Kuanakakai HI 96748</i>
<i>Alyandra Garraway</i>	<i>P.O. Box 1831 Kuanakakai, HI 96748</i>
<i>Rickey Jackson</i>	<i>" " " " " "</i>
<i>Demard D. King</i>	<i>P.O. Box 138 KUALAPUU HI 96751</i>
<i>Don Smith</i>	<i>Box 744 Kikoi 96748</i>

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Signature

Address

<i>James Joseph Lopez</i>	<i>151 Maunaloa</i>
<i>Frankie Sanchez</i>	<i>Maunaloa, HI</i>
<i>James Nye</i>	<i>K. KAI, HI</i>
<i>John Nye</i>	<i>25' Kai</i>
<i>Mary Albert</i>	<i>10 Kai, Molo, HI 96748</i>
<i>Monty Albert</i>	<i>" " " "</i>
<i>Teresa Aragon</i>	<i>" " " "</i>
<i>Eustaquia Cordero</i>	<i>" " " "</i>
<i>Mariano Marquez Jr</i>	<i>" " " "</i>
<i>Proctor B. Payne</i>	<i>Kaunakakai, HI 96748</i>

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Signature

Address

<i>David K. Kawakap</i>	House 511 P.O. Box 31 Maunaloa, HI 96710
<i>Georgina Johnson</i>	P.O. Box 100 Kualapuu 96745
<i>Johnnie Miller</i>	Maunaloa 96710
<i>Geri Lau Fong</i>	P.O. Box 213 Kualapuu MLC 96757
<i>Clayton Peterson</i>	P.O. Box 100 Maunaloa HI 96710
<i>Cary Anson</i>	M'Koa Maunaloa
<i>Mary A. Keopuka</i>	P.O. Box 359 Hodelua, Molokai, HI
<i>Maximo Opunui</i>	P.O. Box 132 Kualapuu
<i>Paul A. Flout</i>	2166-D Susan Beth Way, Sunnyvale, CA 94089
<i>Duff Jones</i>	P.O. Box 1714 Kohala, Molokai, HI 96768

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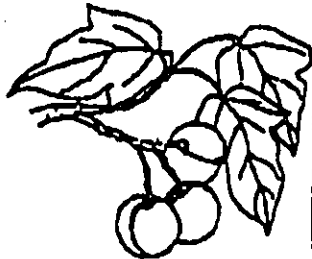
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Signature

Address

Mrs. John Stone	103 Walnut Way - Lulu, HI 76039
Karen Dudge	4228 Linden Wheaton Spgs Ill 60558
John Taylor	153 Kapa, HI 96757
William Huh	857
Bryan Perrigrew	20 Remington Place Oklahoma City, OK 73111
Melina Perrigrew	The Remington Place OKC, OK 73111
Steve Latta	711 Belvedere Big Spring TX 79720
Sharon Dunning	23-B 7th Ave NW Seattle WA 98107
James Myers	415 S. Rosemont Ave. Martinsburg, WV 25404
Emily Abbott	803 Loma Verde St. Monterey Park, CA 91754

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Signature

Address

[Signature] Milani HI 96789
 Patricia Cremer 95475 Hokuula Loop, Mililani 96789
 Helen Rawlin P.O. Box 619 Kaimukaha'i Hi
 Noniuni, Mui P.O. Box 276 Kueleapuu, Molokai HI 96748
 John E. Monday P.O. Box 1063, Kaimukaha'i, HI 96748
 [Signature] 6919 m'lon
 Leuien Ferguson 100171 Di'loa
 Pauline B. Butler P.O. Box 35 Maunaloa HI 96770
 Steven J. Butler P.O. Box 35 Maunaloa HI 96770

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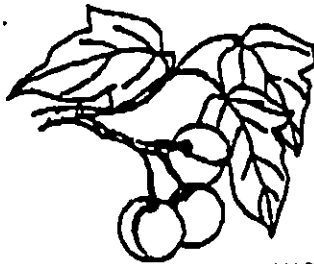
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Address

<i>Li Dui</i>	<i>26222 Kaimalihi 96770</i>
<i>Janie Francisco</i>	<i>P.O. Box 151 Kaimalihi 96770</i>
<i>Heidi J.</i>	<i>PO BOX 994 KAI 96770</i>
<i>Zelda Kahukane</i>	<i>M'loa</i>
<i>Robert J. Jones</i>	<i>335 M'loa 96770</i>
<i>[Signature]</i>	<i>335 M'loa 96770</i>
<i>William Jones</i>	<i>335 " " " "</i>
<i>[Signature]</i>	<i>155 M'loa HI 96770</i>

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Address

<i>[Signature]</i>	P.O. Box 1546 K'KAI 96748
<i>Alm Castro</i>	P.O. Box " " "
<i>[Signature]</i>	P.O. Box 1402 K'Kai
<i>[Signature]</i>	P.O. Box 212 K'KAI 96748
<i>Vernice Sudat</i>	P.O. Box 1534 K'Kai 96748
<i>[Signature]</i>	Box 1534 K'Kai
<i>[Signature]</i>	P.O. 1941 K'Kai
<i>[Signature]</i>	Box 1605 K'Kai 96748
<i>[Signature]</i>	P.O. Box 153 K'Kai 96748
<i>[Signature]</i>	" " " "

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Signature

Address

Debbie Kekoa Ekial K'kai Hi
K'kai

150 Kealahou P.O. Bx 1209 K'kai

Janice Bican P.O. B. 1402 K'kai 96748

Debbie Sander P.O. B. 1507 K'kai

May Ann Mervin R.F. Box 514 K.K. 96748

Cathy Kagayala P.O. Box 1885 K'kai

Spencer Craig 486 K'kai 96748

Allan Murray Len Del K'kai - M-96748

Paula O P.O. Box 821 K'kai 96748

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IF MAUNALOA IS BULLDOZED, WHAT WILL MOLOKAI LOSE NEXT?

Kūpa'a Maunaloa
(stand firm Maunaloa)



Signature

Address

David Roberts	Box 954 K'Kai 96744
Dana Jones	EX 1870 K'Kai 90748
Amble Roberts	Box 1624 " "
James Jones	Box 1768 K'Kai
Ann Jif	Box K'Kai
Sally Vandert	Box 1348 Kaula
Elizabeth Roberts	Box 620 " "
David J. Jones	Box 1644 K'Kai
Beth Jones	Box 1885 K'Kai
Bob Murray	Box 391 K'Kai

→ more signatures
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D

**petition of support
to save the Maunaloa community**

MOLOKAI HANCH IS BULLDOZING HOMES AND MOVING PEOPLE OUT.

RESIDENTS HAVE HAD ENOUGH! THEY ARE FIGHTING BACK.

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Signature

Address

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Cheryl Howard	P.O. Box 1394 Kikoi	
Deanna Sulatara	P.O. Box 863 K'Kai	96748
Karen Russell	P.O. Box 1859 K'Kai	96748
Richard Salmon	Box 802 K'Kai	96748
Ann Pettit	P.O. Box 496 K'Kai	96748
Clara Baker	Box 237 Kaula, HI	96748
Alabanda	P.O. Box 88 Kaula	96748
Just Infa	Box 1308 K'Kai	96748

22
D

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(stand firm Maunaloa)



Signature

Address

<i>Alana...</i>	P.O. Box 16, Hialeah 96709
<i>John...</i>	P.O. Box 1052, K'Kai 96748
<i>...</i>	P.O. Box 252, Hialeah 96729
<i>...</i>	P.O. Box 344, K'Kai 96748
<i>...</i>	P.O. Box 1404, K'Kai 96748
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<i>...</i>	Box 935, K'Kai 96748
<i>...</i>	909, K'Kai
<i>...</i>	P.O. Box 1348, K'Kai 96748
<i>...</i>	HC-01-Box 310, 96748

→ see next page

For more information...

Mr. Henry Oliva, Deputy Director
Department of Housing and Human Concerns
200 South High Street
Wailuku, Maui, Hawaii 96793

July 11, 1994

Dear Mr. Oliva

Thank you for sending us the responses you received from Molokai Ranch to the questions we sent to you on May 27. I received them Friday and shared copies with some of our group members over the weekend. From our brief review, we were disappointed to find that the Ranch didn't answer 30 of our questions. We were also disappointed that the Ranch elected to be evasive with many of the responses it did provide.

For example, fair affordable home ownership opportunities for Molokai's lower income residents is very important to our community. The Ranch has said a project must be "economically feasible" for it to undertake. Twenty-four months ago the Ranch offered Maunaloa residents a chance to purchase their existing homes at a specified prices. But the project mysteriously died. Was it not "economically feasible"? Therefore, we would like to understand what estimated prices the Ranch is considering at this stage of its project and also to understand how those prices might change based on the assumptions the Ranch used to develop its estimate prices (i.e off-site costs, on-site costs, land cost, real estate commissions, etc.)

We asked a direct question about the estimated development costs associated with the affordable lots, and requested a breakdown of the costs elements associated with those estimates. We receive the following vague answer from the Ranch:

"All estimates of costs have been performed utilizing preliminary engineering studies. As a result, any estimates are rough until final engineering is completed and bid by appropriate contractors. In addition, measurable allocations of offsite infrastructure costs, which as yet are not determined, preclude an answer to this question."

All we asked for were the estimated costs, and the assumptions on which those estimated costs are based on. You will note in its answer above, the Ranch made reference to the estimated prices we asked for, but did not provide these costs to us.

It is hard for members in this community to believe how Human Concerns or the Council can even consider approving an affordable project where the developer, who is this far along in the planning of a project as the Ranch is, is unable to come up with a detailed estimated prices based on certain basic fixed and variable assumptions.

With all its management staff and consultants, we believe the Ranch does have detailed prices it would like to charge for the affordable lots in its project. However, we believe Ranch management is reluctant to produce these prices or, to reveal the components of the prices, because they are inflated and most are priced out of the lower income ranges of Molokai's young working families.

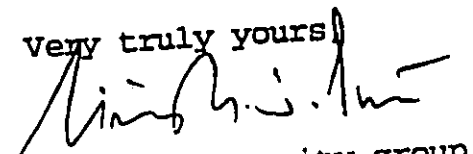
As you recall, the County was able to obtain firm bids to develop 7,500 s.f. lots for \$20,000 in Maunaloa a few years ago. This is affordable. And this price should be in the "ball park" today, that is if the Ranch is a) asking for the appropriate cost saving variances from County development standards, b) making fair allocations of infrastructure costs between the "affordable" and "market priced" lots, and c) not burdening the affordable lots with a high per acre land value component, a cost factor which would be \$0 if the County obtains lands in Maunaloa for affordable housing development. Remember the New Zealand owners paid less than \$1,700 an acre for its Molokai Ranch lands.

In its 201E plan, the Ranch is requesting approval for excessive new commercial zoning, variances for overnight hotel-like accommodations, and many "market priced" lots. We would not have such a problem with the Ranch using the 201E as a "catch all" if the Ranch was 1) providing meaningful information about the project to Maunaloa residents, 2) making a dedicated effort to preserve the character and traditional values of Maunaloa town and 3), offering a fair and decent package on the affordable side of the project to members of the Molokai community. We have seen very little in the Ranch's presentations to date that indicate any sensitivity towards these three areas.

Based on a quick preliminary review of the Ranch responses, it seems clear that we will need to propose some follow-up questions to clarify some of the Ranch's vague answers. Maybe our original questions needed to be more specific to insure Ranch management understood the information we were specifically seeking.

Whatever the case, we trust that Human Concerns will urge the Ranch's management officials to answer these follow-up questions and also direct the Ranch to provide meaningful answers to 30 of our initial questions they elected to ignore. Members of our community hope to meet Wednesday evening to discuss the Ranch's responses in detail. We will make sure that you receive our follow-up questions within a day or two of our meeting. Thank you for your assistance.

Very truly yours,


for our community group

cc: Councilman Pat Kawano
Community Members

Councilman Pat Kawano
200 South High Street
Wailuku, Maui, HI 96793

July 11, 1994

Dear Pat:

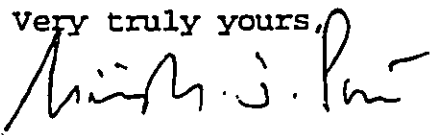
Enclosed is a clean copy of of the questions we faxed over to you last week for your July 6 meeting with Molokai Ranch and County officials. The enclosed copy corrects misspellings and amends the language in some of the initial questions. The amendments were made to clarify, which hopefully will result in the Ranch providing more specific answers.

We only learned about your July 6 meeting at a housing meeting we held on the evening of June 30 in Maunaloa. With the long holiday weekend in between, it was difficult for us to get all our questions together and typed in such a short time. So that our Molokai community group does not appear to be unprofessional, we would appreciate if you could forward the enclosed corrected questions to those who attended the July 6 meeting. Thank you.

We appreciate you requesting responses from the Ranch and certain County officials to our initial questions. As we noted in our July 5 letter to you, there are still many other unanswered questions posed to County officials and the Ranch about the 201E plan and the affordable housing alternatives for Maunaloa (i.e. questions provided Human Concerns at May 26 Maunaloa meeting, February 11, 1994 letter to County Managing Director Richard Haake, etc.). We are aware of these other questions and are hopeful that we will see responses to them also.

As you know, we would liked to have had a representative at your July 6 meeting. However, we understand the awkward position you were placed in by others which we understand resulted in you having to withdraw an invitation to attend the meeting which you had earlier extended to a Molokai resident.

We would appreciate it if you would write to us and let us know who attended the July 6 meeting and when you anticipate receiving responses to the questions you handed out. Also from past experience we have noticed that the Ranch tends to provide limited or vague answers to questions, especially when responses are requested in writing. Government officials sometimes tend to follow the same pattern. Hopefully, you will allow us ask some timely follow-up questions, through your office, of the Ranch and of the County officials after we have reviewed their respective responses to our initial questions. Thank you for your help.

Very truly yours,

for our community group

cc: w/enclosure
Maunaloa/Molokai
community residents.

Councilman Patrick Kawano
Maui County Council
200 South High Street
Wailuku, Maui, Hawaii 96748

July 5, 1994
(fax to 243-7717)

Dear Councilman Kawano:

Six days ago, last week Thursday, several residents met in Maunaloa to discuss lingering concerns over the plan by Molokai Ranch to tear down our homes and to re-locate lower income and elderly residents to the south side of town. The Ranch is offering those forced to move two choices: either move into a more expensive, fenced-in rental unit or, purchase a small substandard lot for a price the Ranch has not even tried to justify their high estimated cost of to residents considering future housing alternatives for their families.

We also discussed our concern over the lack of any response from the County or, from Molokai Ranch, to questions submitted by the community both in writing and through oral testimonies. Other concerns discussed were a) the excessive additional new commercial zoning the Ranch is trying to slip through under the 201E plan, b) the lack of information on how up to \$10,000,000 in federal and state tax credits will be applied by the Ranch to reduce costs associated with the project, c) the Ranch's proposed hotel zoning for Maunaloa, d) the variance sought by the Ranch through the 201E process to allow a special bed-and-breakfast district in Maunaloa town, e) the total reversal in objectives by the Ranch from its earlier plan, which was scrapped less than 24 months ago, and the Ranch's plan as it is being presented today, and f) the Ranch's continuing strategies to try and divide the Maunaloa community.

We understand that you are going to meet with County officials and Molokai Ranch representatives to discuss the Ranch's 201E plan and water. We are concerned, however, to hear that once again there will be no non-governmental representative from Molokai to represent our interest and to make sure our outstanding concerns are specifically addressed.

Last week, you indicated to one Maunaloa resident that you had planned to have someone from Molokai attend your meeting with the ranch and that this person had a lot of information about the Ranch's 201E plan, the 201E process, and water issues on Molokai. We understand, however, that subsequently the Mayor did not agree with who you selected and said that unless you revoked that person's invitation to attend, her Department heads would not be allowed to attend your meeting. We understand that you deferred to the Mayor's pressure and took back the invitation you had previously extended to a member of the Molokai community.

One of the most disappointing parts of the 201E process has been the continued meetings between the County Council members, the County Administration and Ranch officials and consultants

Councilman Pat Kawano
July 5, 1994
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without any feedback to the Molokai community. We hope the upcoming meeting will be different.

We appreciate your offer to tape the meeting and to provide us with a copy of the tape. It would be helpful if the County can have the tape transcribed since the County has the equipment and experts to do such a job, and we do not.

As you requested, we have enclosed some questions to discuss with the Ranch. As you know, earlier questions from the Molokai community have gone unanswered by the Ranch and the County Administration. These questions we have included are in addition to earlier questions asked of the Administration and the Ranch concerning the 201E plan and the 110 acres in Maunaloa shown in our current community plan for affordable housing.

The questions we have included are not to replace earlier questions asked by the community. We hope the Council will require written responses by the Ranch and the County Administration of all the earlier questions, including those sent by Human Concerns to the Ranch on June 22nd with instructions to fax back answers by June 29th. We understand that the Ranch has not even provided those written answers to the Administration.

We apologize for not getting these questions to you sooner, but we only met a few days ago. The County may have a staff shortage, but we have no staff at all. Also, Monday was a holiday.

Unfortunately, many many questions from the community have been accumulated over the past several months concerning the 201E plan. This is a problem that has been created as a result of the Administration failing to have the Ranch answer questions from the community on a timely basis after they were received.

This has now created a potential problem for the Council which has a very small time period to evaluate a very big project. We understand that once the Administration forwards the 201E plan to you, the Council has only 45 days to review it and make a decision to approve or deny the plan. This short time period puts the Council in the position of trying to decide if there is enough time to have all the questions answered, and enough time to have the responses evaluated properly.

The Administration does not have a time limit to complete its evaluation of the 201E plan. It seems the Administration is in a position to urge the Ranch to provide written responses to all the questions received from the public, and to advise the Ranch that the plan will not be forwarded to the Council until those responses are received.

Councilman Pat Kawano
July 5, 1994
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Hopefully, the Council will urge the Administration to obtain written responses to all pertinent questions that have been submitted by the Molokai community before the 201E package is forwarded to the Council, and will let the Administration know that if this request is not met, the Council may very well, with good cause, deny the 201E application.

At a June 23 meeting you attended on Molokai, a County Administration official said that the Council can only approve or deny a 201E plan. However, that same official said that the Council can strongly urge that certain things be done with the clear understanding that if they are not done the project may not be approved by the Council. The Council has the power to get the questions answered. The Council, therefore, has the power, it seems, to negotiate a situation wherein the Ranch voluntarily agrees to comply to certain conditions to make sure the affordable side of the 201E equation is balanced out.

The Ranch appears to need this 201E plan approved far more than the people of Maunaloa and the greater Molokai community. In fact, the Ranch has a lot more to gain from the plan's quick approval than do the lower income families on Molokai who are seeking an affordable home ownership opportunity on a decent sized lot (i.e 10,000 s.f. lot for \$30,000 or less, which are very realistic numbers, especially if the County is able to convince the Ranch that it is in the best interest of everyone to follow through with its 110 acre land trade with the County.)

Ranch officials seem to be in such a hurry to get the 201E plan approved. Why? All the people in Maunaloa currently are renting a place and would not complain if they had to stay in these units longer. Also the first phase of the Ranch's plan calls for more rentals, which people indicated at the May 26 meeting they did not want. So why the rush? Why not take time to make sure the community has a clear understanding of the details of the 201E plan and the Ranch's intentions?

If the current project has to be denied in order to insure a fair and equitable plan for the lower income families the 201E process is intended to service, then the project should be denied....especially if the Ranch continues its hardball ways.

The Ranch has explained very little about its plan to the community. As you may recall, most people attending the May 26 meeting signified that they did not feel the Ranch was working in their best interest. The majority of those who spoke also stated they needed more information. In fact, except for Ranch employees and management, only one person indicated they had even seen a

Councilman Pat Kawano
July 5, 1994
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copy of the final 201E plan the Council will be making a decision on.

We hope the enclosed information is helpful. We also hope that you will be able to have the County transcribe the tape of your meeting and give our community an opportunity to review the tape and ask some follow-up questions. Thank you for your interest and assistance.

Very truly yours,

Mish i. lan
W.A. Cobb
Don & Dix
Bonnie Sanchez
Hanea G. Patel
Therese Espinoza
Joseph Espinoza
James A. McCutcheon
Larry McCutcheon
Penelope B. Spiller
Steven Peiff
Darlene Spiller Peiff
Jimmy Young
Mercedes Espinoza

Attachment to letter dated July 5, 1994 (6 Pages)
sent by Molokai residents to Councilman Patrick Kawano
Concerning: Molokai Ranch's 201E Plan

Below are questions that we are submitting as you requested. Many legitimate questions have been asked on previous occasions during the passed few months by our community concerning the Ranch's 201E plan and the circumstances surrounding the potential trade by the County of 110 acres its owns at the Kaluakoi resort for 110 acres Molokai Ranch owns on the undeveloped south side of Maunaloa. For unexplained reasons, most of these questions have not been responded to by the County Administration or Molokai Ranch. The questions below are not meant to replace those questions, but to supplement them.

We hope that you will be able to urge Administration and Ranch officials to respond to our questions, as well as all the previous pertinent questions referenced above, prior to the Council rendering its decision on the project.

The Ranch has many specialized managers and consultants. Because of this, many times Ranch management personnel will say they are unable to answer certain questions. We anticipate you will get the same response to many of our questions below when they are asked of the Ranch officials you are meeting with.

If Ranch officials are unable to provide you with answers to questions when asked, please have them provide a follow-up written response to those questions so their responses can be made available to the community.
Mahalo.

WATER QUESTIONS:

This is a key area. The Ranch's 201E plan does not reference any long-term guaranteed commitment for sufficient amounts of water to cover the existing users on its system, as well as, the proposed future developments outlined in the 201E plan.

The questions below should help clarify the intentions of Kukui, the Ranch and the County concerning the delivery of water to the westend to service future development needs.

- * Does the Ranch currently have a guaranteed source of water to service its existing customers, as well as, the full development plans as outlined in the 210E plan and the master plan for Maunaloa being proposed by the Ranch. If so, please explain. If not, how does the Ranch propose to develop a guaranteed source?
- * Is the Ranch supportive of Kukui's pipeline development?
- * Does the Ranch currently have any guarantees that it will be able to use the pipeline to transport water to its westend properties? If so, please explain.
- * The Ranch has said it is negotiating with the Kukui to

participate in the pipeline. What participation is the Ranch seeking and what is the status of the negotiations?

* If the Ranch does not participate with Kukui in the ownership of the pipeline, Kukui's Ron Hedani has publicly stated in court that the Ranch will not get any water from Kukui's pipeline. Is this the Ranch's understanding?

* If a deal can be worked out with Kukui, would the Ranch like to participate in the ownership of the pipeline.

* If the County assumes ownership and operation control of the pipeline and its water sources, does the Ranch anticipate that it will be guaranteed a supply of water for its developing westend properties? If not, please explain.

* Is the Ranch supportive of the County assuming control of water delivery to the westend of Molokai? If so, why?

* Is the Ranch evaluating any plans or does it have any plans to drill a well to provide source water for its westend properties? If so, please explain.

* What is the annual average capacity in gallons per day (gpd) of the Ranch's surface water system and also its average gpd capacity during the winter months and during the dryer summer months.

* Has the Ranch's surface water system ever failed to deliver sufficient water to Maunaloa town in the past?

* Has the Ranch ever had to obtain water from Kukui/Kaluakoi in the past to supplement the water supply to Maunaloa town?

* What areas and projects are currently supplied by the Ranch's surface system?

* Kualapuu town is service by what water source?

* Does the Ranch currently purchase water from DHHL to supply any of its properties? If so, what is the average gpd purchase and what areas are service by this DHHL source.

* Is the existing capacity of the Ranch's surface water system able to be expanded. If so, how much additional capacity could be achieved from the existing surface water sources?

* The Ranch has two transmission lines to the westend. What are their respective sizes and transmission capacities?

* Which line is the Ranch using to allow water from the County's well to flow to the westend?

* Has this line been dedicated to the County?

* Why did the Ranch enter into an agreement with the County to supply water to Maunaloa instead of working with Kukui, as the Ranch has done in the past, to supply water to Maunaloa from its excess capacity.

* Is the County's commitment to supply 100,000 gpd for the ranch's use on its westend properties a guaranteed amount. If not, please explain what limits the County's commitment.

* Why is the Ranch/County agreement for the 100,000 gpd only for three year term?

* Is it true that the County is supplying the 100,000 gpd to

the Ranch from the County's Kaunakakai well?

* The Ranch's Jim Mozley has filed a water use application with the state Commission on Water Resource Management claiming ownership of the County's Kaunakakai well "through default on an agreement" by the County? Please explain the specifics (i.e. what agreement, how violated, etc.).

* What is the current status of the Ranch's water use application for the Kaunakakai well?

* During various meetings, including the May 26 201E meeting, Ranch officials have referenced a proposed dairy operation for Molokai. Where is this dairy operation to be likely to be located and what are the estimated water needs to supply the different major components of this plan (i.e. silage demands, animal consumption, processing operations, etc.) and what specific source is the Ranch anticipating will supply the water needs of each component?

* During the past three or four years has the Ranch, or its parent company, been involved with the state in any studies to bring water from the east end of Molokai to the Ranch's arid properties on the westend. If so, please explain.

* For some time now, the state DOH has approved a filtration system for surface water to meet EPA standards. Has the Ranch been evaluating this alternative in order to develop a guaranteed water source for Maunaloa. If so, please explain the pros and cons of this alternative. What are the estimated capital and operating costs (per 1000 gallons) based on a system to handled the Ranch's needs in Maunaloa?

Questions for County officials:

QUESTIONS FOR HUMAN CONCERNS (HC):

- * How long has HC been reviewing the Ranch's 201E plan?
- * Based on HC's evaluation to date, what amendments, if any, is HC recommending the Ranch make to the plan?
- * Is HC satisfied with the substandard affordable lot sizes? If so, why?
- * Is HC satisfied with the affordability mix that the Ranch is offering Molokai's lower income families (under \$30,000). If so, why?
- * What is Maui County's medium income for a family of 4?
- * What was it in 1990?
- * What is Molokai medium income for a family of 4?
- * Assuming Molokai island's medium income is \$25,000 what would be an affordable house/lot price for that income bracket assuming a family of 4 and interest rates of 8% and 9%?
- * Has HC received all the comments back from agencies reviewing the 201E plan?

Page 4 of 6

Attachment to July 5 letter to Councilman Pat Kawano

* Has HC received responses from the Ranch to all agency comments it has sent on to the Ranch? If not, will HC require responses from the Ranch prior to sending the 201E to Council?

* At the May 26 210E meeting in Maunaloa, Mr. Oliva indicated he would send questions received by him as part of testimonies on to the Ranch for responses. Has Mr. Oliva done this. If not does he plan to do this before forwarding the 201E plan to the Council.

* When is HC planning to forward Ranch plan to Council?

* Will HC be willing to make all agency comments and Ranch responses available to the public?

* How many other 201E plans have been approved or are currently being evaluated by HC?

QUESTIONS FOR CORPORATION COUNCIL:

* Does the County Administration have a time limit under which it must review the Ranch's 201E plan by?

* Does Human Concerns have the right to delay forwarding the 201E to Council until it has received from the Ranch satisfactory responses to questions posed by Human Concerns, the public and government agencies? If not, please explain.

* Is there any legal reason the County would not be able to trade the 110 acres it owns at the Kaluakoi resort to the Ranch for 110 acres the Ranch owns in Maunaloa town?

* Is there any law prohibiting the County from landbanking land for future affordable housing development?

* Is the Council able to conditionally approve a 201E project? If not, please explain why?

* Is there anything under the law prohibiting a 201E applicant from voluntarily amending a 201E plan, at the suggestion of the Council, after it has been forward to Council by the Administration but before the Council renders a decision on the plan?

QUESTIONS FOR PLANNING DEPARTMENT

* What is the Planning Department's feeling about 201E plans that seek to either compromise existing zoning regulations or, are used to create new zoning?

* Has the Ranch responded to the Planning Department comments submitted in April? If not, who is responsible for following up with the ranch, Planning or Human Concerns?

QUESTIONS FOR BOARD OF WATER SUPPLY:

* A few years ago the BWS reviewed a draft agreement between the County, the Ranch and Kukui for the joint development of a large water transmission line to take water from central Molokai

Attachment to July 5 letter to Councilman Pat Kawano

to the arid west end. Why wasn't this agreement ever consummated?

* If the County has the opportunity to assume control of Kukui's 24 inch pipeline and Kukui's water sources for a price of \$0, would the BWS be inclined to accept this major piece of infrastructure development? If not, why not.

* Is the BWS aware of any agreement between Kukui and the State that call for Kukui to turn over the pipeline to the County at "no cost"? If so, please explain Kukui's obligation under that agreement.

QUESTIONS FOR MOLOKAI RANCH:

* Does the state limit the amount of commercial that can be attached to a 201E proposal.

* What is the Ranch's justification for asking for so much additional new commercial zoning when there is already existing a general store, restaurant/bar gift shop, gas station, police sub-station, washerette and snack shop, hair salon, post office, recreational outfitters center to provide support for the 201E plan

* Will the Ranch make the investments required (i.e pending EPA compliance) to improve Oshiro's service station and keep it open for gasoline sales until another service station, if any, is built?

* At the May 26 meeting a westend resident asked about the tax credits associated with the Ranch's 201E rental project? How much annual tax credit has the Ranch applied for?

* Please explain how much tax credit will be available to the Ranch if its tax credit application is approved by the state (we understand that the Ranch has applied for \$1 million in tax credits a year for 10 years.)

* If the Ranch can't use the tax credits may the Ranch sell the credits to another entity. If so, please explain the procedure that allows this and how much percent of the total credits the Ranch might expect to receive from such a sale?

* What percentage, if any, of the tax credits the Ranch obtains will be applied to make 201E project more affordable, and to what specific areas of the project will the tax credits received be applied to (i.e. increased rental subsidies, infrastructure cost, etc.)?

* Does the Ranch have any firm financing commitments to build the 201E project? If so, how much and for what phases of the project has the financing been secured?

* The Ranch's failed 1992 plan to develop Maunaloa town emphasized preserving the town, but the new plan calls for tearing down all the housing units except for 16. Why the change in preservation objectives? Will there be restrictions on new "market and affordable" housing units built (i.e. one story, plantation-style) to insure the character of Maunaloa is preserved?

Page 6 of 6

Attachment to July 5 letter to Councilman Pat Kawano

* How did the Ranch determine what houses would be torn down and which ones would be preserved, a question asked at the May 25 meeting.

* What does the Ranch feel an affordable house/lot price is for a family of 4 on Molokai making \$25,000 and why?

* Why isn't the Ranch making any affordable units available in Area D?

* Why are the affordable lots so small?

* At the May 26 201E meeting in Maunaloa, Harold Edwards mentioned the site development costs would be about \$50,000 a lot. What is this estimate based on as far as estimated on-site and off-site costs? Are there

* In 1991 the County was able to secure firm bids as low as \$20,000 to develop affordable fee-simple lots, which were 7,500 s.f. in size (compared with the 5,500 s.f. lots currently being proposed by the Ranch under the 201E plan.), for its proposed Maunaloa project. Please explain what factors may have contributed to the big price swing between the County's \$20,000 figure and the Ranch's much higher \$50,000 cost figure for a much smaller lot?

* Does the Ranch think that the County could get bids that low today? If not, why not?

* Are there any existing liens on the 110 acres in Maunaloa which the Ranch agreed to trade to the County? If so, explain.

* Using the same development assumptions as specified in the current 201E plan, including the same number of affordable fee-simple lots being offered in Areas B and C, how much more does the Ranch estimate it would cost to develop a 7,500 s.f. lot vs. the proposed 5,500 s.f. lot or, a 10,000 s.f. lot vs. the proposed 5,500 s.f. lot, and what specific cost components does the Ranch believe would contribute to any increase in the cost to develop the larger lots? What square foot land cost amount, if any, is the Ranch applying to the affordable fee simple lots.

* How much cost saving does the Ranch estimate it will save through its revised sewage treatment plant construction plan?

* What specific variances has the Ranch asked the County for in order to save money for the project, and how much saving does the Ranch estimate each of these variances will provide for the project to make it more affordable?

* Why hasn't the Ranch answered questions from the community.

* Why has the Ranch refused to make a copy of its tax credit application for the 201E rental phase available to members of the Molokai community? Will the Ranch agree to make a copy of the complete application to the Council so the information may be shared with the public? If not, why not?

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MOLOKAI RANCH, LIMITED

FOUR WATERFRONT PLAZA, SUITE 404, BOX 24
540 ALA MOANA BOULEVARD
HONOLULU, HAWAII 96813

FACSIMILE COVER SHEET

TO:	HENNY OLIVA	FAX #:	243-7870
		DATE:	
		PAGES:	(including cover sheet)
FROM:	H. EDWARDS	SUBJECT:	

Please advise if transmission is incomplete or illegible
Tel: (808) 531-0158 Fax: (808) 521-2279



MOLOKAI RANCH

July 1, 1994

Mr. Henry Oliva
Deputy Director
Department of Housing and
Human Concerns
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Re: Maunaloa Village Section 201-210, HRS,
Application

Dear Mr. Oliva:

Please find attached our response to the questions transmitted by your letter of May 22, 1994. As Jim was away for a short vacation, I have taken the liberty of answering these questions on his behalf. Should you have any questions, please do not hesitate to call me at 531-0158.

Sincerely,

Harold Edwards
Community Development Manager

Enclosures

1Q: Molokai Ranch's purchase price of 5,000 square feet of land in Maunaloa when they bought the property.

A: We believe this question is not germane to the 201E approval process.

2Q: Estimated cost of water when the development is complete.

A: There have been no estimates or projections developed assessing potential water rates. Water rates are highly regulated by the Public Utilities Commission. Accordingly, rates established for Maunaloa will need to be reviewed and approved by the PUC.

3Q: Estimated cost of infrastructure per 5,000 square foot lot.

A: All estimates of cost have been performed utilizing preliminary engineering studies. As a result, any estimates are rough until final engineering is completed and bid by appropriate contractors. In addition, measurable allocations of offsite infrastructure costs, which as yet are not determined, preclude an answer to this question.

4Q: Estimated sales price of a lot in Area A-D following infrastructure improvements.

A: Sales prices have not been established at this time, however, all affordable lots sold will have to demonstratively meet the County's affordable requirements at that time.

5Q: Plans for a fire station?

A: The Maunaloa Master Plan does include sites for public/quasi public use which could be utilized for a fire station if the County deems such a facility necessary.

6Q: Estimated cost of insurance coverage for a fee simple homeowner fire, hurricane, etc.

A: We understand that approximately \$60.00 per month is an adequate amount for a general homeowners policy.

Page 2

- 7Q: Estimated property taxes for a 5,000 square foot lot with a home on it.
- A: Property taxes are a function of assessed value and rates which are determined by the County. Current information indicates taxes should be approximately \$45.00 to \$55.00 per month.
- 8Q: What is the median income of a Molokai family?
- A: HUD, which publishes the County of Maui number does not provide a separate median income figure for Molokai. Locations, Inc. has suggested a figure of \$34,672.00 as the 1993 median income for Molokai.
- 9Q: What does Molokai Ranch gain by approval of their 201E Plan?
- A: Molokai Ranch has long indicated that it does not intend to remain in the residential rental business which it inherited when Dole vacated the town in 1976. Maintenance and other costs associated with the rental homes in Maunaloa would be eliminated with the successful implementation of the 201E Plan. In addition, much needed housing for existing employees as well as opportunity to house new employees and others involved in new agriculture and recreation activities planned for its lands surrounding Maunaloa would be a benefit to the Ranch as well as the larger Molokai community.
- 10Q: What do the people of Molokai gain from approval of the Maunaloa Redevelopment Plan?
- A: The opportunity to own and rent new single family homes. Also see answer to No. 9.
- 11Q: How does the Ranch expect the senior citizens to pay double the amount of rent when the redevelopment is complete?
- A: The Ranch's relocation policy was developed to assist senior citizens who were residents of Maunaloa at the time the plantation shut down transition to the new rents. Payments under this plan will total some \$6,800 per each family in this category.

Page 3

12Q: Why is the Ranch in a hurry to get their plan approved when a lot of the information is not yet available?

A: The status which created the 201E approval process recognized that an important aspect of affordability is timely implementation.

13Q: Does the Ranch hold a clear title to Maunaloa Village property?

A: With the exception of standard easements for utilities, etc., and certain short term lease agreements the Ranch holds clear title to the property.

14Q: Does the Ranch have any plans to provide any special privileges to old timers from the plantation days?

A: As mentioned above the Ranch's relocation policy is sensitive to this special segment of the Maunaloa community.

15Q: Does the Ranch have any plans to make affordable housing units including a lot, in the range of \$80,000 so that more Molokai families can afford to buy a fee simple home?

A: We are not aware of anyone in Hawaii who can develop a single family house and lot for \$80,000. However, as we have previously indicated, we believe the more important consideration is the affordability of the home as measured by monthly payments required. Based on the information currently available, we believe families making from 55 percent up to 80 percent of Maui County median income can qualify for a farm home financed house. This would make homeownership affordable to families with annual incomes as low as approximately \$25,000 per year.

16Q: Will there be a rent escalation cap on rental units in Area A?

A: Yes. During the 30 year agreement period with the Housing Finance and Development Corporation rents will be capped at those affordable to families at or below 60% of the median income with adjustments for unit size.

Page 4

17Q: Will the 201E Plan be part of the community plan update process?

A: The Ranch has and will continue to participate in the community plan process. The 201E process is separate however, from the community plan process.

18Q: What are the specifics of the plans for a commercial district in the 201E Application?

A: Fourteen lots totalling 6.34 acres are proposed as commercial in the 201E Application. These lots will be made available to businesses to provide a variety of services and employment opportunities for the residents of Maunaloa.

19Q: Will the Ranch support having the Council meet on Molokai to rule on the 201E Plan?

A: The Ranch would not attempt to presume as to where the Council should hold its meetings.

20Q: What would be the difference in price per square foot between market and affordable housing lots?

A: Inasmuch as we have not established sales prices at this time, this difference is not determinable.

21Q: What plans does the Ranch have to accommodate the tenants who refuse to move out of their homes?

A: The Ranch acknowledges that changes as dramatic as the revitalization of Maunaloa Village impact people in various ways. We would hope that an orderly transition from the existing community to the new community will be possible. However, legal recourse would be the last option in addressing tenants who refuse to vacate Ranch property when asked.

Page 5

22Q: Is the Ranch privately negotiating with any individual tenants to give them special privileges? Will all tenants be given equal opportunity to stay in their old home, purchase a new home, or rent a new home?

A: The Ranch is not privately negotiating with any individuals. As has been previously presented in community meetings eight (8) units in the rental area and eight (8) units in Area B have been identified as being suitable for renovation and retention. The rental units will be offered first to the existing tenants subject to their meeting eligibility requirements. The for sale units will also be offered first to the existing tenants subject to their ability to qualify to purchase the homes. If the existing tenants do not rent or purchase these units, they will be made available to the larger Maunaloa community on an equitable basis. The Ranch has previously indicated its intent to provide preference for existing Maunaloa residents in the rental or purchase of the new houses.

1Q: What does the Ranch consider a "affordable price" for most of the working families to purchase a house and lot on Molokai?

A: As we have previously stated, the affordability of a house is a function of the financing available to purchase it. We believe housing opportunities will be available to families with incomes starting at approximately \$25,000 per year through accommodations of self-help and the farm home programs.

2Q: Does the Ranch plan to maintain Oshiro's gas station?

A: Yes.

3Q: Where does the Ranch plan to relocate the Little League Field if the school expands?

A: We don't believe that the school would need to expand to accommodate the population contemplated by the 201E Application. However, it is our understanding that if the school expands which it would be to the West would not impact the Little League Field.

4Q: What are the specifics of the relocation plan mentioned on Page 5?

A: See copy attached.

5Q: What does the Ranch feel is the "Village Core" as referenced on page 5?

A: The community as it currently exists.

6Q: How much land will the Ranch donate to Maunaloa school for expansion, and where specifically is that land located?

A: See answer to No. 3 above.

7Q: On Page 7, what is meant by "qualified entrepreneur" in describing who will get to take advantage of the town's commercial opportunities?

A: "Qualified" has no special meaning in this context other than to mean credits worthy and capable of having adequate resources and expertise to carry out the proposed commercial activity.

Page 2

8Q: Describe "within defined limits" mentioned on Page 7 to describe how the rural character of the town will be preserved.

A: The boundary shown in the Master Plan for the Maunaloa community is intended to define the limits for the Village.

9Q: Will the 201E plan be part of the community plan update process the Ranch says its participating in on Page 7?

A: The Ranch has and will continue to participate in the community plan process. The 201E process is separate however, from the community plan process.

10Q: Table 1 on Page 8 shows substandard sized lots (under 6,000) proposed for the affordable lots in areas B and C? Why are the lots so small?

A: We take exception to the reference that these lots are substandard. Larger lots have higher construction costs. Inasmuch as other communities are addressing affordable housing costs by creating lots as small as 2200 feet, we felt the 5000 sq.ft. minimum lot size (average lot sizes are 5200 sq.ft.) was an appropriate size.

11Q: What is the estimated development costs of these substandard lots in B and C, and what cost elements are included in the development cost calculations?

A: All estimates of cost have been performed utilizing preliminary engineering studies. As a result, any estimates are rough until final engineering is completed and bid by appropriate contractors. In addition, measurable allocations of offsite infrastructure costs, which as yet are not determined, preclude an answer to this question.

12Q: Page 10, Table 2, is all of Maunaloa town interim zoning?

A: Yes.

Page 3

13Q: Table 3, Page 10, why are there no affordable lots in Area D if the Ranch is planning to give existing residents an option to purchase in that area as mentioned on Page 15?

A: This statement simply acknowledges that Maunaloa residents are free to purchase affordable lots if they are so qualified or market rate lots in other areas if they so choose.

14Q: What rents is the Ranch currently charging for refurbished units and for non-refurbished units?

A: Refurbished units range from \$450-552 unrefurbished units range from \$274-438.

15Q: Will units in Area A be available for Section 8 rentals, if so how many units?

A: Section 8 certificates will be accepted in Area A. We are unaware of any limits on the number of certificates that would be accepted.

16Q: How long will the long-term rental agreements be in Area A?

A: We would anticipate one year rental agreements.

17Q: Will there be a rent escalation cap on the units in Area A?

A: As previously mentioned, rents will never exceed those affordable to families making 60% or less the median income. We would expect that small annual increases would preclude the need for any large rate increases over time.

18Q: What are the estimated lot prices for Area B included in the estimated house/lot figures shown on Page 17?

A: We have not established specific lot prices at this time.

Page 4

19Q: A detailed site plan is provided for Area A. Why hasn't a site plan been provided for Area C showing the location of the "market priced" and the "affordable" lots?

A: No determination has been made as to which lots will be affordable or market rate in this area.

20Q: Why aren't the corner lots being developed in the three top sections of Area C?

A: The line dividing what is being constructed in this phase and what is proposed for future development in this area was drawn arbitrarily. It could have been moved a couple of lots in either direction.

21Q: What are the plans for the "P" area above Area B?

A: "P" designates public/quasi public. Beyond maintaining its current existing uses we have no definitive plans.

22Q: If there is a mix of "market" and "affordable" lots in Area C, why not the same mix in Area D, where the Ranch's current owner had promised residents in Area D that they would have a chance to purchase the homes they have rented for many years?

A: The earlier proposal to subdivide around the existing homes was deemed unfeasible. The current plan allows for the development of affordable lots and rentals units to be created first so that existing residents can relocate before the remainder of the improvements are constructed. This approach was taken to minimize relocation problems.

23Q: On Page 11, the plan indicates Area C is part of the 110 acre project district. This is the area that Ranch representatives (John Held and Larry Gilbert) indicated to the Molokai Community Advisory Committee they would make available to the County in 15 acre increments for affordable housing. Is the Ranch planning to follow through with that representation? If not, why not?

A: This question is not relevant to the 201E Application.

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Page 5

24Q: In Area D, several bed and breakfast commercial units are proposed. What are the specifics of this program? Are the existing homes there going to be refurbished or new units built?

A: This zoning designation will simply allow the purchasers of these lots to operate a bed and breakfast establishment on their property if they so desire. Our current plans call for all of the existing structures in this area to be razed.

25Q: Will the major trees be spared in the development of Areas B, C, and D?

A: The Ranch recognizes that the major trees in Maunaloa Village are a asset to the community. However, not all major trees will be able to be retained.

26Q: Why the need for a hotel in the Ranch's Master Plan if transient accommodations are going to be included in the 201E proposal?

A: If all of the lots designated for bed and breakfast were developed as such, 16 bedrooms would be provided. We do not foresee all of these lots being so developed nor this number of units satisfying the community's need for transient accommodations.

27Q: Why are two-story building being considered in the commercial, C, and D areas if the Ranch is trying to preserve the plantation character of Maunaloa which has no existing 2-story buildings?

A: We believe that in some circumstances a two-story structure could fit within the character of Maunaloa Village and is consistent with CTB zoning.

28Q: On Page 13 it says development standards will be "similar" to CTB zoning district. What is meant by "similar"?

A: "Like" or "having characteristics in common."

Page 6

29Q: Page 14 references the sewage system. What are the basic differences between what the Ranch is proposing, and the sewage treatment plant approved by the Molokai Planning Commission a few years ago, but never developed by the Ranch? Is the new plant an upgrade or a downgrade from the previously approved plant?

A: The "new" system is a "lower-tech" system than previously proposed. It will meet with all requirements of the Department of Health and will have lower operating costs than the previously considered "high-tech" treatment system. This will translate to lower home prices.

30Q: Would the Ranch support having the Council meet on Molokai to rule on the 201E Plan, which you anticipate will be in July 1994 (Page 14)?

A: We would not attempt to presume on the Maui County Council as to where they should hold their meetings.

31Q: Page 15, what are the estimated design and construction timetables for the other areas besides Area A?

A: We anticipate completing design for all of the 201E project in 1994 and construction is anticipated to be phased in increments of approximately nine months starting with the affordable housing in Areas A, B, and C, followed by the lower part of Area D (Phase 2) with the balance to be built as market demand indicates.

32Q: Who has the Ranch contacted about developing self-help housing?

A: We've had conversations with both the Self-Help Housing Corporation and the Alger Foundation.

33Q: Page 15, why is "market" priced housing in Area C being developed before the "affordable" in the same area?

A: The initial intent was to realize the greater revenues associated with the market units earlier rather than later, however, our current planning suggests that the majority of the affordable units would go forward first.

Page 7

34Q: Page 16 says prices are "rough estimates." Is the Ranch anticipating approval of the plan based on these "rough prices" or will the prices be refined before the plan is submitted to the Council?

A: The rough estimates can only be refined after the plans have been approved, the construction drawings completed and contract (bid) prices obtained. In any event the sales prices will have to meet the affordable housing requirements that are a condition of the 201E process.

35Q: What is the breakdown of rough estimated "affordable lot" prices in Areas B and C? Please provide the breakdown according to income group (i.e. 50%, 80%, 100%, 120% and 140% of medium income).

A: As we previously indicated, sales prices have not been established, however, 10% of the units will be targeted for households earning 80% of the medium income or less. 20% of the units are proposed for households earning 100% of medium income or less and 20% are targeted for households earning 120% of medium income or less.

36Q: What is the estimated median income for a family of four on Molokai?

A: HUD, which publishes the County of Maui number does not provide a separate median income figure for Molokai. Locations, Inc. has suggested a figure of \$34,672.00 as the 1993 median income for Molokai.

37Q: Why is the Ranch using the medium income for Maui to determine affordable prices on Molokai? Isn't Maui's medium income much higher?

A: Use of the Maui medium income is consistent with State, Federal and County programs regarding housing projects. We understand Molokai's medium income to be approximately 75% of Maui County's medium income.

Page 8

38Q: Table 5, what is meant by price and rents based on 1993 dollars? Will these increase based on 1994 dollars? Please explain.

A: These numbers are tied to the 1993 Maui County medium family income. As that number changes so will the applicable limits of the affected programs.

39Q: Table 5(d) note, what are the housing prices assumed in the projected prices so that the lot only price can be determined?

A: These prices have not been determined.

40Q: What were the specific reasons why the Hastert Plan for the redevelopment plan died less than 24 months ago?

A: Our understanding is that there were several issues related to infrastructure that could not be resolved.

41Q: Is the Ranch still considering the 15 acre regional park which was included in the Hastert plan at the request of the community? If so, where would it be located?

A: The Ranch believes that the proposed Master Plan provides for adequate park space for the community.

Page 35 talks about water, below are some water questions.

42Q: How long is the County's commitment to supply the 100,000 gallons?

A: The current agreement with the County ends on May 31, 1996.

MOLOKAI RANCH'S RELOCATION POLICY FOR MAUNALOA

1) All existing residents of Maunaloa whose occupancy commenced prior to January 1, 1993 and who are required to relocate as a result of Molokai Ranch's redevelopment of the town will receive a relocation payment in the amount of \$500.00 as a moving expense reimbursement.

2) All residents of Maunaloa who were residents prior to 1976, and who are required to relocate will receive rental or purchase assistance for replacement housing as follows:

a) Rental Assistance - Molokai Ranch, Limited will fund a special account for the benefit of this group of residents for the purpose of assisting them in transitioning to potentially higher rents which are anticipated to occur as a result of their displacement. This payment in the aggregate amount of \$6,300.00 would be disbursed to the tenant's new landlord as follows:

<u>YEAR</u>	<u>MRL RENT CONTRIBUTION</u>
1st	\$175.00 per month
2nd	\$140.00 per month
3rd	\$105.00 per month
4th	\$ 70.00 per month
5th	\$ 35.00 per month

b) Purchase Assistance - Molokai Ranch, Limited will contribute \$6,300.00 or the unexpended balance of any Rental Assistance as described above at the close of escrow toward the purchase of any lot in Maunaloa for the purpose of assisting this group of residents in purchasing their own house.

3) All current residents of Maunaloa whose occupancy commenced after January 1, 1976 and before January 1, 1993 and who are required to relocate will be given a one time relocation payment of \$1,500.00 payable at the time of relocation.

The above payments are subject to the following:

a) The above described policy will become effective upon approval of Molokai Ranch's 201E Application approval of the tax credits and commencement of construction of its redevelopment project for the rental project.

b) Only one payment will be made per existing dwelling. (For example, if the occupants of a dwelling unit rent two units subsequent to relocation, say a one bedroom unit and a two bedroom unit, the rent assistance payments will be allocated between the families in any manner they so choose).

Page 2

c) The amount of payments to be made hereunder will be reduced by any amounts otherwise owed to Molokai Ranch.

d) Molokai Ranch will have no liability for payments hereunder to anyone who is removed from the project prior to relocation for any reason whatsoever including, but not limited to non-payment of rent, disorderly or nuisance conduct, etc.

e) Residents who took occupancy after January 1, 1993 were advised at the time of initial occupancy that their rental status was temporary in as much as the unit was scheduled for demolition or rehabilitation. Therefore no moving or relocation payments will be made to such month to month tenants.

f) In the event of any dispute arising as a result of this policy concerning amounts to be distributed or composition of a particular group of residents, the determination of the applicability of this policy shall in all cases be at the sole discretion of Molokai Ranch, Limited.

June 30, 1994 • The Dispatch • Page 19

EDITORIAL SECTION

Editorials express the view of the author and are not necessarily the views of The Dispatch. We welcome opposing views to all our editorials.

Building Codes and Restrictions

by Gerry Anderson

On Molokai two applications for "affordable" housing developments have been made recently, one by both Molokai Ranch in Maunaloa and the other Kilohana Kai project ("Affordable Dreams") on the East End of Molokai. Both of these projects are being proposed under the provisions of Sections 201E-210 of the Hawaii Revised statutes. Basically, this section allows the developers of affordable housing projects to bypass most County and State building requirements, except for those concerned with health and safety. This section also allows projects to proceed without any public hearings. The required procedure for the 201E applications is:

1. A preliminary application is submitted to the County Department of Housing and Human Concerns.
2. The application is submitted to State and County agencies for comment.
3. The application is submitted to the County Council who has 45 days to either approve or disapprove the project. If the Council takes no action in the required 45 days, the project is automatically approved.

What is the purpose of Sections 201E-210 of the Hawaii Revised statutes, and why was did the State Legislature believe it was necessary to pass such a law?

One of the critical issues in the State is affordable housing. However, potential developers of affordable housing believed that the costs of complying with all the required County and State restrictions made the development of affordable housing impossible, or very difficult at the least. Such restrictions include: lot size, environmental issues, above ground versus underground wiring, etc. So, to make affordable housing more feasible for development, Section 201E was passed, which allows the developers to not only avoid most building codes and restrictions, but to completely bypass any public input on the project. (NOTE: The people of Molokai want to thank the County Department of Housing and Human Concerns for holding public hearings on both the Maunaloa and Kilohana Kai projects, even though such hearings are not required under Section 201E.)

At the public hearing project for the Kilohana Kai project held last week, the public voiced concerns about the project related to some

ing was why should certain developers be exempted from many requirements when an average citizen must go through the time consuming and expensive maze of getting permits and satisfying all of the many requirements imposed by the State and County on building homes. Anyone who has built a home or tried to build one knows about the difficulty and expense of the project. There have also been reports of using "payoffs" to certain officials to speed up the permitting process.

The passage of Section 201E was a clear recognition by the State that the current maze of County and State building requirements is unwieldy and something had to be done to allow affordable housing to be developed. But this law is not the answer - it applies only to developers of affordable housing projects. What about the average person who wants to build his own home? Why should he have to comply with all the requirements when developers under 201E do not? Shouldn't an individual be able to build his own affordable home?

The existing building restrictions and permit processes must have been put into the law for specific purposes over a long period of time. While each restriction, in itself, and each permit, in itself, may be good, the whole process with all the restrictions and permit requirements is totally unreasonable. (The Dispatch has on file some horror stories on what some individuals have had to go through to get their building completed, but these have not been published to protect these individuals who are still dealing with the County and State on these projects.)

Thus, if a certain restriction, such as lot size, must be complied with by one individual or builder, it must have some valid reason for existing, and should be complied with by everyone. If it has no valid reason for existing, the restriction should be removed for everyone.

So what is the answer? The current set of codes and restrictions is clearly unreasonable, but the 201E approach that exempts developers from most of the restrictions and precludes public input is not the answer either. What is needed is a complete review and rewriting of the County and State laws that control the permit process and building restrictions to streamline the process. As always in such a process there will be some very difficult trade-offs between "the public good" which

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of the requirements that are being bypassed. Examples include: lot size (to make the project "affordable" a smaller lot size was necessary) and environmental (the potential of pollution of a nearby fishpond from the overflow from septic tanks in the project).

A very common question asked at this hearing

is the balance between "the public good", which required severe restrictions on what a builder could do, and the right of a land owner to use his land as he wants. This will not be an easy process, but the goal of such a review would be to sufficiently streamline the permitting process to allow affordable housing to be built by anyone with one set of rules that applies to everyone.



Mr. James Mozley
President, Molokai Ranch, Ltd.
Honolulu, Hawaii

June 22, 1994
(by fax 9:00 a.m.)

Re: 201E Plan

Dear Mr. Mozley:

At the May 26, 1994 meeting in Maunaloa, Mr. Harold Edwards, Molokai Ranch's Community Development Manager, mentioned the Ranch would be providing rental subsidies to certain Maunaloa residents in its Phase 1 affordable rental development. However, according to Mr. Edwards these rent subsidies from the Ranch were contingent on the Ranch obtaining certain government "tax credits".

During the question and answer period Mr. Sam Ford asked about the "tax credits", but didn't really receive much of a detailed response from Mr. Edwards.

Someone familiar with the Ranch's intentions had mentioned that you are seeking over \$10 million dollars in tax-credits for the 61-unit rental project. That is a substantial sum. If it is a true tax credit (direct reduction from the Ranch's tax bill), this alleged \$10 million amount would be equivalent, I believe, to almost \$20 million in pre-tax income.

About 10 days ago, I called John Held in your Honolulu office to asked for information about the tax credits. I was requesting the information for an upcoming meeting of people from Maunaloa and elsewhere on the island who were interested in truly affordable fee-simple housing on decent sized lots for Molokai's very low (earning \$25,000) and low income (earning \$35,000) working families.

Mr. Held was on the Mainland so I left word with his secretary about what I was calling about in case he called in. After several follow-up calls, the receptionist said she had been given instructions not to forward my calls to anyone at Molokai Ranch.

I checked with the Ranch's office on Molokai to see if they had any information on the tax credits. A representative there said that type of information was kept in the Honolulu office, and they didn't have any such information on Molokai. I do not know if you were aware of the response I received from your office in Honolulu or not.

I would appreciate it if you could send me any pertinent information you have on the tax credits associated with the 201E plan (i.e amount, timing, how the tax credits are to be applied to make the overall 201E plan affordable [especially the home ownership opportunities for Molokai's lower income families], etc.). This is information that the Ranch, it seems, would want to share with the Molokai community and the County since its application could have a profound impact on the overall affordability of the fee-simple portion of the project.

I don't know if you realize it or not, but members of the Maunaloa community and others, including myself, have had a tough time getting meaningful answers from the Ranch to pertinent questions about the Ranch's 201E plan. Council Pat Kawano has said he has forwarded copies of letters to the Ranch that he has received from the public. But to date he has not received any copies of letters sent by the Ranch answering any questions contained in the letters he forwarded to the Ranch.

As I have mentioned before, I would be supportive of much of the "excess luggage" the Ranch appears to be trying to get approved as part of its 201E plan if the "affordable" side of the 201 equation was being handled fairly.

I don't believe, however, that the Ranch, through its construction specs or otherwise, is giving the "affordable" portion of the 201E plan a fair shake. The Ranch is asking for approval of the "moon" up front (i.e significant additional new commercial zoning, approval for 10 bed and breakfast establishments, substandard sized affordable "for sale" lots, deferment on major infrastructure improvements, etc.). Yet the Ranch seems to be making very few meaningful, up-front commitments, including price, on the affordable fee-simple portion of the 201E plan. If this overall assumption is incorrect, please let me know. Maybe I am missing something.

The proposed affordable lots are very small, and the estimated prices seem excessively high, especially for Molokai's very low and low income working families. In addition, it seems that Ranch is asking for very few variances that result in lower costs. For example, why is the Ranch proposing to build curbs, sidewalks, etc. instead of asking for a variance to the costly "urban" features. If people had a choice, I believe they would opt for larger lots (i.e 10,000 s.f. and Ohana unit potential))

7/21/84
JG

Fax to Councilman Pat Kawano by fax 243-7717 (5 pages)
From DeGray Vanderbilt *DeGray Vanderbilt*
Subject: Molokai Ranch 201E proposal June 22, 1984

Pat, enclosed is letter I faxed to Jim Mozley at Molokai Ranch's Honolulu office requesting more information about the \$10 million dollar tax credit package the Ranch apparently is seeking for its 61 unit rental development. The rental development is Phase 1 of its proposed 201E plan. It would be appreciated if you could share a copy of this memo and the enclosed letter to the other Council members.

In my letter to the Ranch, I mentioned to Mr. Mozley that you told me you have been forwarding copies of letters you received from the public concerning the 201E plan to the Ranch, but that you had not received any copies of letters from the Ranch answering any of those letters you forwarded. I'm sure you can attest to the fact that I am not the only person on Molokai that has asked some legitimate questions.

No one that I am aware of, who asked questions at the May 26 meeting, has received any written responses to questions from either the Ranch or Human Concerns as of this date. You were at that May 26 meeting and can acknowledge to the other Council members that a lot of good questions were asked, questions that would seem to deserve the courtesy of answers from the Ranch and/or Human Concerns.

I spoke with Henry Oliva yesterday and he didn't know if the Ranch had provided any written responses to even the agencies' comments about the 201E proposal (i.e Planning Director Brian Miskae's comments dated April 20, 1984 re: sewer, water, pricing concerns). Henry, however, did say he would check into the situation, and get me a copy of any responses that have been received from the Ranch.

The County Administration has had the Ranch's 201E plan under evaluation for three months. It is unclear from the May 26 meeting just how much in-depth evaluation the County Administration has given the Ranch's 201E plan.

In recent discussions among many of those in the Molokai community who have asked legitimate questions about the 201E plan, it was felt that the County Administration may decide just to pass on getting answers to

questions asked by the public and instead just go ahead and forward the 201E package on to the Council. Then it would be the Council's problem to get the answers. This would be an unfortunate scenario since the Administration has no time limit on its evaluation, whereas the Council only has 45 days to evaluate the whole proposal.

I asked Henry Oliva yesterday when the Administration was planning to send the 201 E package to Council. He said he did not know.

The Administration can get answers from the Ranch if it wants to. All the Mayor or the Director of Human Concerns would have to do is to inform the Ranch that the 201E package will not be forwarded to the Council until written responses to questions posed by the public and government agencies are received from the Ranch.

Pat, it would be helpful if you could send a memo to Human Concerns and request them to please consider having the Ranch answer questions that were submitted orally and in writing at the May 26 meeting. Also the Administration has yet to respond to questions from the public about Maunaloa redevelopment and the 201E plan posed at the May 26 meeting and on earlier occasions. Possibly you could request the Administration to consider responding appropriately. Whatever you can do will be appreciated. Also, it seems that the more solid information the Council has to work with, the more efficient and fair the Council's upcoming evaluation process of the project will be.

I am hand delivering a copy of this memo and enclosure to Henry Oliva when he comes to Molokai tomorrow (June 23rd) for a meeting on yet another 201E proposal being considered on the eastend. I am asking Henry to please provide copies to the following Administration officials the Mayor, Managing Director and the Directors of Human Concerns, Housing, Public Works, Land Use and Code and Planning.

Please feel send a copy of this memo to Jim Mozley (fax 521-2279). I have asked him to respond to my letter. Possibly you could ask him for a written response to my letter and a response to this memo if he feels there are any inaccuracies. Thanks.

DeGray Vanderbilt, Box 1348, Kaunakakai, HI 96748, 553-3716
cc: Henry Oliva, Human Concerns (hand delivered 6/23 on Molokai)

with less "urban" features, than the small lots (5,500 s.f) substandard lots being proposed by the Ranch which include more "urban" improvements. This is not Honolulu. People on Molokai do not like being hemmed in, and Ohana unit potential associated with a 10,000 s.f. lot will be an important and special future affordability alternative for so many growing families. Housing is not going to get any cheaper in the future.

The Ranch is saying that 10,000 square foot lots would be unaffordable. The only thing that would contribute significantly to a higher cost would be if the Ranch applied a high land price increment to the expanded lot. The incremental site development cost difference between a 5,500 s.f. lot and a 10,000 s.f. lot, assuming minimal "urban" features, would not be much. Has the Ranch done such a comparative cost analysis? If so, this would be information that the Molokai community, the County Administration and the County Council members would like to see. If the Ranch hasn't done such an analysis, it should. I think you will be surprised at the results and possibly consider larger affordable lots.

As I have mentioned in the past, I would hope that the Ranch would consider following through with the trade of the 110 acres of land with the County. If the County had the land in Maunaloa landbanked, an affordable fee-simple house on a 10,000 square foot lot could be delivered for under \$85,000. That is truly affordable for the working families on Molokai hoping to realize the dream of owning a home.

When you receive this letter, I would appreciate a call from you to let me know "yes" or "no" concerning my request for more information about the Ranch's "tax credit" program. Also at that time I'd be happy to answer any questions you have concerning this letter. Thank you your assistance. I look forward to hearing from you.

Sincerely,

DeGray Vanderbilt

DeGray Vanderbilt

Box 1318, Kaunakakai, Molokai, HI 96748, 553-3716

cc: Councilman Pat Kawano
Molokai Ranch Molokai Office

Memo to: Henry Oliva
From: DeGray Vanderbilt

June 22, 1994
(by fax 243-7870)

As a follow-up to our phone conversation the other day, I have the following comments and questions. We are trying our best to understand the 201E process here on Molokai. Unfortunately Molokai Ranch has elected not to respond to pertinent questions from the Molokai community so our only avenue for answers seems to be from government sources.

I asked you if you knew whether or not Human Concerns would be forwarding the 201E to the Council before getting answers to the questions posed orally and in writing at the May 26 meeting. You said you did not know. Have you had a chance to find out your Department's intentions since our conversation? Please advise.

I asked if the Ranch had provide responses to the agency comments (i.e Brian Miskae's comments noting concerns about pricing, infrastructure development, water etc.) You did not know, but said you would check on it. Please send me a copy of Ranch responses to agency comments you have received or receive in the future. Thanks.

Also at the May 26 meeting you said your Department would forward to Molokai Ranch for response, questions received through oral testimony, as well as, those written questions handed in as part of testimonies given. In a follow-up call to you, you indicated that Housing Director Ed Okubo was drafting correspondence to the Ranch as follow-up to the May 26 meeting. You mentioned you would share a copy of that correspondence with me when it was sent out. I have not received any copy of any such correspondence to date. Would you please explain what the County's intentions are as far as following up with the Ranch regarding the May 26 meeting and the questions generated through testimonies at that meeting.

I apologize for being so persistence. I know you are a busy man. If the Ranch would just be straight with people and voluntarily provide responses to legitimate concerns expressed by the Molokai community, everyone's job would be a lot easier. The Ranch has a lot of high paid management and consulting persons to provide meaningful responses to the Molokai community.

Please keep in mind that concerned Molokai community members are paid nothing for their efforts. We are just looking for a fair shake, for some balance between what the Ranch is asking for and what the Ranch is giving. That balance is not there especially when it comes for home ownership opportunities for Molokai's lower income working families for which the Ranch is offering substandard small lots at unnecessarily high estimated prices. But you know this. You've seen the Ranch's proposal. Look forward to a response from you. See you tomorrow on Molokai. Regards.

cc: Councilman Pat Kawano

Ms. Stephanie Aveiro
Director of Human Concerns
County of Maui
200 South High Street
Wailuku, Maui, HI 96793

June 15, 1994
5 pages by fax to 243-7870
(please make copy
for Mayor Crockett Lingle)

Dear Ms. Aveiro:

A few days after the May 26 meeting in Maunaloa sponsored by Human Concerns, I called your Deputy Director Henry Oliva and asked him how he intended to follow up with Molokai Ranch concerning questions that were raised either orally or in written form by people presenting testimony.

Mr. Oliva told me that he was having Ed Okubo draft up a summary of the meeting and also correspondence to Molokai Ranch that would include a request to answer questions presented with testimonies given at the May 26 meeting. I had asked Mr. Oliva to please send me a copy of both the meeting summary, any follow correspondence with the Ranch, and also a copy of the tapes from that meeting. Mr. Oliva said he would do this.

As of yesterday June 14, I had heard nothing from Mr. Oliva. I called and talked to Ed Okubo and asked him for a copy of anything he had prepared as follow-up to the May 26 meeting. I also asked about a copy of the meeting tapes. He suggested it would be best to check with Mr. Oliva on these matters. I am checking with you instead.

I'd appreciate it if you would send me copies of what I requested, including the meeting tapes. I am also requesting a copy of any written responses the County has received from Molokai Ranch to either the questions your Department asked or, other agency comments your Department forwarded to the Ranch. I would also hope that you are able to make good on Mr. Oliva's commitment and have the Ranch provide answers to oral & written questions given to him at the May 26 meeting.

During my testimony on May 26, I questioned Mr. Oliva if the Council could put conditions on any approval it may give to a 201E plan. After conferring with Mr. Okubo, he said he'd have to get back to me. He hasn't. Hopefully, you can provide me with a written response to this question regarding what latitudes, if any, the Council has in placing conditions on

201E approvals. Could please send me a list of any conditions or changes Human Concerns is recommending be applied to the Ranch's project.

One of Maunaloa's very respected senior citizens asked Mr. Oliva a very interesting question at the May 26 meeting. Holding up a letter from Molokai Ranch dated approximately 18 months ago offering her an opportunity to purchase her home at a specified price, she wanted to know what happened to the Ranch's plan to sell residents their existing homes. Mr. Oliva said that the Ranch had never even presented a formal application to the Human Concerns for that project? That totally confused those attending the meeting. Is that true? Could you please confirm your understanding of what happened to that plan? Molokai Ranch officials are saying that Mr. Oliva's statement IS NOT TRUE.

Also, Molokai residents continue to question why the County did not proceed with it's 62 lot low-income subdivision, especially after formal site development bids of \$20,000 per 7,500 square foot lot were received in 1991(one of the contractors who bid in 1991 says development costs would not be much different today...yet the Ranch is saying it will cost more than double that amount to develop much smaller lots...why?) Recently, the Mayor publicly stated that the reason the project did not go through is because the Ranch would not give the County clear title. Please confirm whether this lack of cooperation by the Ranch is true. Molokai Ranch officials are saying that this statement by the Mayor IS NOT TRUE.

Also please provide any documentation that would verify whether or not the County Administration made any effort with Kukui (Molokai), Inc. or Aeronautical Radio, the only two companies that had liens on the property, to have those liens released. The Administration was fully aware of these two lienholders and their willingness to cooperate in clearing title to the land so affordable housing could be built.

As I understand the County's processing of the Ranch's application, there is no time limit on Human Concerns' review of the 201E plan. However, the Council members have only 45 days to make a decision on the plan once they receive it from your Department.

In order to give the Council a fair shake, it seems that Human Concerns would want to have Molokai Ranch answer community concerns and questions about the 201E plan BEFORE sending the plan to the Council.

There was also a letter I sent to Richard Haake regarding his understanding of the history and current status of the 110 acre trade between the Ranch and the County. Mr. Haake's response also would be helpful information I would think for the Council members. I spoke with Mr. Haake yesterday evening June 14 by phone and he said he was still working on a response. The letter Mr. Haake is still working on a response for is date February 11, 1994, over four months ago. I would appreciate it if you would ask Mr. Haake to please respond as soon as possible.

Molokai Ranch has been reluctant to provide the Molokai Community with written responses on a number of issues they have been requested to respond to. I'm sure Ranch officials also prefer to talk one-on-one with Administration officials and Council members in lieu of providing written correspondence. This just seems to be their style of doing business. But the Administration appears to be in a position to dictate to the Ranch, not the other way around.

If the Mayor or, you as Human Concerns Director, advise Molokai Ranch that its 201E plan will not be forwarded to the Council until the Ranch have provided written responses to questions provided at the May 26 meeting. I believe the Ranch would be cooperative and provide your Department with those written responses. The responses could then be forwarded on to the Molokai community and the Council, where they would be appreciated.

I do not know what account of the May 26 meeting was given to you, but the concerns and questions raised were much the same as we heard at our Molokai Community Advisory meeting held in Maunaloa earlier in the year. Except this time, concerns were being expressed by a different group of residents. Most of the large crowd in attendance, with the exception of Molokai Ranch management and employees), indicated the following:

a) they didn't want any more rentals, but instead wanted to own a home. (on a show of hands only one person in attendance indicated they wanted to rent...this was the same message received at the CAC's meeting in Maunaloa)

b) they were concerned that Ranch was concentrating more on affordable rentals than affordable home ownership opportunities for the low income families seeking housing on Molokai (earning \$25,000 and below).

- 276 P. 2
- c) they had NOT seen the final 201(E) plan with pricing, schedules, lot sizes, etc. (the Ranch would only allow people to look at the plan in the Ranch office, and a copy was NOT made available for public review prior to the May 26 meeting at the County building in Kaunakakai as stated in the Human Concerns' meeting notice published in the local papers).
 - d) they did not feel that the Ranch was working in their best interest.

I have indicated to Councilman Kawano and to the Ranch, that those concerned with the Ranch's 201E proposal are mainly concerned over the fact that the Ranch appears to be abusing the 201E process by maximizing additional NEW commercial zoning requests, by asking that several bed and breakfast units be approved as part of the plan, by relocating low income families from the north side of town where they want to stay and making that area exclusively for market priced lots primarily for enhance real estate sale successes, and by emphasizing unwanted affordable rentals in hopes of cashing in on more than \$10 million in state and federal tax credits for which the Ranch has failed to provide any meaningful details about to the Molokai community. The Ranch has also successfully lobbied the Administration to support a recommendation by the Ranch for zoning to permit a hotel development in Maunaloa. This is in addition to the 201E perks the Ranch is asking the County for approval of.

This all may not be so bad except for the fact that Molokai Ranch is squeezing the lower income families with 5,200 square foot lots, and ignoring their pleas to have a chance to purchase their homes where they have raised their families in. The Ranch is being greedy to the point of being arrogant. And the Administration seems to be dancing to the Ranch's music, based on information that has filtered back to our community.

It seems that the County Administration has the power to negotiate a fair deal for the so-called "little guy" if it wants to. One way would be to encourage the Mayor to have the Ranch follow through with the trade of 110 acres in Maunaloa to the County for 110 acres the County owns at the Kaluakoi resort as suggested by our CAC in its recommended community plan amendments recently forwarded to the County Administration.

If our Mayor feels it is too much land in one area, she can trade some back to the Ranch at a later date for land elsewhere on the island. However, in the meantime the Administration will not only have a solid

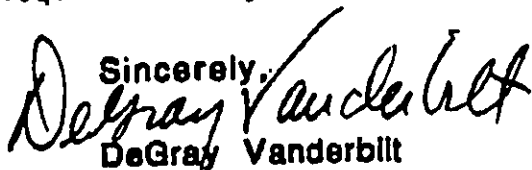
position to negotiate with the Ranch from, but also, will have the ability through joint efforts with developers to immediately deliver affordable homes on decent sized lots for the young working families on Molokai who are our island's future.

With this land in hand, the County can contribute it to private or self-help developers. Today, if the County had land in Maunaloa to donate to a developer of low income housing, a 3 or 4 bedroom home on a fully improved 10,000 square foot lot (allows Ohana unit in future) can be delivered to lower income Molokai families for less than \$85,000. It's hard to believe the County Administration is not pushing to secure this land banking opportunity, as recommended in the County General Plan, especially after so many years of contributing to the frustrations and broken dreams experienced by so many Molokai families who have longed to own a home on their island.

The 110 acres IS NOT too much land if the County considers a) decent sized 10,000 square foot lots for the area (allows Ohana unit opportunity) as suggested to the Council by former County Planning Director, Tosh Ishikawa, b) the fact the Maunaloa community wants to 1) dedicate 15 to 20 acres for a community-based development of a regional-type park, and 2) dedicate 6 to 12 acres to service to future expansion needs of Maunaloa School and the community-based development of a new Library, and c) the fact that the banking of this land is very important so as to be able to provide affordable employee housing to support future development on the west end.

Several residents of the Maunaloa community, along with residents from other areas of the island are meeting next week, to go over the 201E plan and the Ranch's tax credit package submitted to the state. Questions are being developed from these documents, and as a follow-up to the May 28 meeting. They are being forwarded directly to the Ranch for response. I will see that a copy is sent to you for your informational purposes.

I look forward to receiving a response from you to the information requested in my letter. Thank you for your assistance.

Sincerely,

DeGray Vanderbilt

cc: Councilman Pat Kawano.
(Pat, please provide a copy to
the other Council members. Mahalo)

JUL 27 1994
OFFICE OF THE CLERK

July 27, 1994

MEMO TO: James "Kimo" Apana, Chair
Members of the Human Services,
Housing, Water and Agriculture Committee

F R O M: Councilmember Patrick S. Kawano *PK*

SUBJECT: MAUNALOA VILLAGE, ITEM #12

Attached are correspondences received, relating to the above subject matter.

Thank you for your consideration and assistance on the matter.

cht

Attachment

Mr. Henry Oliva
Human Concerns
County of Maui
200 South High Street
Wailuku, Maui, HI 96793

Hand Delivered June 23, 1994
On Molokai

Dear Henry:

Enclosed is a copy of a letter sent to Molokai Ranch President Jim Mozley along with a memo to Councilman Pat Kawano.

Please see that the following Administration officials receive a copy: the Mayor, Managing Director and the Directors of Public Works, Planning, Land Use and Codes and Human Concerns.

A meeting was held last night on the Maunaloa project. A number of concerned Molokai residents attended and shared information.

Several persons who attended the meeting last night had attended the May 26 meeting Human Concerns meeting in Maunaloa and had asked questions. Not one of those persons has had any response from the County or the Ranch as a follow-up to the May 26 meeting.

I shared with them my enclosed letter to Mr. Mozley, as well as, my recent memo to you. We hope these, and correspondence you have received from others, will stimulate some meaningful responses to questions asked by the community.

We discussed other questions that seemed pertinent and will be forwarding these to you after we meet again this weekend. We all agreed that Human Concerns has the clout to get the questions answered in writing by the Ranch if it wants to.

Thank you for your assistance. cc: Councilman Pat Kawano

Sincerely,



DeGray Vanderbilt
BOX 1348 Kaunakakai, HI 9674 553-3716

Fax to Councilman Pat Kawano
From DeGray Vanderbilt *DeGray Vanderbilt*
Subject: Molokai Ranch 201E proposal

by fax 243-7717 (5 pages)

June 22, 1994

Pat, enclosed is letter I faxed to Jim Mozley at Molokai Ranch's Honolulu office requesting more information about the \$10 million dollar tax credit package the Ranch apparently is seeking for its 61 unit rental development. The rental development is Phase 1 of its proposed 201E plan. It would be appreciated if you could share a copy of this memo and the enclosed letter to the other Council members.

In my letter to the Ranch, I mentioned to Mr. Mozley that you told me you have been forwarding copies of letters you received from the public concerning the 201E plan to the Ranch, but that you had not received any copies of letters from the Ranch answering any of those letters you forwarded. I'm sure you can attest to the fact that I am not the only person on Molokai that has asked some legitimate questions.

No one that I am aware of, who asked questions at the May 26 meeting, has received any written responses to questions from either the Ranch or Human Concerns as of this date. You were at that May 26 meeting and can acknowledge to the other Council members that a lot of good questions were asked, questions that would seem to deserve the courtesy of answers from the Ranch and/or Human Concerns.

I spoke with Henry Oliva yesterday and he didn't know if the Ranch had provided any written responses to even the agencies comments about the 201E proposal (i.e Planning Director Brian Miskae's comments dated April 20, 1994 re: sewer, water, pricing concerns). Henry, however, did say he would check into the situation, and get me a copy of any responses that have been received from the Ranch.

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In recent discussions among many of those in the Molokai community who have asked legitimate questions about the 201E plan, it was felt that the County Administration may decide just to pass on getting answers to

questions asked by the public and instead just go ahead and forward the 201E package on to the Council. Then it would be the Council's problem to get the answers. This would be an unfortunate scenario since the Administration has no time limit on its evaluation, whereas the Council only has 45 days to evaluate the whole proposal.

I asked Henry Oliva yesterday when the Administration was planning to send the 201 E package to Council. He said he did not know.

The Administration can get answers from the Ranch if it wants to. All the Mayor or the Director of Human Concerns would have to do is to inform the Ranch that the 201E package will not be forwarded to the Council until written responses to questions posed by the public and government agencies are received from the Ranch.

Pat, it would be helpful if you could send a memo to Human Concerns and request them to please consider having the Ranch answer questions that were submitted orally and in writing at the May 26 meeting. Also the Administration has yet to respond to questions from the public about Maunaloa redevelopment and the 201E plan posed at the May 26 meeting and on earlier occasions. Possibly you could request the Administration to consider responding appropriately. Whatever you can do will be appreciated. Also, it seems that the more solid information the Council has to work with, the more efficient and fair the Council's upcoming evaluation process of the project will be.

I am hand delivering a copy of this memo and enclosure to Henry Oliva when he comes to Molokai tomorrow (June 23rd) for a meeting on yet another 201E proposal being considered on the eastend. I am asking Henry to please provide copies to the following Administration officials the Mayor, Managing Director and the Directors of Human Concerns, Housing, Public Works, Land Use and Code and Planning.

Please feel send a copy of this memo to Jim Mozley (fax 521-2279). I have asked him to respond to my letter. Possibly you could ask him for a written response to my letter and a response to this memo if he feels there are any inaccuracies. Thanks.

DeGray Vanderbilt, Box 1348, Kaunakakai, HI 96748, 553-3716
cc: Henry Oliva, Human Concerns (hand delivered 6/23 on Molokai)

Mr. James Mozley
President, Molokai Ranch, Ltd.
Honolulu, Hawaii

June 22, 1994
(by fax 9:00 a.m.)

Re: 201E Plan

Dear Mr. Mozley:

At the May 26, 1994 meeting in Maunaloa, Mr. Harold Edwards, Molokai Ranch's Community Development Manager, mentioned the Ranch would be providing rental subsidies to certain Maunaloa residents in its Phase 1 affordable rental development. However, according to Mr. Edwards these rent subsidies from the Ranch were contingent on the Ranch obtaining certain government "tax credits".

During the question and answer period Mr. Sam Ford asked about the "tax credits", but didn't really receive much of a detailed response from Mr. Edwards.

Someone familiar with the Ranch's intentions had mentioned that you are seeking over \$10 million dollars in tax-credits for the 61-unit rental project. That is a substantial sum. If it is a true tax credit (direct reduction from the Ranch's tax bill), this alleged \$10 million amount would be equivalent, I believe, to almost \$20 million in pre-tax income.

About 10 days ago, I called John Held in your Honolulu office to asked for information about the tax credits. I was requesting the information for an upcoming meeting of people from Maunaloa and elsewhere on the island who were interested in truly affordable fee-simple housing on decent sized lots for Molokai's very low (earning \$25,000) and low income (earning \$35,000) working families.

Mr. Held was on the Mainland so I left word with his secretary about what I was calling about in case he called in. After several follow-up calls, the receptionist said she had been given instructions not to forward my calls to anyone at Molokai Ranch.

I checked with the Ranch's office on Molokai to see if they had any information on the tax credits. A representative there said that type of information was kept in the Honolulu office, and they didn't have any such information on Molokai. I do not know if you were aware of the response I received from your office in Honolulu or not.

I would appreciate it if you could send me any pertinent information you have on the tax credits associated with the 201E plan (i.e amount, timing, how the tax credits are to be applied to make the overall 201E plan affordable [especially the home ownership opportunities for Molokai's lower income families], etc.). This is information that the Ranch, it seems, would want to share with the Molokai community and the County since its application could have a profound impact on the overall affordability of the fee-simple portion of the project.

I don't know if you realize it or not, but members of the Maunaloa community and others, including myself, have had a tough time getting meaningful answers from the Ranch to pertinent questions about the Ranch's 201E plan. Council Pat Kawano has said he has forwarded copies of letters to the Ranch that he has received from the public. But to date he has not received any copies of letters sent by the Ranch answering any questions contained in the letters he forwarded to the Ranch.

As I have mentioned before, I would be supportive of much of the "excess luggage" the Ranch appears to be trying to get approved as part of its 201E plan if the "affordable" side of the 201 equation was being handled fairly.

I don't believe, however, that the Ranch, through its construction specs or otherwise, is giving the "affordable" portion of the 201E plan a fair shake. The Ranch is asking for approval of the "moon" up front (i.e significant additional new commercial zoning, approval for 10 bed and breakfast establishments, substandard sized affordable "for sale" lots, deferment on major infrastructure improvements, etc.). Yet the Ranch seems to be making very few meaningful, up-front commitments, including price, on the affordable fee-simple portion of the 201E plan. If this overall assumption is incorrect, please let me know. Maybe I am missing something.

The proposed affordable lots are very small, and the estimated prices seem excessively high, especially for Molokai's very low and low income working families. In addition, it seems that Ranch is asking for very few variances that result in lower costs. For example, why is the Ranch proposing to build curbs, sidewalks, etc. instead of asking for a variance to the costly "urban" features. If people had a choice, I believe they would opt for larger lots (i.e 10,000 s.f. and Ohana unit potential))

with less "urban" features, than the small lots (5,500 s.f) substandard lots being proposed by the Ranch which include more "urban" improvements. This is not Honolulu. People on Molokai do not like being hemmed in, and Ohana unit potential associated with a 10,000 s.f. lot will be an important and special future affordability alternative for so many growing families. Housing is not going to get any cheaper in the future.

The Ranch is saying that 10,000 square foot lots would be unaffordable. The only thing that would contribute significantly to a higher cost would be if the Ranch applied a high land price increment to the expanded lot. The incremental site development cost difference between a 5,500 s.f. lot and a 10,000 s.f. lot, assuming minimal "urban" features, would not be much. Has the Ranch done such a comparative cost analysis? If so, this would be information that the Molokai community, the County Administration and the County Council members would like to see. If the Ranch hasn't done such an analysis, it should. I think you will be surprised at the results and possibly consider larger affordable lots.

As I have mentioned in the past, I would hope that the Ranch would consider following through with the trade of the 110 acres of land with the County. If the County had the land in Maunaloa landbanked, an affordable fee-simple house on a 10,000 square foot lot could be delivered for under \$85,000. That is truly affordable for the working families on Molokai hoping to realize the dream of owning a home.

When you receive this letter, I would appreciate a call from you to let me know "yes" or "no" concerning my request for more information about the Ranch's "tax credit" program. Also at that time I'd be happy to answer any questions you have concerning this letter. Thank you your assistance. I look forward to hearing from you.

Sincerely,

DeGray Vanderbilt

DeGray Vanderbilt

Box 1348, Kaunakakai, Molokai, HI 96748, 553-3716

cc: Councilman Pat Kawano
Molokai Ranch Molokai Office

BARBARA ADAMS
PO BOX 130
Maunaloa, Molokai, HI 96770
552-0024/553-5357

6/14/94

Pat Kawano
200 S. High St.
Wailuku, HI 96793

RE: Molokai Ranch's plan to demolish Maunaloa.

Dear Pat:

I lived in Maunaloa for nearly a year about five years ago. I then moved to Lanai where I lived and worked for over two years. I have been back in Maunaloa for two years. I cannot think of another place that I would like to live, not even on Molokai. My house is made of cedar and constructed in the standard single wall methods used in plantation houses. My house is not delapidated. Considering it's age, there is very little dry rot or termite damage, and what there is affects the pine window frames. This house is comfortable and meets my needs very nicely.

I would very much like to buy this house, and indeed, the house was offered for under \$70,000 just two years ago. The offer was retracted as soon as it was made. The Ranch claimed that the county had refused the plan that the offer was made under. At a meeting a couple of weeks ago, the representatives of the Office of Human Concerns stated that the plan was never filed with the county. This is just one of many reasons why I, and many of my neighbors, do not trust the Ranch.

The Ranch's current plan would offer a much smaller, dry wall cracker box for double the price!! My monthly payments would be somewhere around \$1200.00 per month. I am DOE employee who grosses \$2600.00 per month there is no way I could afford to buy one of these new "affordable" houses.

I would very much like to live in Maunaloa and work on Molokai until I retire, but I don't see how I could possibly afford it if the Ranch succeeds in pushing their current plan through.

I hope you will consider this when the Ranch's plan come before you.

Sincerely,


Barbara Adams

MACK

Maunaloa Action Community Koalition
Box 262
Maunaloa, Molokai, Hawaii 96770
(808) 552-2868 FAX (808) 552-2682

August 8, 1995

Mr. James Mozley, Chief Executive Officer
Molokai Ranch, Limited
Four Waterfront Plaza, Suite 400
500 Ala Moana Blvd.
Honolulu, HI 96813

Dear Mr. Mozley:

Enclosed is a copy of our organization's July 24, 1995 reconsideration request to the state's Housing Finance and Development Corporation (HFDC) and follow-up letter July 31. On July 5 and July 7, MACK submitted several pages of questions to HFDC. These questions and HFDC's responses are enclosed. The questions concern Molokai Ranch's application to HFDC for funding assistance through the state agency for the development of its \$8.7 million dollar Nani Maunaloa rental project on Molokai through the issuance of tax exempt bonds under the Hula Mae program. In addition to the potential of more than \$1,000,000 in interest cost savings as a result of the state's involvement, the financing program also provides a flow through to the ranch of over \$5 million dollars in state and federal tax credits representing over 60% of the entire project's cost. And all of these financial benefits flowing to the ranch are in addition to \$1,202,500 in developer overhead and profit (16%) the ranch has built into the project.

It appears the ranch may have provided some assistance to the HFDC staff in the preparation of HFDC's responses to MACK's questions. HFDC's staff, however, responded to some of our questions by suggesting to our organization that we inquire with others for appropriate answers to certain questions. For those questions HFDC staff suggested referring to the ranch, we would appreciate receiving written responses to them from the ranch, especially to the questions concerning the existing source capacity of the ranch's water system, and the uncommitted portion of that system's capacity which is available for the development of the 290-unit 201E redevelopment plan for Maunaloa, which includes the 61-unit Nani Maunaloa project.

As you know, MACK has consistently advocated for Molokai's lower income families and our elderly. We are continuing to push for lower purchase prices for the affordable lots (currently at market rates of \$12 to \$13 per sf) that are more realistic in relation to Molokai employment incomes so that Molokai's lower income families will have realistic home ownership opportunities, as intended by the Maui County Council's in its approval of the project several months ago. For Maunaloa's ohana (most elderly) in the Nani Maunaloa rental project, we will continue to advocate for lower/fixed rentals (current proposed rents approved by HFDC include 17% annual increases during the first 5-years). MACK has also been consistent in its effort to encourage a more meaningful preservation effort of the historic homes in Maunaloa, one of the last remaining plantation towns in Hawaii. MACK's enclosed reconsideration request references these issues, and others.

We have enclosed a copy of a letter sent out last week by Mr. Michael Wilson, Chairperson of the Department of Land and Natural Resources (DLNR) to HFDC's acting Executive Director Mr. Roy Oshiro expressing the need for the State Historic Preservation Division's (SHPD) review of the Nani Maunaloa project. Also enclosed is a copy of a letter from Governor Ben Cayetano to Bernard Santiago, a 40-year resident of Maunaloa, referencing SHPD's numerous efforts to have the ranch "reconsider saving a larger portion of Maunaloa town".

As you are aware, Mr. Santiago and his wife Loretta are still hoping to convince you to preserve their home, a home where they would like to live out their retirement years in and be able to enjoy the special memories they are constantly reminded of from the place where they raised their seven children.

Mr. James Mozley
Page 2

When you consider the significant financial profits and tax credits the ranch will receive through the state's involvement in the Nani Maunaloa financing, it seems a small price, if any, for the ranch to absorb to adjust the project slightly so the Santiagos' historic home is preserved. Nani Maunaloa is part of the 201E project and is, therefore, exempt from most county and state development rules. This greatly facilitates any project adjustments. We understand from talking with construction workers, and others, that there have been several other project adjustments from the plan as it was approved by the County Council. Bank of Hawaii has made a tentative commitment to finance the Santiago home if the ranch allows it to be preserved. This is the only home ownership opportunity in Maunaloa Mr. and Mrs. Santiago are able to afford.

Mr. and Mrs. Santiago have also advised the ranch that they are willing for the ranch to renovate their existing home, as the ranch is doing with the homes of several of their neighbors, and that they are willing to continue renting their home from the ranch. The ranch provided information to HFDC which shows that its cost to renovate the existing homes that are going to be included as part of its Nani Maunaloa rental project is only \$35,000, while the cost of a new three bedroom rental unit is costing the ranch \$70,000.

We have enclosed is a copy of an article from the June 1995 issue of Building Industries Magazine (BI) entitled "Can Maunaloa Village Be Saved". You are quoted in the article. Also enclosed is a rebuttal to that article by a MACK member published in the current August 1995 issue of BI. The article supports MACK's consistent argument that it is more affordable to preserve the existing homes in Maunaloa than to build new homes. This position has been shared by many Maunaloa residents even before MACK was even formed.

Ever since New Zealand's Brierley Investments, Ltd took over 100% control of Molokai Ranch, residents have made it known of their desire to purchase their existing historic plantation homes. In 1992, Brierley approved the ranch submitting a plan to Maui County that would have allowed Maunaloa residents to finally own their homes. The project was submitted under the state's Experimental Affordable Housing law, which exempted it from most state and county development restrictions. This is the same program under which the ranch sold the existing homes to all its rental tenants in the plantation town of Kualapuu.

However, we understand that Brierley decided to drop the plan for reasons that have never been clearly explained. And instead of having a plan which had been reviewed and supported by SHPD; provided affordable home ownership opportunities (average price approximately \$85,000 with significant renovation costs included); and was designed to preserve all but a handful of Maunaloa's existing historic plantation homes—a new ranch management team decided to scrap that plan and replace it with one which is not supported by SHPD; increases the price of home ownership opportunities by about \$50,000 and out of the range of most Molokai lower income families (average price \$135,000); and is designed to demolish all but a handful of the existing historic homes unless some adjustments are made.

MACK would appreciate the opportunity to meet with you, to discuss alternatives for resolving some of the concerns expressed in our reconsideration request. This may result in a "win win" situation for the ranch, as well as, the Molokai community. Such a meeting, we believe, will be beneficial to all parties. Please fax a response to 552-2682 concerning our meeting request. We would encourage HFDC and SHPD representatives participate in the meeting, if the ranch agrees. Also we would like for you to respond those questions HFDC requested MACK submit to the ranch. Please send a copy of your responses to HFDC for its records. Thank you for your consideration in these matters.

Sincerely
MAUNALOA ACTION COMMUNITY KOALITION

[Handwritten signatures: Theresa O. McCutcheon, Susan Kamaila, and another signature]

cc: Governor Ben Cayetano
Mr. Mike Wilson, DLNR
Mr. Don Hibbard, SHPD
Mr. Roy Oshiro, HFDC
Maui County Council

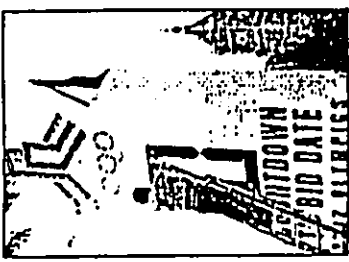
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Winter in Utah

Salt Lake City host of Olympics

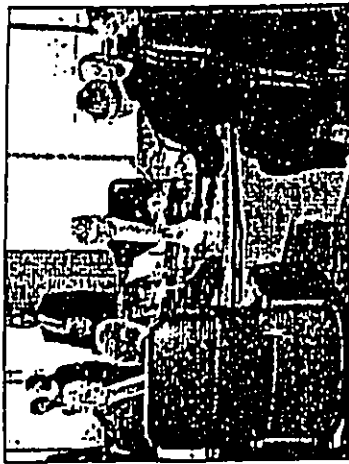
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Funds wanted

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Citizen militias

Members tell senators of their groups' beliefs

P1-33

MAUI

A5

The Maui News

June 16, 1995

Maui's Newspaper Since 1900

50 Cents

By MARK ADAMS
Staff Writer

KAUNAKAKAI — The Molokai Planning Commission has sent its updated version of the island's community plan to the Maui County Council after rejecting a Molokai Ranch request to add 198 acres for housing at Maunaloa.

The commission is also recommending that a 5-acre parcel near Kaunakakai Harbor that the ranch wanted designated for business be set aside for a rodeo arena to be used by the Molokai Junior Roping Club. The commission is asking the council to give a parks designation to the parcel.

Chairman Wren Wescoast said this morning commission members felt

this is not the time to designate additional lands for housing.

"As it is now, we don't have a definite water source for the 201E housing project in Maunaloa that's already been approved," Wescoast said, referring to a controversial re-development of the existing village that requires the razing of decades-old plantation homes.

David Craddock, director of the county Department of Water Supply, has said the commission and council should be careful of designating large areas of land in the community plans for housing because it obligates the county to provide water service.

"It could stretch county resources to the point where we may not be able to provide infrastructure," Wescoast said.

Molokai Ranch officials were not immediately available to comment on the commission recommendations.

Wescoast noted there is a huge inventory of residential-designated property on the island that has not been built upon.

"Adding to that is premature at this time," he said, noting that the ranch can always come in later and seek a community plan amendment.

Molokai Ranch has stated in legal documents filed with the state that it plans to develop up to 1,200 residential units in the Maunaloa village area.

Molokai resident Kaao Adolpho, who has closely followed water issues on the island, told the commission that approving additional land

for housing would exacerbate the situation.

"Please don't compound the problem by giving the ranch more community plan designation, which they can use to strengthen threats of litigation if the county doesn't deliver the water to implement the community plan as approved," he said in written testimony.

The commission is also recommending that a site in Maunaloa where the ranch planned to build a "lodge" on hotel-designated property be set aside for open space.

Members noted that existing hotels on the island are running at 20 percent occupancy and adding another visitor destination might not be the best idea at this time.

Another change being recom-

ended is the doubling in size of a school site in Maunaloa to 14.6 acres. Community members of the 290 residential units planned in the redevelopment area alone will create a need for additional school space.

In Kaunakakai town, the commission is seeking park designation for a 5-acre parcel used by the roping club. The ranch had sought business use for the land and planned to put a nursing home there, Wescoast said, next to petroleum tanks near the harbor.

Wescoast said he feels the club is providing much-needed guidance for youths. Its location in the center of town makes it more viable than if it were stuck out of town somewhere where access would be difficult.

If a time comes when the club is no longer viable, the ranch can come in and seek a different use for the parcel, the chairman said.

The commission did add some land for housing to the language in the plan. Although it was not placed in recommending that a 110-acre parcel near Kaluakoi owned by the county be given a project district designation for future housing.

The commission's final recommendations on the Molokai Community Plan update will be sent to the County Council within two months, according to county planner Will Spence. It would then be up to the council to schedule hearings before making final decisions.

**End of Attachments to December 19, 1995
MACK Letter**



MOLOKAI RANCH

February 6, 1996

Mr. Guy Espaniola
Mr. Tim Leong
Ms. Susan Kamaile
Ms. Terry McCutcheon
Ms. Mercedes Espaniola
Mr. Steve Reiff
Mr. Bernie Santiago
Mr. DeGray Vanderbilt
Maunaloa Action Community Coalition
P.O. Box 262
Maunaloa, Molokai 96770

Re: Maunaloa Town Center

Dear Ladies and Gentlemen:

We have received a copy of your letter pertaining to the subject project dated December 19, 1995 from the Planning Department. Although the letter was addressed to Molokai Ranch, Ltd., it should be noted that no copy was received at our Honolulu or Molokai offices. Moreover, only a partial set of attachments were transmitted with your letter to the Planning Department. In any event, we would like to take this opportunity to respond to your comments.

As part of the early consultation requirement prior to the preparation of the Draft Environmental Assessment, we consulted the Maunaloa Community Action Council. It was felt that their area of focus is Maunaloa Town and they could lend their expertise relating to the proposed project. Regardless of whether any group or organization is consulted prior to the preparation of the Draft EA, concerns and issues may still be raised by any organization or individual during the public comment period.

As part of the research for the socio-economic impact assessment, SMS conducted interviews with 24 people, in order to learn of issues that concerned local residents and other stakeholders. Interviewees were found (a) by compiling a list of potentially interested parties (e.g., MACK leaders); (b) by asking Molokai Ranch for a list of who, in the opinion of Ranch personnel, could speak about all points of view in

Maunaloa Action Community Koalition
February 6, 1996
Page 2

Maunaloa; and (c) by asking interviewees to name others who they thought had a distinctive point of view or interest. SMS selected persons to interview by seeking out different perspectives and interests, and trying to be sure that all affected viewpoints were canvassed. The account of community issues and concerns in the study was based on public documents, especially the minutes of the Planning Commission's review of the proposed Community Plan, as well as on interviews.

SMS does not supply the text of interviews to clients or the public at large. Participants are promised that their individual interviews will not be disclosed.

It should be noted that a number of memoranda and letters referenced in your letter deal with issues pertaining to the Maunaloa Town residential development already approved through the Chapter 201E process. This includes MACK's October 9, 1995 memorandum, the September 14, 1995 and October 31, 1995 letters from Councilmember Wayne Nishiki, the July 1994 letters, and the August 1995 letter to James Mozley. The Chapter 201E application was approved by the Council on September 2, 1994. The Chapter 201E approval is considered a separate project which has already been approved. Thus, we do not believe that discussion of these issues is necessary within the Environmental Assessment for the Maunaloa Town Center.

The June 16, 1995 Maui News article mentioned in your letter pertains to the Molokai Planning Commission's recommendations on the Molokai Community Plan. The only portion of the article which involves lands within the Maunaloa Town Center project is the site for the proposed lodge.

Molokai Ranch has developed plans for long-term commercial growth, including small-scale tourism, in Maunaloa. The Ranch recognizes that the Kaluakoi Resort has had low occupancies for years. It proposes eventual development of a single lodge at Maunaloa in the expectation that the Ranch's attractions and facility will enhance visitors' interest in West Molokai, not compete with Kalaukoi. A wider range of activities and facilities will increase West Molokai's appeal to visitors, from both Hawaii and elsewhere. We believe, and others involved in tourism on Molokai have stated, that tourism development at Maunaloa emphasizing the special qualities of the upland area, could lead to higher occupancies at Kaluakoi, as well as at the Maunaloa lodge.

Maunaloa Action Community Koalition
February 6, 1996
Page 3

If existing visitor accommodations reach 70 percent occupancy, it is not known how many additional full-time jobs will be generated. Future employment at other visitor accommodations will depend on individual operators' staffing decisions.

With regard to education, no significant impact upon Maunaloa School is anticipated. The State Department of Education has noted that the proposed project will have negligible impact upon the school.

Molokai Ranch is proposing 286 affordable and market rental and for-sale housing as part of its Chapter 201E approval.

Commercial activity at the Kaluakoi resort is supported by the resort's visitors. The Ranch expects the expansion of Maunaloa to have little effect on Kaluakoi, except insofar as increases in West Molokai's visitor attractions will stimulate visitor stays at the resort. Hence little or no impact on commercial operations at the resort is expected.

Molokai Ranch recognizes that plans for the Kaluakoi Resort include commercial space, upscale residential areas, and hotels. The Ranch did not view these as certain in the foreseeable future and hence did not rely on them in developing plans for Maunaloa.

Within the EA, we have evaluated a broad array of possible environmental impacts resulting from the project. We have found no significant impacts resulting from the action. Thus, we believe that an Environmental Impact Statement is not warranted.

We hope that the above response addresses your concerns. Thank you again for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te



OFFICE OF STATE PLANNING

Office of the Governor

MAILING ADDRESS: P.O. BOX 3540, HONOLULU, HAWAII 96811-3540
STREET ADDRESS: 250 SOUTH HOTEL STREET, 4TH FLOOR
TELEPHONE: (808) 587-2846, 587-2800

BENJAMIN J. CAYETANO, Governor

FAX: Director's Office 587-2848
Planning Division 587-2824

Ref. No. P-6039

December 20, 1995

Honorable David W. Blane
Planning Director
Planning Department
County of Maui
250 S. High Street
Wailuku, Hawaii 96793

DEPT. OF PLANNING
COUNTY OF MAUI
RECEIVED
95 DEC 27 P 1:35

Dear Mr. Blane:

Subject: Maunaloa Town Center
Application for District Boundary Amendment

The applicant/owner, Molokai Ranch, Limited, is proposing to reclassify approximately 8,713 acres from the State Agricultural District to the Urban District as part of a 21,924-acre master plan for Maunaloa Town Center on the western side of Molokai. Most of the area included in the master plan is already in the Urban District.

We note that the proposed Business/Commercial, Light Industrial and Hotel/Resort uses proposed in the area to be reclassified as well as areas included in the master plan are not consistent with the Molokai Community Plan.

The applicant states that the proposed action allows space for community and business facilities which would provide services to residents and visitors to Maunaloa. It is further stated that the project will stimulate the Molokai economy in both the short and long term, providing additional employment and entrepreneurial opportunities for the island's and town's residents. The 1990 resident population was 6,587, showing a 12% increase from 1980, and the number of jobs on Molokai has remained constant at about 1,500 since 1982.

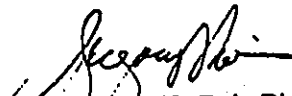
We question the need for additional hotel/resort facilities on Molokai when the applicant's figures show that hotel occupancy rates for Molokai have been low in relation to Hawaii averages. The most recent reported occupancy was 29 percent. The applicant's report states that 548 visitor units already exist on Molokai.

Honorable David W. Blane
Page 2
December 20, 1995

The proposed 15 acres of Country Town Business District and 6.363 acres of Light Industrial District at Maunaloa Town could have a major impact on the primary existing business district at Kaunakakai. We believe that any major expansion of Maunaloa Town and new resort facilities should be the result of the Community Planning process with full citizen participation.

Thank you for the opportunity to comment.

Sincerely,


Gregory G.Y. Pai, Ph.D.
Director

cc: Esther Ueda, Land Use Commission



MOLOKAI RANCH

February 6, 1996

Gregory G.Y. Pai, Ph.D.
Director
Office of State Planning
P.O. Box 3540
Honolulu, Hawaii 96811-3540

Re: Maunaloa Town Center

Dear Mr. Pai:

We have received a copy of your letter dated December 20, 1995 to David W. Blane relating to the proposed project. We appreciate your comments and would like to take this opportunity to provide the following response.

With regard to the Business/Commercial, Light Industrial, and Hotel/Resort designations, we are proposing amendments to the Molokai Community Plan to accommodate the above noted land uses.

We have formulated plans for long-term commercial growth, including small-scale tourism, in Maunaloa. It is recognized that the Kaluakoi Resort has had low occupancies for years. We propose eventual development of a single lodge at Maunaloa in the expectation that the Ranch's attractions and facility will enhance visitors' interest in West Molokai, not compete with Kaluakoi. A wider range of activities and facilities will increase West Molokai's appeal to visitors, from both Hawaii and elsewhere. We believe, and others involved in tourism on Molokai have stated, that tourism development at Maunaloa emphasizing the special qualities of the upland area, may lead to higher occupancies at Kaluakoi, as well as the Maunaloa lodge.

Kaunakakai is the commercial and demographic center of Molokai and will remain so. The proposed project adds very little to the population of Maunaloa and is expected to primarily serve a West Molokai market. We would like to note that our intent is to comply with applicable provisions regarding citizen participation.

Gregory G.Y. Pai, Ph.D.
February 6, 1996
Page 2

We hope that the above response addresses your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te

Molokai Ranch, Ltd.
500 Waterfront Plaza, Suite 400
Honolulu, Oahu, Hawaii 96813

13 pages

'95 DEC 26 A7:10

Response to Draft Environmental Assessment for Maunaloa Town Center DEPT OF PLANNING
From Molokai Environment Protection Ohana (MOEPO) OFFICE
December 20, 1995

Enclosed re questions from MOEPO which were drafted after reviewing the subject document.

Although the the text is physically thick, the content of this bulk report reveals many statements that are misleading to the reader who is not aware of situations on Molokai. The report also contains many statements that are either misleading or not sufficiently qualified.

The draft EA is lacking, and generates more questions than accurate conclusions.

In the past couple of years, there has been much controversy over the Ranch's development of Maunaloa Town. When convenient, the Ranch has limited the input on the Maunaloa Town development to just Maunaloa residents, even though the consequences of this development, whether good or bad, effects the entire population of this small island.

MOEPO is concerned that the Molokai community was not included in the planning process of this massive commercial development. We believe that attempt to have this project approved is not for the community, but for real estate speculation purposes, and to add value to the ranch's properties in the event the ranch's foreign owner (Brierley Investment) decides to unload its investment as it has with so many of its US investments in the recent past after it has made a quick return on investment or settled out a hostile takeover attempt.

The ranch is continuing to obtain approvals by misrepresenting the extend of its available water resources and misleading government agencies and our Molokai community with half truths and false assumptions and promotions. The carefully worded draft EA appears to be a continuation of this ranch strategy that has been successful for it in the past. Unfortunately, the ranch may have cried, "wolf" once too often. Many Molokai residents are becoming more aware of the ranch's tactics and are not taking things at face value any more...at least at the community level. We hope that government is finally seeing the ranch's hidden agenda, which the community has been aware of for sometime now.

Project Overview:
Page 1

Does the MR have plans to move its office headquarters to the area of the new rodeo arena?

How many full-time executives and staff does MR in the Honolulu office and are there plans to consolidate the MR Maunaloa and Honolulu offices on Molokai?

What makes the business mentioned non-conforming?

Are the Post Office and general store, laundromat and beauty salon also non-conforming?

Has MR received complaints from any of the existing merchants that the "non-conforming status" is hurting their existing businesses? If so, please explain.

MR states it is the owner of all the existing business properties. Has MR received any requests from existing tenants to either enter into long-term leases or be able to purchase their business properties?

Has MR honored these requests? If not, why?

Will MR be offering long-term leases and purchase options to any new commercial tenants that become a part of the proposed project?

Page 3

Will the "refurbishment and renovation" of existing commercial structures be as suggested in the state historic preservation office comment letter?

If not, what is the scope of "refurbishment and renovation" planned for the existing commercial structures?

When is this refurbishment scheduled for?

Has MR talked to the commercial lessee's about the extent of the refurbishments planned?

How will the costs of the refurbishments be prorated to the existing businesses?

What mitigation measures is MR planning to offer existing businesses to account for "loss of business" during the renovation period?

If all eleven acres mentioned on page 3 are developed, how many jobs will this create during the construction period and once the new businesses are in operation?

Over what time period does MR estimate it will take to fully develop these 11 acres?

Page 4

In the historic Maunaloa Town how many two-story buildings existed?

How many two-story buildings is MR intending for the project?

2

Page 5 (Figure 2)

How many new buildings are proposed in Figure 2.
Will the lodge have a restaurant?
Will all light industrial uses be allowed in Area 1
How many buildings will have upstairs apartments.
For each area A thru I provide the total square footage of underroof space (include sf for both stories) for the buildings shown in each area.

Page 6

If MR is planning to maintain the "plantation village/rural character" of the town, why is it moving the existing fire station, and the old dentist's office, which houses an existing commercial operation, from their original location?

Besides the hotel is the ranch planning the development of other visitor accommodations in Maunaloa?

A restaurant is proposed for the museum. Is one also proposed for the hotel?

How large is the new country store that is being developed in concert with the new gas station?

If Maunaloa can't hardly support one general store, why is MR proposing another store to compete with the existing store?

When Maunaloa was in its heyday, how many residents were there?

Is MR willing to commit to leave the "village square" in a park like setting as shown on Figure 2. If so, why not proposed "park" zoning for this area?

Page 7

Has there been market study done to support the ranch's estimate of a 10 to 15 year buildout of the project? If so, please make that report a part of the final EA.

Page 8

Will the existing general store be renovated prior to the construction of the new country store?

Will the existing general store merchant be given any type of right of first refusal to move into the new country store, since the two businesses will probably be offering many of the same items.

Where are warehouse facilities envisioned in the project?

What about car body repair/painting/engine overhauls, small manufacturing (i.e surf boards, wood products, food processing). Where would these type activities be located?

Will the existing restaurant in Area B be renovated prior to the new restaurant proposed in Area I.

On page 8, there is no mention of the existing restaurant in Area B. Does the ranch intend to delete the existing restaurant from its plan?

Besides the restaurant, will the museum house any other commercial activities that will compete with existing businesses?

Description of Existing Environment
Page 9

How many of the 16 renovated homes are intended for rental and how many for fee-simple sale?

What was the average renovation costs of the structures proposed for rental, and what was the costs to renovate the residential structures that are being sold?

What is are the ranch's plans for the 8 dwelling located in Manager's row. Will the existing tenants be given an opportunity to purchase these at an affordable price.

Page 10

The Ranch did not mention the commercial activities that exist at the Kaluakoi resort and how these may be impacted by the project. Does MR see any impact on any of these businesses?

MR failed to mention the undeveloped commercial property at the Kaluakoi resort. How many acres is this, and what impact will the MR project have on the development of this property or, visa-versa?

Is MR planning any golf courses in its development plans for its west Molokai properties?

Does Molokai Ranch have any

When were the Kaluakoi resort "large acreage" subdivisions developed.

How many of lots are included in these subdivisions?

How many of these lots have been sold?

How many of these lots have been developed with homes?

Page 13

When pineapple lands around Maunaloa were these lands considered "well suited" for agricultural production.

Assuming water is available to the former pineapple lands surrounding Maunaloa how would they be classified today under the ALISH system?

Since Brierley has owned MR, has any MR officials publically promoted the ag potential of former Maunaloa pineapple lands if water were made available?

Page 21

What area is represented by the west Molokai population figure for 1990 of 2,168.

How much of this figure is represented by Maunaloa's population....and by Kaluakoi resort's population?

An "recent" visitor arrival number is quoted at 100,000 and a "recent" occupancy rates figure is quoted at 29%. How do these two numbers relate?

How many visitors would be needed to achieve a 75% occupancy rate for the island's 548 rental units?

Has MR done a feasibility study on the hotel and its impacts? If so, please included in the final EA. If not, why not?

If occupancy is at 29%, 30%, 40% on Molokai, why is the Ranch proposing another hotel.

If another hotel is required wouldn't it be best to have it at the Kaluakoi resort, to overcome some of the reasons MR has presumed or responsible for the resort's lack of success?

If the Kaluakoi resort visitor accommodations reach 75%, how many additional full-time positions will be generated?

How many full-time and how many part-time employees are there at the Kaluakoi resort...at Hotel Molokai....at Pau Hana Inn?

Page 22

MOEPD understands that the state is saying that there is little or no additional water from the island's major ag water source for the expansion of the ag industry. Is this true?

Is Coffees of Hawaii leasing lands from Molokai ranch?

Did Coffees recently sell to a new investor?

Is the new investor planning to expand? If so, where will the water source come from?

When were the two corn research companies mentioned established?

During the period when MR was going for its approvals to develop 284 residential units in Maunaloa under the state's affordable housing plan, MR officials said they would be breaking ground soon for a dairy. MR officials said the project would create over 100 jobs. No one has heard anything recently about the dairy. What is the status of this project?

If the project is not going forward, as rumors have it, please explain why?

Have either of these companies expressed concern over Molokai's water situation and how this may impact their future as an employer on Molokai?

Did the presence of a police officer in Maunaloa occur before or after Brierley purchased an interest in MR?

How much higher, if any, are the fire insurance rates for homeowners in Maunaloa versus the insurance rates for Kaunakakai homeowners. If so, please note the difference.

Is there a location for a fire station proposed by the community for the west end?

If so, does the ranch support this location?

At the entrance to the Kaluakoi resort, just about a mile from Maunaloa, the community has proposed a site for the development of an affordable housing subdivision with minimum lots of 12,000 s.f. and a small commercial area. The ranch did not mention this major proposed development in its draft EA. Is MR ranch supportive of this project, and how will it impact, if at all, MR project?

Page 23

A few years ago MR opened some type of a medical service facility in Maunaloa. What happened to that project?

Page 24

MR states that all its housing units are affordable to residents of Molokai. Based on the anticipated marketing goals, what will be the impact on Maunaloa School when the town's proposed 350 residential units are occupied?

What are the enrollments at the other elementary school and how many residential units do they draw from.

What negotiations has MR had regarding the future expansion of Maunaloa school?

Page 25

What was the cost of the new rodeo arena and related facilities?

How many rodeo participants who practice regularly live in Maunaloa?

Where do the majority of the island's other rodeo participants practice?

Is Air Molokai still servicing Molokai?

Page 26

How many of the 738 vessel arrivals are a) the M^Kaul Princess, b) barge service and c) other craft.

Is Molokai Ranch receiving water from any of the other water systems on the island (i.e. DHHL, the County, Kukul, etc.) If so, please identify these other sources and how much water gallons per day (gpd).

MR did not mention the term of the agreement it has with the County for up to 100,000 gpd. MOEPO understands that it is for only a three years term. If this is true, when does it expire.

Why was the agreement only for a three years term?

If the agreement is not extended, where will MR obtain the 100,000 gpd it currently receives from the County well?

Has the County agreed to extend its agreement with MR?

What is the transmission capacity of the 6 inch line transporting water to Maunaloa?

If MR wants to dedicate the water system to the County, under what conditions, if any, is the County obligated to accept the system.

Does MR anticipate a profit from operating the water system?

What is the estimated price per 1000 gallons, MR is planning to charge for water?

Would the MR water system be subject to regulation by the PUC?

Page 27

On what basis would the County of Maui accept the Maunaloa treatment plant?

If MR operated the system, does it anticipate a profit from the operation?

Page 28

Some County government officials have expressed concern about the drainage gulches and their impacts on the oceans. Explain if these concerns are warranted?

When did the new landfill open?

How many acres is Phase 1

What is the cubic yard capacity of Phase 1

How many cy's have been used to date?

What is the estimated remaining life of Phase 1?

Potential Impacts

Page 33

Will all types of light industrial uses be allowed in Area 1? If not which uses will not be allowed and where will those uses be permitted in the Maunaloa area?

The rodeo arena is lighted. Is the ranch planning to install any lighting on the baseball/softball fields or basket ball courts as other residential areas on Molokai have done?

What will be the impact on the view corridors from the existing business district of Maunaloa when all the new two story buildings proposed are constructed?

Page 34

The total cost of the project is estimated at \$19.3. How much per square foot does this price represent?

The \$19.3 million assumes how many new buildings and how many renovated buildings?

Based on this estimated cost what would be the s.f. rental rate?

Will new businesses be given an option to purchase their business properties. If so, in what areas will purchase options be given?

What is the s.f. sale price MR is estimated based on the \$19.3 cost of construction?

Page 35

How many full-time jobs the hotel create assuming 70% occupancy?

If the hotels and condo properties at the Kaluakoi resort reach 70% occupancy how many additional full-time jobs would be generated at the resort?

Page 36

What is the estimated cost to construct a movie theater?

If a movie theater is developed in Kaunakakai, would it be economically feasible to build another theater in Maunaloa?

In seeking government approvals for its residential development, MR touted the number of jobs it would generate with the dairy it was planning. How many direct and indirect jobs did MR estimate the dairy would create?

Rumors are that the dairy project is dead. Is this true? If so, what were the reasons for its demise?

What is meant by the "development of the lodge will consolidate this recreational market?"

What impacts does the Ranch anticipate on the existing restaurant if a new restaurant is built in the museum area?

Does MR tend to maintain the existing restaurant? It is not shown on the town map.

What impact will the Country store have on the existing general store?

Kualapuu only has one general store. How does MR justify developing two general stores in Maunaloa?

What population does the ranch feel is needed at Kaluakoi and Maunaloa to support full development of the project?

How long does the ranch anticipate it will take to develop this needed population?

What is the current island population?

What population figure has the community recommended for the island by the year 2010?

Page 37

What is meant by, "the commercial market is small in scale"?

If expansion of the commercial area is to expand slowly, how can MR justify two general stores in Phase 1?

Page 38

How many residents who rented from the ranch in 1992 have indicated a desire to rent from the ranch? How many have indicated a desire to purchase?

Of those 1992 residents who have indicated they wanted to purchase a lot, how many have been qualified by the bank?

Are all the residents who have lived in Maunaloa prior to 1976 going to receive the \$6,300 payment? If not, please explain.

If a qualifying family moves from Maunaloa or rents in the state/county project in Maunaloa, will they receive the \$6,300 or the \$1,500 payment? Please explain.

MR has claimed that all its residential properties offered for sale or rental are affordable to most Molokai residents. Based on MR's marketing strategies, what impacts on the school will occur when all 350 lots are sold and homes build on them?

How long does the ranch anticipate it will take to sell the 350 lots?

What is the ranch's target market?

Page 41

MR says the 100,000 gpd from the County is sufficient to service the current population. Isn't it true that MR is purchasing more than 100,000 from the county?

How many units does MR consider as "full residential expansion of the town?"

Has the County agree to sell more water to MR for Maunaloa?

Has MR agreed to extend its 3-year agreement with MR?

The County has said that it is not planning to enter into a joint development agreement with MR. Please address this in the final ER.

What is the average, high and low capacities of the ranch's surface water system?

What areas and projects are currently serviced by the surface system mentioned in paragraph 2 (3).

How much excess water is available from the surface system to service Maunaloa and other ranch projects on the drawing board or under construction?

Please explain what is specifically meant by "coordinating efforts" with the Dept. of Water Supply for an additional well in the Kualapuu area. Again the County has said it will not be entering into any joint ventures with MR and have ceased negotiations to this end.

MR was recently awarded a well construction permit by the state water commission in the area behind Kualapuu town. The ranch has publicly stated it is not planning to begin construction of this well. Please explain why?

Page 42

In the final ER provide a map of the 12 inch 9.5 mile pipeline. Will its route follow the route of the 24 inch pipeline being built by Kukul (Molokai) Inc.?

If the 24 inch pipeline is built, will MR construct the 12 inch line?

In a recent Brierley annual report, there was mention of a transmission pipeline

designed to bring large amounts of water from the east end of Molokai to the west end of the island to the ranch's "arid" lands. Was this in reference to the 24 inch line of the proposed 12 inch line?

At times during the last 20 years has MR had to supplement its surface water system source with water from the Kaluakoi resort system in order to meet the water demands of Maunaloa town?

Page 52

For the next several years it seems unlikely that Maunaloa could support much more commercial development. The 10-year of the Molokai community plan is in its final stages and has been sent to the County Council for final approval. The Council should take about a year to review the plan. Why has MR elected not to wait and be part of 10-year review process like all others in the community?

Page 55

How long does the ranch it will take to process the community plan amendments noted on Table 1 and the zoning requests on page 58?

Agencies Contacted Prior to Preparation of draft EA
Page 65 and 66

Why was only one community group contacted to provide comments and direction prior to the preparation of the draft EA?

Is Joanna Ramos (page 66) a member of the Molokai Planning Commission?

Does the Planning Commission have any jurisdiction over the approvals MR is seeking for the project? If so, please explain.

Did the Maunaloa Community Action Council (MCAC) provide any written comments to MR prior to prep of the EA?

Will MR be following the US Secretary of the Interior Standards of Treatment of Historic Properties in its renovation and refurbishing efforts? If not, what standards will MR follow?

Appendix D
Socio-Economic Impact Assessment

ES-1

Name some of the project that "have been withdrawn".

Are the "uncertainties" as to the availability of water valid?

In 1992 MR offered 117 rental tenants an opportunity to purchase the homes they

were renting at prices averaging less than \$70,000. MR withdrew the offer. How many of those renting in 1992 does MR will be purchasing the new house and lot package being offered, exclusive of those who purchased a few renovated homes.

Page 1-1

Does MR have a market study or any other study to justify the estimate of a 10 to 15 year buildout for the project. If so, this should be included in the final EA.

Page 2-1

Has MR filed a public offering with the state to build 1,200 lots in Maunaloa? If so, please explain.

Page 2-2

Please explain the state opposition to the Kukui 24 inch pipeline?

What community organizations are opposing the Kukui pipeline?

What is the basis of their opposition?

MR mentions Alpha, USA. What is the basis of the lawsuit MR says it filed against Alpha?

Page 2-9 What percent of the 61% make less than \$25,000?

What is the poverty level?

How many homes are being demolished in the MR plans that call for "extensive clearing of old houses?"

MR renovated some of these old houses. What was the renovation cost MR incurred prior to selling the homes?

How does the renovation cost compared to the cost of building a new house?

Page 2-10

If the Kaluakoi resort is so unsuccessful for the reason's, why wouldn't it be adviseable to put the next hotel at the resort instead of Maunaloa?

AS copy of the Decision Anaysts Hawaii reprot should be included in the final EA.

Page 2-11

What are the propsects for agriculture expansion on Molokai in the near future based on water resources?

Is Mr in agreement with the findings of the state Subsistence Task Force report. If not, please explain the ranch's objections.

The Molokai Planning Commission recently recommend 110 acres be set aside at the entrance to the Kaluakoi resort (about one mile from maunaloa). Affordable lots (minimum size 12,000 s.f, a two acre commercial area and a fire/rescue units are planned for this proposed project district area? Is the ranch supportive of this project? If not, please explain why.

Does the ranch see any impact of its project on this proposed affordable housing project? If so, please explain.

There are 11 acres of undeveloped commercial land at the Kaluakoi resort. How does the ranch's project impact the development of this large commercial parcel at the resort?

How many acres of industrial zoning did the Molokai planning Commission recommend approval for on ranch lands at Palaau?

How will the Palaau light industrial development impact the Maunaloa industrial development or, visa-versa?

If you have any questions or need any clarifications please put your requests in writing Matthew Adolpho, Ho'olehua, Molokai, Hawaii 96729, and he will expedite a meeting of MOEPO members to discuss your requests.

THANK YOU FOR THIS OPPORTUNITY TO COMMENT

Copy delivered to Maui County Planning Department

NILOKA I ENVIRONMENTAL PROTECTION OAHANA
GENERAL DELIVERY
HO'OLEHUA, MOLOKAI, HI. 96729

MR. Clayton Yoshida
Maui County Planning Dept.
250 South High Street
Wailuku, Maui, Hawaii 96793

FIAN: DELIVERED

11:37 p.m. 12/23/95 Carsonville



MOLOKAI RANCH

February 6, 1996

Mr. Matthew Adolpho
Moloka'i Environmental Protection Ohana
General Delivery
Hoolehua, Moloka'i, Hawaii 96729

Re: Maunaloa Town Center

Dear Mr. Adolpho:

Thank you for your letter of December 20, 1995 relating to the Draft Environmental Assessment for the Maunaloa Town Center project. We would like to take this opportunity to provide a response to your questions and comments.

Attached is a compendium of responses which addresses each of your questions or comments relating to the proposed project.

Very truly yours,

David Nakamura
Project Manager

Attachment

DN/te

**Attachment to February 6, 1996
Molokai Ranch Response**

February 6, 1996

**COMPENDIUM OF RESPONSES TO DECEMBER 20, 1995 LETTER
FROM MOLOKAI ENVIRONMENTAL PROTECTION OHANA (MOEPO)**

MOEPO Comment:

Although the text is physically thick, the content of this bulk report reveals many statements that are misleading to the reader who is not aware of situations on Molokai. The report also contains many statements that are either misleading or not sufficiently qualified.

The draft EA is lacking, and generates more questions than accurate conclusions.

In the past couple of years, there has been much controversy over the Ranch's development of Maunaloa Town. When convenient, the Ranch has limited the input on the Maunaloa Town development to just Maunaloa residents, even though the consequences of this development, whether good or bad, effects the entire population of this small island.

MOEPO is concerned that the Molokai community was not included in the planning process of this massive commercial development. We believe that attempt to have this project approved is not for the community, but for real estate speculation purposes, and to add value to the ranch's properties in the event the ranch's foreign owner (Brierley Investment) decides to unload its investment as it has with so many of its U.S. investments in the recent past after it has made a quick return on investment or settled out a hostile takeover attempt.

The ranch is continuing to obtain approvals by misrepresenting the extent of its available water resources and misleading government agencies and our Molokai community with half truths and false assumptions and promotions. The carefully worded draft EA appears to be a continuation of this ranch strategy that has been successful for it in the past. Unfortunately, the ranch may have cried "wolf" once too often. Many Molokai residents are becoming aware of the ranch's tactics and are not taking things at face value any more ... at least at the community level. We hope that government is finally seeing the ranch's hidden agenda, which the community has been aware of for sometime now.

Molokai Ranch Response:

The Draft EA was prepared as a document intended to inform interested agencies and the general public of the proposed project. It is our intent to provide a document which is in accordance with applicable State environmental law. The plans presented in the Draft EA are conceptual in nature. Implementation will take several years and will be subject to market considerations.

It should be emphasized that Molokai Ranch has not attempted to limit public input to the project. We have complied with all applicable rules and regulations regarding notification and publication of notices. Input from Maunaloa residents as well as residents from other parts of Molokai will certainly be considered.

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We would like to note that it is our sincere intent to implement the Maunaloa Town Center Project. There is no hidden agenda to add value to property only to sell to some other owner.

We would like to take this opportunity to be straightforward and forthright in our responses to your specific questions including your concerns relating to water resources. Our specific responses are contained in the text of this document.

MOEPO Comment: (Project Overview: Page 1)

Does the Molokai Ranch have plans to move its office headquarters to the area of the new rodeo arena?

How many full-time executives and staff does Molokai Ranch have in the Honolulu office and are there plans to consolidate the Molokai Ranch Maunaloa and Honolulu offices on Molokai?

What makes the business mentioned non-conforming?

Are the Post Office and general store, Laundromat, and beauty salon also non-conforming?

Has Molokai Ranch received complaints from any of the existing merchants that the "non-conforming status" is hurting their existing businesses? If so, please explain.

Molokai Ranch states it is the owner of all the existing business properties. Has Molokai Ranch received any requests from existing tenants to either enter into long-term leases or be able to purchase their business properties?

Has Molokai Ranch honored these requests? If not, why?

Will Molokai Ranch be offering long-term leases and purchase options to any new commercial tenants that become a part of the proposed project?

Molokai Ranch Response:

The Cooke Land Company office and the Molokai Ranch offices have recently been renovated. The Cooke Land Company office is likely to stay at its present location for the long term. The Ranch offices and baseyard are being considered for relocation to an area adjacent to the Rodeo grounds in the long term.

There are 17 full-time employees in the Honolulu office of Molokai Ranch. There are no plans to consolidate the Maunaloa and Honolulu offices on Molokai at the present time.

The reference on page 1 of the Draft EA relating to nonconformity pertains to two existing commercial structures located in Area "C" which are adjacent to the existing police substation building. It is noted that the land on which the structures are located

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is within the Interim District. Since the Interim District does not allow commercial use, uses of the structures are non-conforming.

The post office, general store, laundromat and beauty salon are all within the Interim District. The post office use may be considered a permitted use within the Interim District under the category of "publicly owned buildings". If the post office does not fall within this category, then it would be considered non-conforming. The general store, laundromat, and beauty salon are all considered non-conforming as to their specific use.

Molokai Ranch has received no complaints that non-conforming status is hurting their existing businesses. All current commercial leases are on a short term basis.

It should be noted that transfer of property via long term leases or sale would have been problematic up to this point of time. Because of the potential problems involved, the Ranch opted not to offer long term leases or sale of property. If the Ranch desired to convey a property to an individual owner in the past, it would have necessitated a subdivision of the property. The County subdivision process requires obtaining the proper zoning as well as road widening and other infrastructural improvements. For an individual lot within the town, the conditions which may have been imposed as part of the subdivision process would be onerous. However, the Ranch recently completed a master plan for the implementation of these improvements. Thus, the zoning and infrastructural issues either have been or are in the process of being addressed.

In addition, in the case of the building with a non-conforming use, it could not be rebuilt without obtaining the proper zoning first and then constructing the building in conformance with applicable Building, Plumbing and Electrical Code requirements. In such a case, the process would have been quite lengthy. The subject application pertains to obtaining the necessary discretionary approvals required to execute future sales transactions.

Details regarding long term leases and purchase options for new commercial tenants are premature at this time and will be explored.

MOEPO Comment: (Page 3)

Will the "refurbishment and renovation" of existing structures be as suggested in the State Historic Preservation Office comment letter?

If not, what is the scope of "refurbishment and renovation" planned for the existing commercial structures?

When is this refurbishment scheduled for?

Has Molokai Ranch talked to the commercial lessees about the extent of the refurbishments planned?

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How will the costs of the refurbishments be prorated to the existing businesses?

What mitigation measures is Molokai Ranch planning to offer existing businesses to account for "loss of business" during the renovation period?

If all eleven acres mentioned on page 3 are developed, how many jobs will this create during the construction period and once the new businesses are in operation?

Over what time period does Molokai Ranch estimate it will take to fully develop these 11 acres?

Molokai Ranch Response:

It is noted that Maunaloa Town or its individual structures are not on the Federal or State Register of Historic Places, and the project will not utilize Federal or State monies. Compliance with the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties is thus not required. However, it should be noted that all structures within the Town Center project will conform with the County's Country Town Business design guidelines which were adopted by the Molokai Planning Commission as a means of preserving Maunaloa's plantation character.

To document existing structures within the town, we will be photographically documenting all structures proposed to be reconstructed prior to demolition. In addition, an oral history of the town has already been commissioned by the Ranch.

Details regarding the refurbishment schedule, discussion of the issue with commercial lessees, and pro-rating of costs with existing businesses are premature at this time. Issues such as mitigation measures during construction are addressed in each tenant's lease agreement.

The eleven acres containing existing buildings within the Town Center Project are part of the 29.2 acres which comprise the entire project site. It is noted that the eleven acres are located in various construction phases which will be driven by market considerations. Also, the extent of construction work may vary for each existing structure. Thus, the number of construction jobs generated by the 11 acres is not known. However, in terms of the overall implementation of the project, it is generally estimated that there will be approximately 154 direct construction jobs created over the 10-15 year time span of the project. At build out, the total new employment would grow to approximately 193 direct jobs.

MOEPO Comment: (Page 4)

In the historic Maunaloa Town how many two story buildings existed?

How many two-story buildings is Molokai Ranch intending for the project?

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Page 5 (Figure 2)

How many new buildings are proposed in Figure 2.

Will the lodge have a restaurant?

Will all light industrial uses be allowed in Area I?

How many buildings have upstairs apartments?

For each Area A through I provide the total square footage of under roof space (include sf for both stories) for the buildings shown in each area.

Molokai Ranch Response:

We are not aware of any two story buildings that previously existed in Maunaloa Town.

It is not known exactly how many two story buildings will be proposed for the project. This depends partially upon market considerations. However, in the conceptual town center plan included within the Draft EA, most of the structures are envisioned to be single story. Currently, it is envisioned that some of the structures within Area "A" would be two story which includes apartments over retail use. The lodge would be a combination of single story and two story structures. Area "F" may also contain several two story structures where office use is located over retail use.

New buildings are proposed within Areas "A", "D", and "G". However, the amount of new buildings shown in the plan are conceptual in nature. The remaining areas may involve rehabilitation of existing buildings or new structures.

Currently, a restaurant is planned within the lodge.

We are seeking light industrial zoning for Area "F". Thus, light industrial uses will be limited to this portion of the project. It should be noted, however, that light industrial zoning also allows commercial uses. Our intent is to have a mix of light industrial and commercial uses within this area.

Upstairs apartments will be limited to portions of Area "A". The conceptual design includes four structures with upstairs apartments.

The total square footage of each Areas "A" through "I" is based on a conceptual master plan whose implementation will be based on market considerations. Estimated square footage of building area for Phase I are noted as follows:

Area "E"	
Grocery Store	8,100 s.f.
Other Commercial	5,100 s.f.

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Area "F"		
	Cooke Land Company	6,000 s.f.
	Cinema/Retail	8,800 s.f.
Area "G"		
	Country Store/Gas Station	3,000 s.f.
Area "H"		
	Outfitters Center	9,400 s.f.
Area "I"		
	Museum Office	6,700 s.f.
	Restaurant	2,800 s.f.

It is noted that square footage for Phases II and III are preliminary and conceptual in nature. However, all work done in subsequent phases will comply with the County of Maui's B-CT Country Town Business zoning and design guidelines.

MOEPO Comment: (Page 6)

If Molokai Ranch is planning to maintain the "plantation village/rural character" of the town, why is it moving the existing fire station, and the old dentist's office, which houses an existing commercial operation, from their original location?

Besides the hotel, is the Ranch planning the development of other visitor accommodations in Maunaloa?

A restaurant is proposed for the museum. Is one also proposed for the hotel?

How large is the new country store that is being developed in concert with the new gas station?

If Maunaloa can't hardly support one general store, why is Molokai Ranch proposing another store to compete with the existing store?

When Maunaloa was in its heyday, how many residents were there?

Is Molokai Ranch willing to leave the "village square" in a park like setting as shown in Figure 2. If so, why not proposed "park" zoning for this area?

Molokai Ranch Response:

The existing fire station and old dentist's office are being moved to be part of the proposed Maunaloa Museum and Cultural Park. We believe that the Museum and Cultural Park will maintain and enhance the plantation village/rural character of the town.

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Besides the lodge noted in Area "H", there are bed and breakfast accommodations included on the north side of Maunaloa Town (which are not included in this zoning application). No other visitor accommodations are currently being proposed in Maunaloa.

As noted previously, a restaurant is being considered for inclusion within the lodge site.

It is noted that the Ranch is proposing a country store/gas station within Area "G". Since the existing gas station is located within the site of the museum and cultural park and would be closed, we intend to build the country store/gas station within Phase I of the development. The total floor area of the country store/gas station is anticipated to be approximately 3,000 square feet.

It is our intent to create business opportunities for both the country store and the existing general store. It is envisioned that the country store and general store will fill different retailing niches. One possibility is that the country store would focus on convenience items, while the general store would fulfill general merchandise and grocery needs. Although the market within the existing Maunaloa Town is relatively small, the residential project will provide some growth in the market along with potential customers from the Kaluakoi area, other portions of the island, and an increase in the visitor share of the market.

Maunaloa's population was estimated to be approximately 1,000 people in the 1940's and 1950's.

With regard to the village square, our intent is to leave it in a park-like setting. We have considered requesting "Park" zoning for this area. However, we envision that outdoor recreational, musical or cultural events could be held in this square. The County's PK-1 Neighborhood Park District, however, does not allow special events. The PK-2 Community Park District and the PK-3 Regional Park District, restrict special events to no more than ten days a year. We feel that the village square may be used for more than ten days a year for such special events. Moreover, the County's Park Districts do not allow museum use. Thus, any uses or events connected with the museum could not be held in the village square. Because of these restrictions, we have requested B-CT Country Town Business District zoning instead of Park zoning. We would like to emphasize that such events also provide the opportunity for increased patronage for the town's businesses.

MOEPO Comment: (Page 7)

Has there been a market study done to support the ranch's estimate of a 10 to 15 year buildout of the project? If so, please make that report a part of the final EA.

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Molokai Ranch Response:

Molokai Ranch has studied the feasibility of the lodge based on its staff's experience of Hawaii tourism. As part of the background work for the Social Impact Assessment, Community Resources compiled background information on the visitor industry in Hawaii, with an emphasis on areas that are not simply beach resorts. Community Resources looked at historical data and simple projections to reach a preliminary sense of whether development of a lodge would be feasible.

MOEPO Comment: (Page 8)

Will the existing general store be renovated prior to the construction of the new country store?

Will the existing general store merchant be given the right of first refusal to move into the new country store, since the new businesses will probably be offering many of the same items?

Where are warehouse facilities envisioned in the project?

What about car body repair/painting/engine overhauls, small manufacturing (i.e., surfboards, wood products, food processing). Where would these type activities be located?

Will the existing restaurant in Area B be renovated prior to the new restaurant proposed in Area I.

On page 8, there is no mention of the existing restaurant in Area B. Does the Ranch intend to delete the existing restaurant from its plan?

Besides the restaurant, will the museum house any other commercial activities that will compete with existing businesses?

Molokai Ranch Response:

The renovation of the existing general store and the construction of the new country store are envisioned to be implemented within Phase I of the project. However, it is not known at this juncture which will occur first. With regard to all the existing business tenants in Maunaloa Town, any terms, including the right of first refusal, will be discussed with each tenant individually, subject to their lease agreements.

Any warehouse facilities or light industrial activities such as auto body repair, will be located within the proposed light industrial area (Area "F").

The restaurant envisioned within Area "I" is part of the museum and cultural park. This is within Phase I. The restaurant within Area "B" is within Phase II. Thus, the restaurant within the museum and cultural park site is likely to be renovated before the restaurant in Area "B", although it should be noted that marketing considerations may

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dictate otherwise. (Although there is no mention of the existing restaurant on page 8, a restaurant is envisioned in Area "B" as noted on page 7 of the EA.)

Besides the restaurant, there may be other commercial activities accessory to the museum use, such as a gift shop.

MOEPO Comment: (Page 9)

How many of the 16 renovated homes are intended for rental and how many for fee simple sale?

What was the average renovation costs of the structures proposed for rental, and what was the costs to renovate the residential structures that are being sold?

What are the Ranch's plans for the 8 dwellings located in Manager's Row. Will the existing tenants be given an opportunity to purchase these at an affordable price.

Molokai Ranch Response:

Eight (8) of the renovated homes are intended for rental while eight (8) will be sold in fee simple interest.

Information on renovation costs of rental and for-sale structures is considered private information for business purposes.

Regarding the eight (8) homes located on Manager's Row, there are no plans to sell these homes at this time.

MOEPO Comment: (Page 10)

The Ranch did not mention the commercial activities that exist at the Kaluakoi Resort and how these may be impacted by the project. Does Molokai Ranch see any impact on any of these businesses?

Molokai Ranch failed to mention the undeveloped commercial activities that exist at the Kaluakoi resort. How many acres is this, and what impact will the Molokai Ranch project have on the development of this property or vice-versa?

Is Molokai Ranch planning any golf courses in its development plans for its West Molokai properties?

When were the Kaluakoi resort "large acreage" subdivisions developed.

How many of lots are included in these subdivisions?

How many of these lots have been sold?

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How many of these lots have been developed with homes?

Molokai Ranch Response:

Commercial activity at the Kaluakoi Resort is supported by the resort's visitors. The Ranch expects the expansion of Maunaloa to have little effect on Kaluakoi, except insofar as increases in West Molokai's visitor attractions will stimulate visitor stays at the resort. Hence, little or no impact on commercial operations at the resort is expected.

Molokai Ranch recognizes that plans for the Kaluakoi resort include commercial space, upscale residential areas, and hotels. The Ranch did not view these as certain in the foreseeable future and hence rely on them in developing plans for Maunaloa.

There are no golf courses being planned by Molokai Ranch for its West Molokai properties.

Regarding information on acres of undeveloped commercial property at the Kaluakoi Resort, date of "large acreage" subdivisions, number of lots, number of lots which have been sold, and number of lots which have been developed with homes, we believe that this information should be obtained from the appropriate landowner(s).

MOEPO Comment: (Page 13)

When pineapple lands around Maunaloa were these lands considered "well-suited" for agricultural production.

Assuming water is available to the former pineapple lands surrounding Maunaloa how would they be classified today under the ALISH system?

Since Brierley has owned Molokai Ranch, has any Molokai Ranch officials publicly promoted the ag potential of former Maunaloa pineapple lands if water were made available?

Molokai Ranch Comment:

The Land Study Bureau report has a five class productivity rating using the letters "A", "B", "C", "D", and "E", with "A" representing lands of the highest productivity and "E" the lowest or very poorly suited for agricultural production. It is noted that this study was published in June 1968 and evaluated lands surrounding Maunaloa Town which were then in pineapple cultivation, as "D" or poorly suited for agricultural production.

If irrigation water were available to former pineapple lands surrounding Maunaloa, it is not known how they would be classified under the ALISH system.

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Molokai Ranch officials feel that if water were made available to former pineapple land surrounding Maunaloa, additional flexibility regarding agricultural options would be possible.

MOEPO Comment: (Page 21)

What area is represented by the west Molokai population figure for 1990 of 2,168.

How much of this figure is represented by Maunaloa's population... and by Kaluakoi resort's population?

A "recent" visitor arrival number is quoted at 100,000 and a "recent" occupancy rate figure is quoted at 29%. How do these two numbers relate?

How many visitors would be needed to achieve a 75 % occupancy rate for the Island's 548 rental units?

Has Molokai Ranch done a feasibility study on the hotel and its impacts? If so, please include in the final EA. If not, why not?

If occupancy is at 29%, 30%, 40% on Molokai, why is the Ranch proposing another hotel.

If another hotel is required wouldn't it be best to have it at the Kaluakoi resort, to overcome some of the reasons Molokai Ranch has presumed are responsible for the resort's lack of success?

If the Kaluakoi resort visitor accommodations reach 75%, how many additional full-time positions will be generated?

How many full-time and how many part-time employees are there at the Kaluakoi resort...at Hotel Molokai...at Pau Hana Inn?

Molokai Ranch Response:

In 1990, Census Tract 318 had 2,168 residents. That tract covers about the western third of Molokai. Maunaloa Town had 428 residents, about 20% of the total.

Visitor arrivals are estimated by the Hawaii Visitors Bureau. For 1994, HVB reported 100,132 out-of-state visitors to Molokai. Occupancy is estimated separately, based on reports from hotel and condominium operators. Market research firms have reported Molokai island occupancies in the range of 25% to 35% in the last year or two, while operators have mentioned figures such as 29% (for mid-1995) in public.

In studies for the Maui County Planning Department, for the Community Plan Update Process, Community Resources estimated that Molokai saw an average of 3.1 visitors for every occupied visitor room. If that is still true, the average visitor census - the

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number of visitors on-island on an average day - would be about 1,275 when 75% of the roughly 550 visitor units are occupied. The total annual visitor arrivals would come to about 214,500.

Molokai Ranch has reviewed secondary materials and in-house data, and has reached the judgement that the market for its visitor attractions and the proposed lodge will be large enough in a few years to make the lodge feasible. The market for the lodge will include Hawaii residents as well as out-of-state visitors.

Low occupancies today in Kaluakoi and Central Molokai show that the visitor market for Molokai has not been well developed. Molokai Ranch has been developing additional visitor attractions, and the proposed lodge will provide visitor accommodations, for an expanded market. The Ranch is working to attract persons interested in outdoor recreation, in the West Molokai uplands terrain and in the ranching and plantation traditions of Maunaloa. Current occupancies at Kaluakoi tell us little about that market, since Kaluakoi offers few attractions.

Molokai Ranch has not asked each operator how many people are employed in their hotels and/or condominium properties. In 1990, some 273 hotel sector jobs were reported for the island (as shown in Community Resources, Inc., 1994). (Hotels also have jobs in retail and food and drink.) Future employment at those properties will depend on operators' staffing decisions.

MOEPO Comment: (Page 22)

MOEPO understands that the State is saying that there is little or no additional water from the Island's major water source for the expansion of the ag industry. Is this true?

Is Coffees of Hawaii leasing lands from Molokai Ranch?

Did Coffees recently sell to a new investor?

Is the new investor planning to expand? If so, where will the water source come from?

When were the two corn research companies mentioned established?

During the period when Molokai Ranch was going for its approval to develop 284 residential units in Maunaloa under the State's affordable housing plan, Molokai Ranch officials said they would be breaking ground soon for a dairy. Molokai Ranch officials said the project would create over 100 jobs. No one has heard anything recently about a dairy. What is the status of the project?

If the project is not going forward, as rumors have it, please explain why?

Have either of these companies expressed concern over Molokai's water situation and how this may impact their future as an employer on Molokai?

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Did the presence of a police officer in Maunaloa occur before or after Brierley purchased an interest in Molokai Ranch?

How much higher, if any, are the fire insurance rates for homeowners in Maunaloa versus the insurance rates for Kaunakakai homeowners. If so, please note the difference.

Is there a location for a fire station proposed by the community for the west end?

If so, does the Ranch support this location?

At the entrance to the Kaluakoi resort, just about a mile from Maunaloa, the community has proposed a site for the development of an affordable housing subdivision with minimum lots of 12,000 square feet and a small commercial area. The Ranch did not mention this major proposed development in its draft EA. Is Molokai Ranch supportive of this project, and how will it impact, if at all Molokai Ranch's project?

Molokai Ranch Response:

Clarifications of statements attributed to the State of Hawaii regarding availability of water should be directed to the appropriate State agency.

Coffees of Hawaii is presently leasing lands from Molokai Ranch in the Kualapuu area. Coffees of Hawaii did recently sell to a new investor, Integrated Resources, who is exploring development of additional sources of water for purposes of expansion. With regard to the two corn research companies, Ciba-Geigy and Hawaiian Research, which are located in Central Molokai, information as to date of establishment is not known. Ciba-Geigy and Hawaiian Research have both expressed concern regarding the availability of water.

The dairy project is currently on hold pending further demand analysis in the Hawaiian market.

A police presence in Maunaloa has traditionally been provided by the County of Maui as part of regular patrols for many years.

Fire insurance rates for homeowners in Maunaloa are currently higher than for homeowners in Kaunakakai. Generally speaking, the farther a home is located from a fire station, the higher its fire insurance premium.

We understand that a fire station site is being discussed on a five (5) acre site located at the northeast corner of the Maunaloa Road-Kaluakoi Road intersection. We would generally support this site since it is much closer to Maunaloa Town than existing fire stations and could presumably provide faster response time for the entire West End. However, we would welcome an opportunity to discuss a new fire station site in Maunaloa.

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With regard to the 110 acre Project District on lands owned by the County at the corner of Maunaloa Road and Kaluakoi Road, Molokai Ranch has no comment.

MOEPO Comment: (Page 23)

A few years ago, Molokai Ranch opened some type a medical service facility in Maunaloa. What happened to that project?

Molokai Ranch Response:

Molokai Ranch did not open any medical service facility in Maunaloa.

MOEPO Comment: (Page 24)

Molokai Ranch states that all its housing units are affordable to residents of Molokai. Based on the anticipated marketing goals, what will the impact on Maunaloa School when the towns proposed 350 residential units are occupied?

What is the enrollments at the other elementary school and how many residential units do they draw from?

What negotiations has Molokai Ranch had regarding the future expansion of Maunaloa School?

Molokai Ranch Response:

We are not aware of any statement made by the Ranch noting that all of its housing units are affordable as defined by Section 2.86 of the Maui County Code. However, we would like to emphasize that the Ranch is committed to implementing affordable housing as approved in the Chapter 201E application.

Regarding the subject project, no significant impact upon Maunaloa School is anticipated. The State Department of Education has noted that the proposed project will have negligible impact upon the school. Information on enrollments at other schools as well as geographic feeder areas should be obtained through the Department of Education. Molokai Ranch has not engaged in any negotiations with any State agency regarding the future expansion of Maunaloa School.

MOEPO Comment: (Page 25)

What was the cost of the new rodeo arena and related facilities?

How many rodeo participants who practice regularly live in Maunaloa?

Where do the majority of the island's other rodeo participants practice?

Is Air Molokai still servicing Molokai?

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Molokai Ranch Response:

Information related to the cost of the new rodeo arena and related facilities is considered private information for business purposes.

Information relating to place of residence of rodeo participants as well as practice facilities should be obtained from the individual participants. Molokai Ranch does not record such statistics.

Air Molokai has terminated service to Molokai.

MOEPO Comment: (Page 26)

How many of the 738 vessel arrivals are a) the Maui Princess, b) barge service and c) other craft.

Is Molokai Ranch receiving water from any of the other water systems on the Island (i.e., DHHL, the County, Kukui, etc.) If so, please identify these other sources and how much water gallons per day (gpd)

Molokai Ranch did not mention the term of the agreement it has with the County for up to 100,000 gpd. MOEPO understands that it is for only a three year term. If this is true, when does it expire.

Why was the agreement only for a three years term?

If the agreement is not extended, where will Molokai Ranch obtain the 100,000 gpd it current receives from the County well?

Has the County agreed to extend its agreement with Molokai Ranch?

What is the transmission capacity of the 6 inch line transporting water to Maunaloa?

If Molokai Ranch wants to dedicate the water system to the County, under what conditions, if any, is the County obligated to accept the system.

Does Molokai Ranch anticipate a profit from operating the water system?

What is the estimated price per 1000 gallons, Molokai Ranch is planning to charge for water?

Would the Molokai Ranch water system be subject to regulation by the PUC?

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Molokai Ranch Response:

Additional data regarding the number of vessel arrivals for the Maui Princess, barge service and other craft can perhaps be obtained through the Harbors Division of the State Department of Transportation.

Molokai Ranch utilizes the following systems for potable water use:

SOURCE	USE	AMOUNT
Kukui (Molokai)	Kualapuu	100,000 gpd
DHHL	Kipu	20,000 gpd
Department of Water Supply	Maunaloa	100,000 gpd
Source: Department of Water Supply		

Molokai Ranch has a three year agreement with the County of Maui Board of Water Supply to provide up to 100,000 gpd of potable water to Maunaloa Town. This agreement expires on May 31, 1996. Molokai Ranch is in the process of requesting an extension of this agreement for an additional two years. The 6 inch line is sufficient to transport the current 100,000 gpd allocation.

Any conditions of dedication of water systems to the County should be discussed with the County of Maui. The Molokai Ranch water system would be subject to regulation by the Public Utilities Commission. The Molokai Ranch water system, any rates it charges, and any profits are regulated by the PUC.

MOEPO Comment: (Page 27)

On what basis would the County of Maui accept the Maunaloa treatment plant?

If Molokai Ranch operated the system, does it anticipate a profit from the operation?

Molokai Ranch Response:

We believe that the County of Maui should answer whether or on what basis it would accept the Maunaloa Wastewater Treatment Facility. The upgrade of the plant is underway and we anticipate that it will continue to be a private facility. The facility is not operated at a profit.

MOEPO Comment: (Page 28)

Some government officials have expressed concern about the drainage gulches and their impacts on the oceans. Explain if these concerns are warranted?

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When did the new landfill open?

How many acres is Phase 1?

What is the cubic yard capacity of Phase 1?

How many cy's have been used to date?

What is the estimated remaining life of Phase 1?

Molokai Ranch Comment:

Regarding drainage, we are awaiting comments from a number of governmental agencies which deal with these issues. Pertinent concerns will be discussed with the applicable agencies.

It is our understanding that the new landfill at Naiwa has been operating since October 1993. It serves as the only County landfill on the island and has a projected life of 30 years. Specific questions regarding Phase 1 of the landfill should be addressed to the Solid Waste Division of the County of Maui.

MOEPO Comment: Potential Impact (Page 33)

Will all types of light industrial uses be allowed in Area 1? If not which uses will not be allowed and where will those uses be permitted in the Maunaloa area?

The rodeo arena is lighted. Is the ranch planning to install any lighting on the baseball/softball fields or basketball courts as other residential areas on Molokai have done?

What will be the impact on the view corridors from the existing business district of Maunaloa when all the new two story buildings proposed are constructed?

Molokai Ranch Response:

Light industrial uses within the project will be limited to Area "F". We are seeking M-1 Light Industrial District zoning and intend to have a mix of commercial and light industrial uses within the block. Our intent is to have specific types of light industrial uses which are compatible with each other as well as surrounding commercial uses.

We are planning to install night lighting on the new neighborhood park.

We do not anticipate that view impacts resulting from the project will be significant.

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MOEPO Comment: (Page 34)

The total cost of the project is estimated at \$19.3. How much per square foot does this price represent?

The \$19.3 million assumes how many new buildings and how many renovated buildings?

Based on the estimated cost what would be the s.f. rental rate?

Will new businesses be given an option to purchase their business properties? If so, in what areas will purchase options be given?

What is the s.f. sale price Molokai Ranch is estimated based on the \$19.3 cost of construction?

Molokai Ranch Response:

It should be noted that the \$19.3 million is a very conceptual figure which represents a "ballpark" estimate over the 10-15 year life of the project. There is no construction dollar amount per square foot which can be accurately represented at this stage. The Ranch is not certain at this point how many buildings would be new and how many would simply be rehabilitated. However, our intent is to comply with Country Town Business zoning and design guidelines for all structures within this project.

Rental rates for new or rehabilitated structures have not yet been established. We will explore purchase options for new businesses in the future.

MOEPO Comment: (Page 35)

How many full-time jobs the hotel create assuming 70% occupancy?

If the hotels and condo properties at the Kaluakoi resort reach 70% occupancy how many additional full-time jobs would be generated at the resort?

Molokai Ranch Response:

The estimate of 48 jobs at the lodge is based on the assumption that the lodge would reach occupancies in the range of 65% to 75%. Hence the direct employment impact of the lodge at 70% occupancy would be about 50 jobs. In addition, another 40 to 45 jobs statewide would be supported by development of the hotel (based on State Input-Output Model Type II multipliers). Some of those indirect and induced jobs would be located on Molokai.

Questions regarding additional full-time jobs created at the Kaluakoi Resort assuming 70% occupancy should be addressed to the resort.

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MOEPO Comment: (Page 36)

What is the estimated cost to construct a movie theater?

If a movie theater is developed in Kaunakakai, would it be economically feasible to build another theater in Maunaloa?

In seeking government approvals for its residential development Molokai Ranch touted the number of jobs it would generate with the dairy it was planning. How many direct and indirect jobs did Molokai Ranch estimate the dairy would create?

Rumors are that the dairy project is dead. Is this true? If so, what was the reasons for its demise?

What is meant by the "development of the lodge will consolidate this recreational market ?

What impacts does the Ranch anticipate on the existing restaurant if a new restaurant is built in the museum area?

Does Molokai Ranch tend to maintain the existing restaurant? It is not shown on the town map.

What impact will the Country store have on the existing general store?

Kualapuu only has one general store. How does Molokai Ranch justify developing two general stores in Maunaloa?

What population does the ranch feel is needed at Kaluakoi and Maunaloa to support full development of the project?

How long does the ranch anticipate it will take to develop this needed population?

What is the current island population?

What population figure has the community recommended for the island by the year 2010?

Molokai Ranch Response:

A "ballpark" estimate to construct a cinema center/retail structure is approximately \$660,000. The issue as to whether movie theaters in both Kaunakakai and Maunaloa are economically feasible would require a separate analysis.

The dairy project is currently on hold pending further demand analysis in the Hawaiian market.

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The statement on page 36 of the EA notes that "[d]evelopment of the lodge is expected to consolidate this market." The museum and cultural park is anticipated to complement visitor attractions already in existence (i.e., safaris, rodeos, trail rides). The lodge will help to "consolidate" the appeal of Maunaloa and West Molokai for an outdoor-oriented visitor market by providing accommodations that are near to and closely linked with attractions being developed by the ranch.

It is our intent to create business opportunities for both existing and new uses. New uses such as the restaurant within the museum site and the new country store will be determined by market demand. It is envisioned that the residential project will provide some growth in the market along with potential customers from the Kaluakoi area, other portions of the island, and an increase in the visitor share of the market. The increased number of potential customers should benefit all businesses. Thus, we do not believe that there will be adverse impacts to the existing restaurant or general store.

The existing restaurant is described in page 7 of the Draft EA text and is shown on Figure 2.

The residential development of Maunaloa Town as currently approved will increase population over its existing numbers. This will provide an increased market base for the businesses within the Maunaloa Town Center project. However, any population increases at Kaluakoi are not controlled by Molokai Ranch. We do not have any preconceived notions as to a population figure for Kaluakoi and Maunaloa which is needed to support full development of the project.

According to the 1990 Census, the resident population of Molokai was 6,587. We are aware of population projections for the year 2010 done for the County of Maui by Community Resources which were reviewed by the Molokai Citizen Advisory Committee. This shows a projected population of 9,019 by the year 2010. We are not aware of any other published or official population projections recommended by the Molokai community.

MOEPO Comment: (Page 37)

What is meant by, "the commercial market is small in scale"?

If expansion of the commercial area is to expand slowly, how can Molokai Ranch justify two general stores in Phase 1?

Molokai Ranch Response:

The commercial market is small in relation to other markets on Maui and within the State.

It is our intent to create business opportunities for both the country store and the existing general store. (See Molokai Ranch response to page 6 MOEPO comments).

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MOEPO Comment: (Page 38)

How many residents who rented from the ranch in 1992 have indicated a desire to rent from the ranch? How many have indicated a desire to purchase?

Of those 1992 residents who have indicated they want to purchase a lot, how many have been qualified by the bank?

Are all the residents who have lived in Maunaloa prior to 1976 going to receive the \$6,300 payment? If not, please explain.

If a qualifying family moves from Maunaloa or rents in the state/county project in Maunaloa, will they receive the \$6,300 or the \$1,500 payment? Please explain.

Molokai Ranch has claimed that all its residential properties offered for sale or rental are affordable to most Molokai residents. Based on Molokai Ranch's marketing strategies, what impacts on the school will occur when all 350 lots are sold and homes build on them?

How long does the ranch anticipate it will take to sell the 350 lots?

What is the ranch's target market?

Molokai Ranch Response:

Information relating to desire to rent or purchase, as well as qualification for bank loans is considered confidential information to protect the privacy of the various individuals.

All residents who have lived in Maunaloa prior to 1976 and comply with the various terms and conditions of the Ranch's relocation policy will receive the \$6,300 payment. With regard to the qualifying family which moved from Maunaloa or rents in the state/county project, insufficient information is given to make a determination as to whether a \$6,300 or \$1,500 payment would be made. We have attached the two page relocation policy for your review.

No significant impact upon Maunaloa School is anticipated as a result of the project. The State Department of Education has noted that the proposed project will have a negligible impact upon the school.

We have received approvals and are selling an estimated 225 lots. We anticipate that all lots will be sold by the year 2000. Initial marketing efforts have been concentrated on-island.

MOEPO Comment: (Page 41)

Molokai Ranch says the 100,000 gpc from the County is sufficient to service the current population. Isn't it true that Molokai Ranch is purchasing more than 100,000 from the county?

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How many units does Molokai Ranch consider as "full residential expansion of the town"?

Has the County agree to sell more water to Molokai Ranch for Maunaloa?

Has Molokai Ranch agreed to extend its 3-year agreement with Molokai Ranch?

The County has said that it is not planning to enter into a joint development agreement with Molokai Ranch. Please address this in the final EA.

What is the average, high and low capacities of the ranch's surface water system?

What areas and projects are currently serviced by the surface system mentioned in paragraph 2 (3).

How much excess water is available from the surface system to service Maunaloa and other ranch projects on the drawing board or under construction?

Please explain what is specifically meant by "coordination efforts" with the Dept. of Water Supply for an additional well in the Kualapuu area. Again the County has said it will not be entering into any joint ventures with MR and have ceased negotiations to this end.

Molokai Ranch was recently awarded a well construction permit by the state water commission in the area behind Kualapuu town. The ranch has publically stated it is not planning to begin construction of this well. Please explain why?

Molokai Ranch Response:

Molokai Ranch has a three year water agreement with the County Board of Water Supply to provide up to 100,000 gpd to Maunaloa Town. This agreement expires on May 31, 1996. Molokai Ranch is in the process of requesting an extension of this agreement for an additional two years.

The "full residential and commercial expansion of the town" noted on page 41 of the EA refers to currently approved residential projects and the Maunaloa Town Center project.

At this time, there is no agreement which states that the County has agreed to sell more water (greater than 100,000 gpd) to Molokai Ranch for use in Maunaloa Town.

Molokai Ranch's surface water system does not provide potable water for Maunaloa or other projects under construction such as the Palaau Industrial Park. Details of the Ranch's surface water system are not germane to the application.

The most accessible source of potable water for West Molokai is the Kualapuu aquifer. With its existing uses, a significant reservation of water by the Department of Hawaiian

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Home Lands, and possible downward revision in the sustainable yield from the Kualapuu Aquifer System, additional usage by other entities such as Molokai Ranch, are unlikely. Thus, to meet future water needs in Maunaloa, we have proposed to utilize groundwater from the Kamiloloa Aquifer system with an attendant transmission system to the West End. The potential water from this system should provide an adequate long term supply in excess of the 315,000 gpd needed for Maunaloa development.

Although a well construction permit for a Kualapuu well was granted by the Commission on Water Resource Management to Molokai Ranch, no allocation of water was granted.

MOEPO Comment: (Page 42)

In the final EA provide a map of the 12-inch 9.5-mile pipeline. Will its route follow the route of the 24-inch pipeline being built by Kukui (Molokai) Inc.?

If the 24-inch pipeline is built, will Molokai Ranch construct the 12-inch line?

In a recent Brierley annual report, there was mention of a transmission pipeline designed to bring large amounts of water from the east end of Molokai to the west end of the island to the ranch's "arid" lands. Was this in reference to the 24-inch line of the proposed 12-inch line?

At times during the last 20 years has Molokai Ranch had to supplement its surface water system source with water from the Kaluakoi resort system in order to meet the water demands of Maunaloa town?

Molokai Ranch Response:

The route of the 12 inch pipeline will follow the route of the existing 6" pipeline. The construction of a 12 inch transmission line is not contingent upon Kukui Molokai's plans to build a 24 inch line. Mention of a transmission line in the Brierley Investments Limited annual report is in reference to the 24 inch line and were made at the time when Molokai Ranch was discussing purchase of Kukui Molokai capacity.

The Molokai Ranch surface water system represents a non-potable source and is not being used for Maunaloa's potable water needs. Discussion of Molokai Ranch's surface water system is not related to the scope of this application and should be discussed in a separate context.

MOEPO Comment: (Page 52)

For the next several years it seems unlikely that Maunaloa could support much more commercial development. The 10-year of the Molokai community plan is in its final stages and has been sent to the County Council for final approval. The Council should take about a year

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to review the plan. Why has Molokai Ranch elected not to wait and be part of 10-year review process like all others in the community?

Molokai Ranch Response:

We believe that commercial retail services and employment are critically needed in the community. Thus, we have decided to apply for the necessary community plan changes now.

While the Council may initiate review of the Molokai Community Plan within a year, there are a number of other community plans which are scheduled to be reviewed prior to the Molokai Plan. The County Council is currently reviewing the West Maui Community Plan and has initiated review of the Makawao-Pukalani-Kula Community Plan. Other plans transmitted to Council prior to the Molokai Plan and still awaiting review include: Kihei-Makena, Wailuku-Kahului, and Lanai. Thus, while we would hope that an expeditious review would be forthcoming, the Molokai Community Plan review may be initiated more than a year from now.

It should also be noted that community plan amendments may be pursued individually, separate from the 10-year review process. There are a number of other applicants who have opted for individual review in other community plan regions.

MOEPO Comment: (Page 55)

How long does the ranch it will take to process the community plan amendments noted in Table 1 and the zoning requests on page 58?

Molokai Ranch Response:

The length of review of community plan and change in zoning requests will be dependent upon a number of factors including the length of governmental review time. Since much of the review will be done by others, we cannot state what the length of processing time will be.

MOEPO Question or Comment: Agencies Contacted Prior to Preparation of draft E (Page 65 and 66)

Why was only one community group contacted to provide comments and direction prior to the preparation of the draft EA?

Is Joanna Ramos (page 66) a member of the Molokai Planning Commission?

Does the Planning Commission have any jurisdiction over the approvals MR is seeking for the project? If so, please explain.

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Did the Maunaloa Community Action Council (MCAC) provide any written comments to Molokai Ranch prior to prep of the EA?

Will MR be following the US Secretary of the Interior Standards of Treatment of Historic Properties in its renovation and refurbishing efforts? If not, what standards will Molokai Ranch follow?

Molokai Ranch Response:

Only one community group, the Maunaloa Community Action Council, was consulted because it was felt that their area of focus is Maunaloa Town and they could lend their expertise relating to the proposed project. Although the Maunaloa Community Action Council did not offer any comments prior to the preparation of the Draft EA, any interested organization or individual could have offered comments during the public review period.

Joanna Ramos is a member of the Molokai Planning Commission.

A public hearing will be held before the Molokai Planning Commission.

With regard to design and construction, we will comply with Country Town Business zoning and design guidelines. (Also, see Molokai Ranch response to Page 3 MOEPO Comment).

MOEPO Question or Comment: Appendix D (Socio-Economic Impact Assessment)

ES-1

Name some of the project that "have been withdrawn".

Are the "uncertainties" as to the availability of water valid?

In 1992 Molokai Ranch offered 117 rental tenants an opportunity to purchase the homes they were renting at prices averaging less than \$70,000. Molokai Ranch withdrew the offer. How many of those renting in 1992 does Molokai Ranch will be purchasing the new house and lot package being offered, exclusive of those who purchased a few renovated homes.

Molokai Ranch Response:

Plans which are "on hold" include the expansion of Kaluakoi until water issues are resolved. Plans for Alpha USA's property are also "on hold" until economic conditions in Japan improve.

We believe that there is an ample water supply located in the central and eastern portions of Molokai to serve a variety of agricultural and urban users.

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With regard to the 117 rental tenants, we would like to emphasize that an informational letter was sent out by the Ranch noting that an experimental housing project was being considered in the town of Maunaloa. The experimental housing project was subject to obtaining County approval to subdivide the land without conforming to the full array of County subdivision standards which substantially adds to the cost of the development. However, the experimental housing concept was never approved by the County. Thus, an opportunity to purchase the homes was never extended.

MOEPO Comment: (Page 1-1)

Does Molokai Ranch have a market study or any other study to justify the estimate of a 10 to 15 year buildout for the project? If so, this should be included in the final EA.

Molokai Ranch Response:

Refer to Molokai Ranch Response to Page 7 MOEPO Comment.

MOEPO Comment: (Page 2-1)

Has Molokai Ranch filed a public offering with the state to build 1,200 lots in Maunaloa? If so, please explain.

Molokai Ranch Response:

Molokai Ranch has filed a public offering statement with the State of Hawaii for the units approved in the Chapter 201E application. This contains a total of 225 residential lots for purchase.

MOEPO Comment: (Page 2-2)

Please explain the state opposition to the Kukui 24-inch pipeline?

What community organizations are opposing the Kukui pipeline?

What is the basis of their opposition?

Molokai Ranch mentions Alpha, USA. What is the basis of the lawsuit Molokai Ranch says it filed against Alpha?

Molokai Ranch Response:

Explanation or rationale for any organization's opposition to Kukui Molokai's 24 inch waterline should be addressed to that particular organization. Molokai Ranch has no comment.

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Molokai Ranch-Alpha USA lawsuit, which has been settled, is not related to the scope of this project and should be discussed in a separate context.

MOEPO Comment: (Page 2-9)

What percent of the 61% make less than \$25,000?

What is the poverty level?

How many homes are being demolished in the Molokai Ranch plans that call for "extensive clearing of old houses"?

Molokai Ranch renovated some of these old houses. What was the renovation cost Molokai Ranch incurred prior to selling the homes?

How does the renovation cost compared to the cost of building a new house?

Molokai Ranch Comment:

The Social Impact Assessment reports the Census finding that 61% of households were owner-occupants in 1990. The Census did not separate out owner vs. renter households by income level. The poverty level mentioned in the Social Impact Assessment is that used by the Census. It depends on the size of the household and the Consumer Price Index, and is adjusted annually. In 1989, the average poverty threshold for a family of four was \$12,674.

Thus far, demolition of 17 dwellings have been completed. Applications for demolition permits on 57 homes have been submitted to the County.

Information on renovation costs of rental and for-sale structures is considered private information for business purposes.

MOEPO Comment: (Page 2-10)

If the Kaluakoi resort is so unsuccessful for the reason's, why wouldn't it be advisable to put the next hotel at the resort instead of Maunaloa?

A copy of the Decision Analysts Hawaii report should be included in the final EA.

Molokai Ranch Response:

One theory holds that an isolated resort, such as Kaluakoi, may have low occupancies because it does not succeed in marketing itself as a destination, with a variety of attractions and accommodations. This theory has been used to justify plans to build several hotels at Kuilima, on Oahu, and at Kaluakoi. Molokai Ranch appreciates that Molokai is not well known to Hawaii's visitors, and that Kaluakoi has fewer attractions

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than other resorts. Accordingly, it seems likely that Kaluakoi will benefit from a greater variety and number of visitor attractions. It is also possible that Kaluakoi will benefit from marketing for the lodge proposed for Maunaloa. Some lodge guests may choose to golf at Kaluakoi; and Kaluakoi guests may stay longer in order to enjoy attractions in the Maunaloa area.

The Decision Analysts Hawaii report mentioned in the SIA was prepared for the State Department of Business and economic Development.

MOEPO Comment: (Page 2-11)

What are the prospects for agriculture expansion on Molokai in the near future based on water resources?

Is Molokai Ranch in agreement with the findings of the state Subsistence Task Force report. If not please explain the ranches objections.

The Molokai Planning Commission recently recommend 110 areas be set aside at the entrance to the Kaluakoi resort about one mile from Maunaloa). Affordable lots (minimum size 12,000 s.f., a two-acre commercial area and a fire/rescue units are planned for this proposed project district area? Is the ranch supportive of this project? If not, please explain why.

Does the ranch see any impact of its project on this proposed affordable housing project? If so, please explain.

There are 11 acres of undeveloped commercial land at the Kaluakoi resort. How does the ranch's project impact the development of this large commercial parcel at the resort?

How many acres of industrial zoning did the Molokai Planning Commission recommend approval for on ranch lands at Palaau?

How will the Palaau light industrial development impact the Maunaloa industrial development or, visa-versa?

Molokai Ranch Response:

Prospects for various types of agricultural expansion would depend on a number of factors of which availability of water is one factor. A detailed assessment for various agricultural ventures is beyond the scope of this report.

It is noted that the project area of 29.2 acres is located within or abutting the existing Maunaloa Town. Most of the project area involves the refurbishment of areas which are currently developed or have been developed in urban usage since the plantation era. Other portions (approximately 5 acres) of the area located south of the Outfitters Center are currently in pasture use and formerly were in pineapple cultivation.

February 6, 1996

In terms of the actual proposed uses of the land area of the project, it should have a negligible effect upon existing fishing, ocean gathering, and hunting activities conducted for subsistence purposes. Subsistence issues such as the effects of touring operations and access to Ranch properties are broader than the scope of the project and should be discussed in a separate context.

With regard to the 110 acre affordable housing project, see Molokai Ranch Response to Page 22 MOEPO Comment. We do not believe that the Maunaloa Town Center project will adversely affect the proposed affordable housing project.

With regard to undeveloped commercial property at Kaluakoi, see Molokai Ranch Response to Page 10 MOEPO Comment.

As part of the Molokai Community Plan Update, the Molokai Planning Commission recommended that approximately 20 acres of land be redesignated from Agricultural to Light Industrial at Palaa. In addition, 20 acres in Palaa were proposed to be redesignated from Heavy Industrial to Light Industrial except that a 30 foot open space buffer along the highway is required.

We do not believe that there will be any adverse impacts from the Palaa light industrial development upon the Maunaloa light industrial development or vice versa.

MOLOKAI RANCH'S RELOCATION POLICY FOR MAUNALOA

- 1) All existing residents of Maunaloa whose occupancy commenced prior to January 1, 1993 and who are required to relocate as a result of Molokai Ranch's redevelopment of the town will receive a relocation payment in the amount of \$500.00 as a moving expense reimbursement.
- 2) All residents of Maunaloa who were residents prior to 1976, and who are required to relocate will receive rental or purchase assistance for replacement housing as follows:
 - a) Rental Assistance - Molokai Ranch, Limited will fund a special account for the benefit of this group of residents for the purpose of assisting them in transitioning to potentially higher rents which are anticipated to occur as a result of their displacement. This payment in the aggregate amount of \$6,300.00 would be disbursed to the tenant's new landlord as follows:

<u>YEAR</u>	<u>MRL RENT CONTRIBUTION</u>
1st	\$175.00 per month
2nd	\$140.00 per month
3rd	\$105.00 per month
4th	\$ 70.00 per month
5th	\$ 35.00 per month

- b) Purchase Assistance - Molokai Ranch, Limited will contribute \$6,300.00 or the unexpended balance of any Rental Assistance as described above at the close of escrow toward the purchase of any lot in Maunaloa for the purpose of assisting this group of residents in purchasing their own house.
- 3) All current residents of Maunaloa whose occupancy commenced after January 1, 1976 and before January 1, 1993 and who are required to relocate will be given a one time relocation payment of \$1,500.00 payable at the time of relocation.

The above payments are subject to the following:

- a) The approval of the 201E Application and the initiation of construction.

Relocation Policy
Page 2

- b) Only one payment will be made per existing dwelling. (For example, if the occupants of a dwelling unit rent two units subsequent to relocation, say a one bedroom unit and a two bedroom unit, the rent assistance payments will be allocated between the families in any manner they so choose).
- c) The amount of payments to be made hereunder will be reduced by any amounts otherwise owed to Molokai Ranch.
- d) Molokai Ranch will have no liability for payments hereunder to anyone who is removed from the project prior to relocation for any reason whatsoever including, but not limited to non-payment of rent, disorderly or nuisance conduct, etc.
- e) Residents who took occupancy after January 1, 1993 were advised at the time of initial occupancy that their rental status was temporary in as much as the unit was scheduled for demolition or rehabilitation. Therefore no moving or relocation payments will be made to such month to month tenants.
- f) In the event of any dispute arising as a result of this policy concerning amounts to be distributed or composition of a particular group of residents, the determination of the applicability of this policy shall in all cases be at the sole discretion of Molokai Ranch, Limited.

**End of Attachment to February 6, 1996
Molokai Ranch Response**

MOLOKAI - LANAI SOIL AND WATER CONSERVATION DISTRICT



P.O. Box 396
Hoolehua, HI 96729
Phone (808) 567-6869
FAX (808) 567-9062



20 December 1995

Maui County Planning Department
Division of Land Use & Codes
250 South High Street
Wailuku, HI 96793

RE: MAUNALOA TOWN CENTER, CHANGE IN ZONING AND CONDITIONAL PERMIT

Dear Sirs:

As partners in conservation, the Molokai-Lanai SWCD shares office space with the Natural Resources Conservation Service on the island of Molokai. Being such, we had the opportunity to review the Application for District Boundary Amendment, Community Plan Amendment, Change in Zoning and Conditional Permit submitted by Molokai Ranch for Maunaloa Town Center.

As noted in correspondence from NRCS, there is great concern regarding the possibility of sediment laden runoff reaching the coast. With the increase in runoff, we would like to recommend severe erosion control measures be implemented within the two gulches to alleviate this problem.

In the future, is it possible to be included on the mailing list for review of subdivision plans? We would specifically like to be allowed to comment on drainage plans and sediment control plans. Thank you for taking the time to consider these comments.

Sincerely yours,

Joseph C. Wampler
Joseph C. Wampler
MLSWCD Chairman



United States
Department of
Agriculture

Natural
Resources
Conservation
Service

P. O. Box 396
Honolulu, HI
96829-0396

'95 DEC 20 P1:56

To: Mr. Clayton Yoshida AICP
County of Maui
Planning Department
250 S. High St.
Wailuku, Maui, HI 96793

Subject: Maunaloa Town Center - Application for District
Boundary Amendment, Community Plan Amendment,
Change in Zoning and Conditional Permit.

Dear Mr. Yoshida,

Thank you for the opportunity to comment on the Maunaloa Town Center Project. Our comments address the drainage reports for both the Town Center portion and the Maunaloa Village Subdivision portion as these two sections together contribute to the total drainage from these areas.

1. Drainage and erosion calculations have been done for both the subdivision and the town center. These reports deal only with on site calculations and end with the exit of approximately 268 cfs of runoff from both sites into two existing gulches makai of the town. This is an increase of 113 cfs and does not represent the total volume that will be generated by these and additional "future residential" areas to the north and south of the present expansion areas.
2. Soils map and descriptions are included with this letter. The erosion calculations in both reports focus on the Lahaina and Hoolehua silty clay series which are the soils found in the project area. Erosion hazard for these soils is slight to moderate. Soils in the gulches have been identified and contain soils with the erosion hazard of slight to severe.
3. Both of these gulches exit to class AA waters as identified on the Water Quality Standards Map issued by the Office of Environmental Planning, 10/87.
4. We would like to see the erosion potential of the gulches and the possibility of sediment laden runoff reaching the ocean specifically addressed.
5. Present runoff calculations are based solely on a 10 year storm frequency. Revised calculations should include 25 year, 50 year and 100 year projections.
6. Should calculations show the likelihood of adverse impact to coastal waters, mitigation measures would need to be planned.

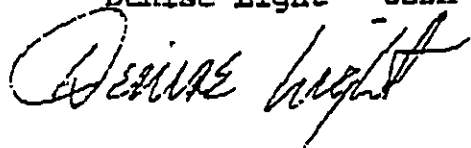
The Natural Resources Conservation Service
formerly the Soil Conservation Service, works
hand-in-hand with the American people to
conserve natural resources on private lands.

AN EQUAL OPPORTUNITY EMPLOYER

Thank you for this opportunity.

Sincerely yours,

Denise Light - USDA-NRCS

A handwritten signature in cursive script that reads "Denise Light". The signature is written in dark ink and is positioned below the typed name.

**Attachments to Natural Resources
Conservation Service Letter**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

SOIL INTERPRETATION REPORT

Survey Area- ISLAND OF MOLOKAI, HAWAII

Map Symbol, Soil Name	Drainage	Terraces and Diversions	Grassed Waterways
H2B HOOLEHUA	LIMITATION Deep To Water	FAVORABLE	FAVORABLE
H2C HOOLEHUA	LIMITATION Deep To Water	LIMITATION Slope	LIMITATION Slope
LaC LARAINA	LIMITATION Deep To Water	LIMITATION Slope	LIMITATION Slope Droughty
W2B WAIKAPU	LIMITATION Deep To Water	FAVORABLE	LIMITATION Too Arid Droughty
W2C WAIKAPU	LIMITATION Deep To Water	LIMITATION Slope	LIMITATION Too Arid Slope Droughty
V2Z VERY STONY LAND	LIMITATION Deep To Water	LIMITATION Slope Large Stones Depth To Rock	LIMITATION Large Stones Slope Droughty

NONTECHNICAL SOILS DESCRIPTION REPORT
FOR DESCRIPTION CATEGORY - S01

Survey Area- ISLAND OF MOLOKAI, HAWAII

Map
Symbol

Description

fine-textured old alluvium. The soil is typically slightly acid to neutral but is strongly acid to very strongly acid in the surface layer in areas where pineapple is grown. Permeability is moderate. Runoff is medium, and the hazard of wind and water erosion is severe.

rVT2

VERY STONY LAND, ERODED This land occurs in the same general area as Very stony land, but it is mostly upslope from those areas. This land type consists of large areas of severely eroded soils. About 50 to 75 percent of the surface is covered with stones and boulders. There are common shallow gullies and a few deep gullies. The soil material is like that of Holomua, Molokai, Pamea and Waikapu soils. In most places it is less than 24 inches deep to bedrock, but it is deeper in a few low-lying areas.

NONTECHNICAL SOILS DESCRIPTION REPORT
FOR DESCRIPTION CATEGORY - SOI

Survey Area - ISLAND OF MOLOKAI, HAWAII

Map Symbol	Description
rVE2	VERY STONY LAND, ERODED This land occurs in the same general area as Very stony land, but it is mostly upslope from those areas. This land type consists of large areas of severely eroded soils. About 50 to 75 percent of the surface is covered with stones and boulders. There are common shallow gullies and a few deep gullies. The soil material is like that of Holomua, Molokai, Panoa and Waikapu soils. In most places it is less than 24 inches deep to bedrock, but it is deeper in a few low-lying areas.

NONTECHNICAL SOILS DESCRIPTION REPORT
FOR DESCRIPTION CATEGORY - SOI

Survey Area- ISLAND OF MOLOKAI, HAWAII

Map Symbol	Description
H2B	HOOLEHUA SILTY CLAY, 3 TO 7 PERCENT SLOPES This very deep, well-drained soil occurs on gently sloping depressions and in drainageways. It developed in old alluvium. The soil ranges from medium acid in areas used for pasture to extremely acid in areas used for pineapple. The subsoil is medium acid to neutral. Permeability is moderate. Runoff is slow, and the erosion hazard is slight to moderate.
H2C	HOOLEHUA SILTY CLAY, 7 TO 15 PERCENT SLOPES This very deep, well-drained soil occurs on moderately sloping depressions and in drainageways. It developed in old alluvium. The soil ranges from medium acid in areas used for pasture to extremely acid in areas used for pineapple. The subsoil is medium acid to neutral. Permeability is moderate. Runoff is slow to medium, and the erosion hazard is moderate.
L2C	LAERAINA SILTY CLAY, 7 TO 15 PERCENT SLOPES This very deep, well-drained soil occurs on moderately sloping uplands. It developed in material weathered from basic igneous rock. These soils are medium acid in the surface layer and slightly acid to medium acid in the subsoil. Included are small, steep areas and areas where a few cobblestones and stones are on the surface. Permeability is moderate. Runoff is medium, and the erosion hazard is moderate.
W2B	WAIKAPU SILTY CLAY LOAM, 3 TO 7 PERCENT SLOPES This very deep, well-drained soil occurs on gently sloping uplands. It formed in fine-textured old alluvium. The soil is typically slightly acid to neutral but is strongly acid to very strongly acid in the surface layer in areas where pineapple is grown. Permeability is moderate. Runoff is slow, and the erosion hazard is slight to moderate.
W2C3	WAIKAPU SILTY CLAY LOAM, 7 TO 15 PERCENT SLOPES, SEVERELY ERODED This very deep, well-drained soil occurs on moderately sloping uplands. It formed in

SOIL INTERPRETATION REPORT

Survey Area- ISLAND OF MOLOKAI, HAWAII

Map Symbol, Soil Name	Drainage	Terraces and Diversions	Crossed Waterways
BS BEACHES	LIMITATION Flooding Slope Cutbanks Cave	LIMITATION Wetness Too Sandy Soil Blowing	LIMITATION Wetness Excess Salt Droughty
GL GULLIED LAND	LIMITATION Deep To Water	LIMITATION Slope Erodes Easily	LIMITATION Slope Erodes Easily
H2B HOOLEHUA	LIMITATION Deep To Water	FAVORABLE	FAVORABLE
H2C HOOLEHUA	LIMITATION Deep To Water	LIMITATION Slope	LIMITATION Slope
J2C JAUCAS	LIMITATION Deep To Water	LIMITATION Too Sandy	LIMITATION Droughty
LaC LARAINA	LIMITATION Deep To Water	LIMITATION Slope	LIMITATION Slope Droughty
LaC3 LARAINA	LIMITATION Deep To Water	LIMITATION Slope	LIMITATION Slope Droughty
M2A MALA	LIMITATION Deep To Water	FAVORABLE	LIMITATION Too Arid
rV2Z VERY STONY LAND	LIMITATION Deep To Water	LIMITATION Slope Large Stones Depth To Rock	LIMITATION Large Stones Slope Droughty

NONTECHNICAL SOILS DESCRIPTION REPORT
FOR DESCRIPTION CATEGORY - SOI

Survey Area- ISLAND OF MOLOKAI, HAWAII

Map Symbol	Description
	level to moderately sloping coastal plains. It developed in wind and water deposited sand from coral and seashells. The soil is neutral to moderately alkaline throughout the profile. Permeability is rapid, and runoff is very slow to slow. The hazard of water erosion is slight, but wind erosion is a severe hazard where vegetation has been removed.
LaC	LAHAINA SILTY CLAY, 7 TO 15 PERCENT SLOPES This very deep, well-drained soil occurs on moderately sloping uplands. It developed in material weathered from basic igneous rock. These soils are medium acid in the surface layer and slightly acid to medium acid in the subsoil. Included are small, steep areas and areas where a few cobbles and stones are on the surface. Permeability is moderate. Runoff is medium, and the erosion hazard is moderate.
LaC3	LAHAINA SILTY CLAY, 7 TO 15 PERCENT SLOPES, SEVERELY ERODED This very deep, well-drained soil occurs on moderately sloping uplands. It developed in material weathered from basic igneous rock. This soil is medium acid in the surface layer and slightly acid to medium acid in the subsoil. Most of the surface layer and, in places, part of the subsoil have been removed by erosion. Included are small blown-out spots and gullies and small, very stony areas that are eroded to weathered rock. Permeability is moderate. Runoff is medium, and the erosion hazard is severe.
MaA	MAA SILTY CLAY, 0 TO 3 PERCENT SLOPES This very deep, well-drained soil occurs on nearly level alluvial fans on coastal plains. It formed in recent alluvium. In low areas this soil is subject to flooding for short periods during heavy rains. The soil is easily compacted. The surface layer is slightly acid; the subsurface is slightly acid to mildly alkaline. Permeability is moderate. Runoff is slow, and the erosion hazard is no more than slight.

NONTECHNICAL SOILS DESCRIPTION REPORT
FOR DESCRIPTION CATEGORY - SOI

Survey Area- ISLAND OF MOLOKAI, HAWAII

Map symbol	Description
BS	<i>Wahiloakua Gulch</i> BEACHES Beaches occur as sandy, gravelly, or cobbly areas. They are washed and rawashed by ocean waves. The beaches consist mainly of light-colored sands derived from coral and seashells. A few of the beaches, however, are dark colored because their sands are from basalt and andesite.
GL	GULLIED LAND This land is so cut by recent gullies that it is nonarable and the soil profile has been largely destroyed. Erosion is very active, and the soil is bare in many places. This land occurs in the heads of drainageways on alluvial terraces along the streams. Near the upper margins of the drainageways, almost vertical-sided gullies have cut back into the undisturbed soil areas, leaving remnants of deep soil between gullies. Farther down the slopes, these little spurs are also eroded to varying degrees; at still lower elevations, stones and bedrock are left in the gullies.
EzB	MOOLESHUA SILTY CLAY, 3 TO 7 PERCENT SLOPES This very deep, well-drained soil occurs on gently sloping depressions and in drainageways. It developed in old alluvium. The soil ranges from medium acid in areas used for pasture to extremely acid in areas used for pineapple. The subsoil is medium acid to neutral. Permeability is moderate. Runoff is slow, and the erosion hazard is slight to moderate.
EzC	MOOLESHUA SILTY CLAY, 7 TO 15 PERCENT SLOPES This very deep, well-drained soil occurs on moderately sloping depressions and in drainageways. It developed in old alluvium. The soil ranges from medium acid in areas used for pasture to extremely acid in areas used for pineapple. The subsoil is medium acid to neutral. Permeability is moderate. Runoff is slow to medium, and the erosion hazard is moderate.
JaC	JAUCAS SAND, 0 TO 15 PERCENT SLOPES This very deep, excessively drained, calcareous soil occurs on nearly

**End of Attachments to Natural Resources
Conservation Service Letter**



MOLOKAI RANCH

February 6, 1996

Ms. Denise Light
U.S. Department of Agriculture
Natural Resources Conservation Service
P.O. Box 396
Hoolehua, Hawaii 96729-0396

Re: Maunaloa Town Center

Dear Ms. Light:

Thank you for your comments on the Maunaloa Town Center Project. This letter contains our reply.

The proposed Maunaloa Town Center project involves only the 20 commercial lots within the existing subdivision. Both the existing Maunaloa Village Subdivision and the future expansion of the town beyond the existing subdivision are actually outside the scope of this project. The Maunaloa Village Subdivision project has already undergone a separate review under HRS Chapter 201E and has been approved by both the Maui County Council and regulatory agencies. The future expansion of Maunaloa town is largely speculative. At this point, the nature of the expansion, its timing, and the laws and regulations that will be in effect if and when it occurs are all unknown. We would, therefore, like to confine our comments to the 20 commercial lots affected by this project request.

The increase in runoff attributable to the development of the Town Center is expected to be relatively small, regardless of the recurrence interval upon which the runoff calculations are based. Several of the lots under this project already support existing businesses that have been in operation for some time. Those which are not currently supporting commercial uses have single family residences on them. These existing commercial and residential uses already generate runoff; consequently, redevelopment of these lots to expand commercial use will result in a relatively small increase in runoff -- 30 cfs from 30 acres, or approximately 1 cfs per acre from a 10-year storm. Developing raw pasture land, by comparison, would typically increase the 10-year runoff by approximately 3 cfs per acre.

In order to clarify the potential impact of the added runoff on erosion in the existing gulches, a hydrologic analysis using TR-20 (NRCS Unit Hydrograph Method) was performed on the two gulches to the north and south of Maunaloa town into which the town's storm sewer system discharges. The analysis, which used a 2-year 24-hour rainfall, yielded the following results:

Ms. Denise Light
February 6, 1996
Page 2


1. The gully to the north of Maunaloa Town is part of the 1200-acre Wahilauhue Gulch drainage basin. The existing 2-year 24-hour flow in Wahilauhue Gulch is approximately 150 to 200 cfs at its outlet to the ocean. The developed Town Center will increase the 2-year storm flow in this gulch by approximately 8 cfs.
2. The unnamed gully to the south of Maunaloa is part of a 4000-acre drainage basin whose main channel conveys a 2-year 24-hour flow of approximately 400 to 500 cfs to the ocean. The developed Town Center will increase the 2-year storm flow in this gulch by approximately 13 cfs.

The existing flows generated by these large drainage basins and conveyed by these gulches are an order of magnitude greater than the increase expected from the proposed Town Center. The large existing flows that enter the ocean suggest that natural erosion will occur and that sediment will reach the ocean with or without the proposed development. We do not know of a quantitative method that will enable us to reliably determine the marginal impact that the Town Center's development will have on gulch erosion; however, the small scale of the increase -- 2 to 5 percent for a 2-year storm -- suggests that the impact of the Town Center will be relatively minor.

With regard to mitigation measures, the gullies to the north and south of Maunaloa Town are State waters by the Department of Health's definition, and so development of the Town Center parcels will require an NPDES permit if the nature of the improvements and their specific use warrant it. If required, NPDES permits will need to be sought at the time the specific parcels are improved or activities on the land are initiated that may have some impact on water quality -- such as grading operations during construction or the disposal of industrial wastewater.

We hope that the above response addresses your concerns. Thank you again for your comments.

Very truly yours,



David Nakamura
Project Manager

cc: Joseph C. Wampler, Chairman
Molokai-Lanai Soil and Water Conservation District

DN/te

DEC 26 1995

Girish J. Patel
P.O. Box 44
Maunaloa, Molokai
Hawaii 96770
December 21, 1995

'95 DEC 22 P1:42

Certified Mail

DEPT OF PLANNING
COUNTY OF MAUI

Mr. Gary Gill, Director RECEIVED
Office of Environmental Quality Control
State of Hawaii
220 South King Street
Central Pacific Plaza
Suite 400
Honolulu, HI 96815

Subject: Molokai Ranch's Proposal to Redevelop Business District
of Maunaloa Town, Molokai (TMK:5-1-2:por. 26,27)

Dear Mr. Gill,

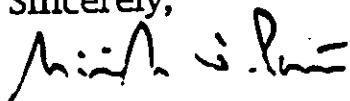
The proposed development may adversely affect culture, lifestyle, environment and existing businesses in Maunaloa, Molokai. There may not be real long term economic opportunities or increased employment for the people of Molokai due to the redevelopment of the business district of Maunaloa. The project may succeed only if the population of Molokai increases significantly, which is unlikely to occur in the near future.

The source of water for the proposed commercial as well as residential development is a matter of grave concern to many. Molokai has limited supply of water. The future water needs of DHHL exceed the supply on Molokai.

The residential development in progress now creates so much dust due earth moving that it poses a health hazard. The DOH has done nothing about it. The proposed development will produce more dust and soil erosion.

Please require the applicant to prepare a complete environmental impact statement for the development. Thank you.

Sincerely,



Girish J. Patel
(808) 552-2868



MOLOKAI RANCH

February 6, 1996

Mr. Girish J. Patel
P.O. Box 44
Maunaloa, Molokai 96770

Re: Maunaloa Town Center

Dear Mr. Patel:

We have received a copy of your letter dated December 21, 1995 to Mr. Gary Gill pertaining to the subject project. We appreciate your comments and would like to take this opportunity to provide the following response.

As part of the Draft Environmental Assessment, we have done a socio-economic impact assessment. The study found that the project responds to current economic problems and is not a source of adverse socio-economic impacts.

We do not believe that the population of Molokai needs to increase "significantly" in order for the subject project to succeed. It is envisioned that the Maunaloa residential project will provide some growth in the market along with potential customers from the Kaluakoi area and other portions of the island, and an increase in the visitor share of the market.

Existing groundwater usage on Molokai is estimated to be 5.1 million gallons per day (mgd). Conservative estimates indicate that there are 39 mgd of developable water available on Molokai, not including at least 44 mgd in the Northeast Sector. To meet the future supply of water needed for full build out of the subject project as well as the approved residential portions of the project, we have proposed to utilize groundwater from the Kamiloloa Aquifer system with an attendant transmission system to the West End. The water from this system should provide an adequate long term supply in excess of the 315,000 gallons per day needed for Maunaloa development.

Dust resulting from the proposed residential development is, unfortunately, one of the short term nuisances resulting from construction work. However, we have complied with all applicable State and County provisions relating to dust control. For

Mr. Girish J. Patel
February 6, 1996
Page 2

the subject project, we will continue to comply with applicable dust control provisions and work to minimize dust impacts upon Maunaloa's residents and businesses.

We have comprehensively evaluated the possible impacts attributed to the proposed project and have found that there are no significant environmental impacts resulting from the project. Thus, we feel that an environmental impact statement is not warranted.

We hope that the above response addresses your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

STATE HISTORIC PRESERVATION DIVISION
88 SOUTH KING STREET, 6TH FLOOR
HONOLULU, HAWAII 96813

MICHAEL D. WILSON, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES

DEPUTY
GILBERT SOLOMANA-SARAH

AQUACULTURE DEVELOPMENT
PROGRAM

AQUATIC RESOURCES
CONSERVATION AND

ENVIRONMENTAL AFFAIRS
CONSERVATION AND
RESOURCES ENFORCEMENT

CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
DIVISION

LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

LOG NO: 16172
DOC NO: 9512col3
Architecture

December 21, 1995

Mr. David W. Blane, Director
Planning Department
County of Maui
250 S. High Street
Wailuku, Maui, Hawaii 96793

Dear Mr. Blane:

**SUBJECT: Application for District Boundary Amendment,
Community Plan Amendment, Change in Zoning and
Conditional Permit for Maunaloa Town Center
TMK 5-1-2:26, Maunaloa, Molokai**

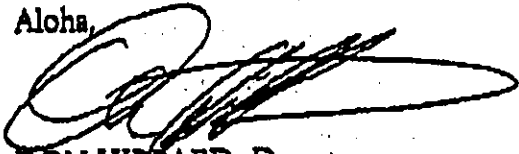
Thank you for transmittal dated November 17, 1995, regarding application for District Boundary Amendment, Community Plan Amendment, Change in Zoning and Conditional Permit for Maunaloa Town Center. We have comments regarding the draft Environmental Assessment references to II. Description of Existing Environment, A. Physical Setting, 7. Historic Resources and III. Potential Impacts and Mitigation Measures, A. Physical Environment, Historic Considerations. We believe that although the various properties are not listed on the National Register of Historic Places, some of them may be eligible. We recommend that a historic building survey be done of the area to determine, if any of the sites do meet the criteria to be listed on the State or National Register of Historic Places. The survey should be done by a qualified architectural historian or historic architect, who meets the NPS qualifications and is familiar with the historic plantations of Hawaii.

We believe that the survey could identify structures of historical significance, then a preservation plan could be developed for the historically significant structures and incorporated as part of the "Historic Considerations." We recommend that renovated structures follow the Secretary of the Interiors Standards for Rehabilitation, and new structures could be designed per specific design guidelines. This type of active preservation will help to maintain and enhance "the unique urban design character and country town atmosphere of Maunaloa."

David W. Blane
Page 2

Thank you for the opportunity to comment. We believe that preservation of existing structures is an important component in the retention of culture, history and lifestyle of a place and look forward to seeing a portion of Maunaloa town preserved. If you have any questions, please have your staff contact Carol Ogata at 587-0004.

Aloha,



DON HIBBARD, Deputy
State Historic Preservation Division

CO:jk



MOLOKAI RANCH

February 6, 1996

Mr. Don Hibbard
Deputy
State Historic Preservation Division
State of Hawaii
Department of Land and Natural Resources
33 South King Street, 6th Floor
Honolulu, Hawaii 96813

Re: Maunaloa Town Center

Dear Mr. Hibbard:

We have received a copy of your letter dated December 21, 1995 to David Blane of the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and take this opportunity to provide a response.

Please note that Maunaloa Town or its individual structures are not listed on the Federal or State Register of Historic Places, and the project will not utilize Federal or State monies. Although compliance with the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties is not required, it should be noted that all structures within the Town Center project will conform with the County's Country Town Business design guidelines which were approved by the Molokai Planning Commission as a means of preserving Maunaloa's plantation character.

We hope that the above response addresses your concerns. Thank you for your comments.

Very truly yours,

David Nakamura
Project Manager

DN/te

PHONE (808) 594-1888



FAX (808) 594-1865

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500
HONOLULU, HAWAII 96813

'96 JAN -1 P1:40
DEPT OF PLANNING
COUNTY OF MAUI
RECEIVED

December 22, 1995

Mr. David W. Blane, Planning Director
County of Maui
Planning Department
250 S. High Street
Wailuku, Maui, Hawai'i 96793

Attention: Clayton Yoshida

Re: I.D. No.: 95/EA-9, 95/CPA-6, 95/CIZ-11, 95/CP-4
TMK: 5-1-2:26 and Por of 27
Project Name: Maunaloa Town Center
Applicant: Molokai Ranch, Limited

Dear Mr. Blane:

Thank you for the opportunity to review this application for district boundary amendment, community plan amendment, change in zoning and conditional permit. The Office of Hawaiian Affairs has some grave concerns about the availability of water for this project.

The Environmental Assessment (EA) points out that the water supply on Moloka'i is limited, especially on the west end of the island where the project is located. The applicant clearly states on Page 41 of the EA that there is not enough water for housing projects currently in progress. In spite of the lack of water for current projects, the applicant is seeking approval for the development of additional commercial space in Maunaloa which would put further strain on Molokai's limited water resources. The developer justifies the current application by stating that they are "currently coordinating efforts with the Department of Water supply in the development of an additional well in the Kualapu'u area."

Mr. David W. Blane, Planning Director
County of Maui
Planning Department
December 22, 1995
Page two

However, the number of available wells is not the factor which limits water distribution on Moloka'i. Rather, the problem is the lack of water from the island's one and only aquifer at Kualapu'u. If water is unavailable, providing an additional well has no practical purpose. An additional well might however, deplete the aquifer at a much faster rate.

The Hawaiian Homes Commission Act, Section 221 requires that adequate amounts of water be reserved for present and future development of lands by the Department of Hawaiian Home Lands. It has been determined that all available capacity in the Kualapu'u aquifer will be used by the Department of Hawaiian Home Lands and must be reserved for that purpose. There is no excess capacity for the Maunaloa town project or housing projects proposed by the applicant.

The applicant has suggested that surface water could be transported from the East end of the island to accommodate their development of the west end. The EA states that they would build a privately owned distribution system for this purpose. There are several problems with this proposal.

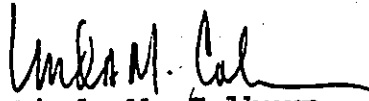
First, there is no private ownership of water, although a distribution system may be privately owned. Second, there are clear and stringent standards that must be met before water may be diverted from one area to another. These standards include the identification of minimum stream flows to allow for stream survival, the reservation of water to address native Hawaiian gathering rights and, adequate water for lo'i uses. These as well as other requirements are detailed in Section 174C-101 of the Hawaii Revised Statutes.

None of these issues are addressed in the EA. A full and candid discussion of the lack of availability of water must be included in the EA. Without this information the EA is inadequate and could result in permit approval for projects which are not viable.

Mr. David W. Blane, Planning Director
County of Maui
Planning Department
December 22, 1995
Page three

If you have any question or need any additional information,
please contact Linda Delaney, Land and Natural Resources Officer
or Lynn Lee, EIS Planner at 594-1888.

Sincerely,


Linda M. Colburn,
Administrator

cc: Clayton H.W. Hee, Chairperson
Board of Trustees

Kina'u Boyd Kamali'i, Chairperson
Land and Sovereignty Committee

Myrle Florea
Moloka'i Community Affairs Coordinator



MOLOKAI RANCH

February 6, 1996

Ms. Linda M. Colburn
Administrator
State of Hawaii
Office of Hawaiian Affairs
711 Kapiolani Boulevard
Suite 500
Honolulu, Hawaii 96813

Re: Maunaloa Town Center

Dear Ms. Colburn:

We have received a copy of your letter dated December 22, 1995 to the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and for meeting with Molokai Ranch to discuss the Maunaloa Town Center.

Water is one of the most controversial issues debated on Molokai. We recognize its present and future value, and equally acknowledge water's importance to the Island's spiritual and cultural heritage. But while the topic of water is hotly debated, the actual water situation on Molokai has not been clearly delineated or well understood.

The strong emotions associated with the use and allocation of water on Molokai have often obscured fact with fiction. As a result, many misconceptions have been fabricated and proclaimed as scientific fact.

The State's Department of Land and Natural Resources appointed a 13-member committee, known as the Molokai Water Working Group, to serve as an independent body and to recommend a plan for water development on Molokai. The committee evaluated Molokai's water needs over the next 10-20 years, as well as its available supply. Its report, issued in July 1993, concluded that:

- Conservative estimates indicate that there are 39 million gallons per day of developable water available on Molokai (not including at least 44 million gallons per day in the Northeast Sector).

Ms. Linda M. Colburn
February 6, 1996
Page 2

- The Northeast Sector resource should be held in reserve for future use beyond the 10-20 year planning period considered.
- Existing groundwater usage is estimated to be 5.1 million gallons per day.
- Existing surface water usage is estimated to be 2.96 million gallons per day.
- Molokai is supplied with water from at least 4 aquifer sectors/systems.

The facts indicate that Molokai has a minimum of 39 million gallons per day of remaining developable water available for immediate growth, with an additional 44 million gallons per day set aside for future use.

Molokai Ranch has a three (3) year water agreement with the County Board of Water Supply to provide up to 100,000 gallons per day (gpd) to Maunaloa Town. This agreement expires on May 31, 1996. Molokai Ranch is in the process of requesting an extension of this agreement for an additional two (2) years.

Our current estimates for future water demand in Maunaloa town indicate that 315,000 gpd is needed at full buildout for the Maunaloa Town Center project and currently approved residential development of the town. The total water demand represents a net increase of 215,000 gpd over the existing agreement.

The most accessible source of potable water for West Molokai is the Kualapuu aquifer. However, based on the existing uses of water, a significant reservation of water by the Department of Hawaiian Home Lands (DHHL), and possible downward revision in the sustainable yield from the Kualapuu Aquifer system, additional allocations of water to other entities, such as Molokai Ranch, in the near future appear unlikely. Thus, to meet future water needs in Maunaloa, we have proposed to utilize groundwater from the Kamiloloa Aquifer System with an attendant transmission system to the West End. The potential water from this system should provide an adequate long term supply in excess of the 315,000 gpd needed for Maunaloa development without impacting DHHL's water reservation in the Kualapuu aquifer.

We intend to work cooperatively with the Office of Hawaiian Affairs and the Commission on Water Resource Management in addressing applicable concerns and statutory requirements in the utilization of this water source.

Ms. Linda M. Colburn
February 6, 1996
Page 3

We hope that the above response addresses your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te

BENJAMIN J. CAYETANO
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 So. King Street
Honolulu, Hawaii 96814-2512

JAMES J. NAKATANI
Chairperson, Board of Agriculture

LETITIA N. UYEHARA
Deputy to the Chairperson

Mailing Address:
P. O. Box 22159
Honolulu, Hawaii 96823-2159

FAX: (808) 973-9613

December 22, 1995

TO: David W. Blaine, Director
Planning Department
County of Maui

FROM: James J. Nakatani, Chairperson
Board of Agriculture

SUBJECT: Application for District Boundary Amendment; Community Plan
Amendment; Change in Zoning; and Conditional Permit
Maunaloa Town Center
Molokai Ranch
TMK: 5-1-02:26, por. 27 Maunaloa, Molokai
Area: Approximately 29.2 acres

95 DEC 27 P1:35
DEPT OF AGRICULTURE
COUNTY OF MAUI
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The Department of Agriculture has reviewed the subject applications and offers the following comments.

The applicant is seeking to obtain appropriate zoning for existing non-conforming uses within the town, totaling about eleven acres, and an additional eighteen acres for a business district. About 8.7 acres of the business district requires redistricting from the Agricultural to Urban District. The project requires various amendments to the Molokai Community Plan, but all proposed amendments involve shifts among uses that are urban in nature.

We do not foresee any adverse impacts upon the agricultural resources of the area should the applicant's proposals be approved.



December 23, 1995

Mr. Clayton Yoshida
County of Maui, Planning Department
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Yoshida:

Draft Environmental Assessment (EA)
Maunaloa Town Center
Maunaloa, Molokai

The applicant, Molokai Ranch, Ltd. proposes to develop a commercial center with tourist attractions in the heart of rural, plantation-style Maunaloa. Molokai Ranch plans to create a cultural park and museum, a lodge containing 60 suites in single- and two-story arrangements, one- and two-story office/retail structures, a cinema center, a gas station/country store, a new and larger Post Office which will include a town hall and library. An Outfitter's Center used for booking tourist activities such as wildlife park excursions and trail rides, was part of Phase I of this project and has already been constructed and in operation. Currently, 350 housing units are being constructed, replacing the old, plantation homes (136 total). The future is uncertain for many Maunaloa residents, some will have to be relocated due to the proposed commercial development while many others who cannot afford the new housing must also leave.

We have reviewed this document with the assistance of David Penn of the Geography Department, University of Hawaii and Malia Akutagawa, a Molokai resident and student of the William S. Richardson School of Law. We are members of Ke Kua'aina Hanauna Hou, a non-profit 501C3 community based economic development organization dedicated to the preservation of environmental, cultural, subsistence values, and rural lifestyle of Molokai. Ke Kua'aina Hanauna Hou is deeply concerned about the far-reaching effects that this development will have on the entire island and the people's rural lifestyle. We recommend that the applicant's proposal be denied, and in the interim, that an Environmental Impact Statement (EIS) be required since this project will have significant, broad and unavoidable environmental, cultural, and socio-economic ramifications. The following comments address our concerns in greater detail and provide a basis for our recommendation.

Uncertainty Over Water Availability and Allocation

In a letter dated 5 October 1995, William Wong of the Safe Drinking Water Branch, Environmental Management Division, State Department of Health (DOH) advises the consultant to determine "how drinking water will be provided ... when the water service agreement between Molokai Ranch Limited and the Maui Department of Water Supply

expires in 1996." Under this agreement the Ranch is allocated 100,000 gpd from Kualapuu Well for Maunaloa which is transported to a 3 million gallon storage reservoir. It is estimated that 315,000 gallons per day (gpd) will be needed to support the new residential development and town center. The options posed by the applicant include (1) purchase of additional water from the Department of Water Supply, (2) participation in a joint development of a new well with the Department of Water Supply, and (3) utilization of existing surface water sources owned by Molokai Ranch, Ltd. in Upper Kawela, Kamoku, and Lualohei Basins. It was mentioned that the Ranch is also trying to coordinate with the Department of Water Supply the development of an additional well in the Kualapuu area and that it is trying to construct a new 12-inch, 9.5-mile long water transmission line to replace existing 6-inch line and increase transmission capacity.

None of these options appear feasible in light of the recent Sunday, 22 October 1995 newspaper article of The Maui News titled "Molokai aquifer may contain about half of initial estimate". (Article enclosed). Oahu hydrologist John Mink said that his original 7 mgd estimate of the Kualapuu aquifer's sustainable yield should be lowered to 5 mgd, but warned that it could be as low as 3.2 mgd. He also stated that even if the 5 mgd figure is accepted, there is less than 200,000 gallons of surplus water left over. Thus, it appears that no matter what the Ranch does, whether it tries to dig a new well in the Kualapuu area or increase its transmission capacity, it will still lack the requisite water for its project.

Indeed, it is uncertain that the Ranch's agreement for a 100,000 gpd allocation will even be renewed after 1996. By already constructing residential homes and proposing an extensive urban center in the heart of rural Maunaloa, the Ranch is attempting to create a reliance interest in water that it had no basis for relying on in the first place. This kind of planning is based on risky and poor judgement.

There is also the issue of competing interests for water, the protection of Hawaiian Homesteaders reserved water rights and the water needs of other farmers. This is especially important since the 1984 Molokai Community Plan states that agriculture be maintained as the "primary economic activity" and since the state is mandated under Article 12, Section 7 of the Hawaii Constitution to manage the land and natural resources in a manner which reaffirms and respects customary and traditional rights of Native Hawaiians. As a practical matter, development must be narrowly tailored to water availability. The residential development and proposed urban center at Maunaloa simply cannot be supported under the present water supply and in light of important competing interests. To divert water above the sustainable yield would only serve to diminish further the water supply and quality through harmful processes like salt water intrusion. Finally, the applicant identified the existing surface water system which has a 3 million gallon storage capacity. The Draft EA states that this "reservoir exceeds both the 315,000 gallons of storage needed for domestic use and the 250,000 gallons of storage necessary for fire protection." (pp. 42) But storage capacity should not be confused with water availability. The Draft EA does not clarify whether there are typical fluctuations in water levels during winter as compared to summer

months. Indeed, a 1981 Report submitted by Belt Collins indicated that the existing Maunaloa town servicing only 136 old plantation homes experienced several times in the past significant reductions in their reservoir water supply such that the town needed to be supplemented by Kaluakoi's allocation. Since it has already been proven that this water supply alone cannot be depended on to support the existing town, then *a fortiori*, it is evident that this water source cannot be relied upon to service 315 new homes and an urban center proposed here.

Inadequate Sewage Analysis

In Mr. Wong's 5 October 1995 letter it is stated that sewage treatment and disposal is a "critical issue" that the EA "should focus heavily on" since it "may significantly shape the manner in which this project develops." On page 27 of the Draft EA, there is a scant description of the new wastewater treatment facility, that it will include "new headworks, three lined oxidation ponds, a chlorine contact tank and two additional filtration basins." This short sentence fails to meet the requirements set out in the DOH letter by Mr. Wong.

The EA lacks a process flow diagram. There is no indication of how or where the solids will be disposed and what will be done with the effluent water. Will the solids be disposed of in a landfill or elsewhere? Will treated effluent as well as raw sewage under emergency situations be discharged into receiving waters such as the nearshore marine environment? Will an NPDES permit be needed as well as a 401 permit for discharge into navigable waters? What are the chemical characteristics of the sewage? Will chlorinated effluent affect any sensitive aquatic or marine life and in turn threaten subsistence practices?

The Governor's Moloka'i Subsistence Task Force Final Report, June 1994, includes mapping results showing numerous points along the southwestern shore in close proximity to the project site from Halena to Laau Point that are important for subsistence fishing. Fishermen have identified ko'a or fishing shrines along the shoreline which are still in use today. They also state that this area is an important nursery grounds and habitat for sharks, moi, and other marine species.

The Preliminary Engineering Report (Appendix B) states that initial capacity of the new treatment facility will be 105,000 gallons per day (gpd) and that it is designed such that capacity may be expanded to a maximum of 200,000 gpd. The EA estimates that 150,000 gpd wastewater will be generated once residential development is completed plus 70,000 gpd once the town center is finished, totalling to 220,000 gpd. When looking at just the initial capacity of 105,000 gpd, there is a 45,000 gpd discrepancy when looking at the residential development alone, which is already partially completed. Even if the treatment plant can be expanded, is it feasible that expansion will occur before all the new homes are built? And if it is a given that the treatment plant will be constructed to handle a maximum capacity of 200,000 gpd, there is still a dangerous 20,000 gpd discrepancy with the town center.

development adding to the daily output.

The report further states that low flow toilets and other water conservation devices will serve to mitigate daily wastewater output. Still, operating at or close to maximum capacity is bad practice. If there is heavy rainfall or flooding, or if there is mechanical failure, then the system may overflow and sewage may have to be released untreated. It is not prudent to expect that this kind of infrastructure can fully accommodate the extent of domestic and urban growth proposed here.

We suggest that a more thorough examination be done on the mechanics of this new sewage treatment facility, where it will be located, how and where will the solids and effluent water be disposed of; that Molokai Ranch discuss how it will ensure that aquatic and marine resources will not be threatened by release of treated and untreated effluent; and that the proposed town center and residential development reasonably conform to the treatment facility's limitations. We also recommend that effluent water be treated and reused for agricultural and landscape irrigation especially since the region is dry and this practice will reduce the Ranch's dependency on outside water resources.

Inadequate Drainage Report

A 10 October 1995 letter from Terrell E. Kelley, Team Leader, Department of the Army (DA) stated that a DA permit might be needed if the proposed action would include any work in the Wahilauhue Gulch, a regulated stream. The Preliminary Drainage Report (Appendix C) states that runoff will be "collected along the town's streets in curbside catch basins and drained into an underground storm sewer system. [It will then be] discharged into two existing gullies located along the northern and southern edges of the Maunaloa town which convey the storm water down the mountain side to the ocean." The report does not clarify whether any of these gullies are part of Wahilauhue Gulch and would require a DA permit. In any event, the report's explicit statement that the runoff will be discharged into the ocean, waters that are deemed navigable, will probably need a Section 401 water quality permit as well as an NPDES permit.

The report finds that there will be a net increase of 30 cfs in surface runoff from 59 to 89 cfs as a result of the proposed project. Adding volume to existing input will also increase water velocity as well as the potential for erosion. With a greater velocity, less particulates will be able to settle out, thereby increasing sediment load into the ocean. The report indicates that the two main soil types at the project site are Lahaina silty clay and Hoolehua silty clay which produce a slow to medium runoff and a slight to moderate erosion hazard. However page 13 of the Draft EA and Figure 3 - Soil Classification Map on the opposite page indicate that the project site, comprised mainly of Lahaina silty clay (LaC and LaC3), is "severely eroded". This conflicts with the Drainage Report's statement that these soils produce a slight to moderate erosion hazard.

With an increase of impermeable surfaces and a concomitant decrease in vegetative cover, the erosion hazard will be even more severe and more runoff will be generated. With greater velocity from added runoff volume, settling time will be reduced for sediment particles and urban pollutants. This translates into greater degradation of marine waters, increased turbidity and pollution which will choke off light for photosynthesis of marine algae and coral and degrade habitat for other ocean species. The impact would likely be significant especially since this area supports an important traditional, subsistence fishery, and is also frequented by campers.

The hydrologic values were calculated with a 10-year 1-hour rainfall intensity of 2.0 inches for the drainage system. Computations should have been based instead on 2-year 24-hour rainfall events since they occur more frequently, provide most of the force which shapes natural drainage channels, and allow for a better assessment of long-term impacts. Without a proper basis for runoff values, the conclusion that "[t]he expansion of the commercial town center is not expected to have an adverse impact on the drainage conditions in the area" is untenable. Also, instead of looking only at the two main gullies in isolation, the consultant should analyze existing and projected inputs throughout the entire large sub-basin between two appropriate points along the shore. An analysis should be done on the relative contribution of other gullies in addition to the two main gullies. Also any baseline data on the impacts of the existing drainage should be considered before expanding the drainage system and proceeding further with the proposed development.

Island-wide Impacts on Subsistence, Culture, and Socio-Economic Climate

Subsistence & Cultural Practices

A random phone survey included in the Governor's Moloka'i Subsistence Task Force Final Report, June 1994, indicates that 19% of the respondents utilized the southwestern shores fronting the project site for fishing, 41% utilized the area for ocean gathering, and 4% for hunting. Island-wide figures indicate that 51% of the respondents fish, 38% gather ocean resources, 25% hunt, 57% gather from the land, 26% gather from streams, and 74% raise farm animals. It is clear from these figures that subsistence activities are important to all Molokai residents as a whole and that Maunaloa and areas abutting this ahupua'a contain resources important to subsistence. Maunaloa residents themselves in a focus group meeting raised concerns about access along fishing trails, the protection of ko'a or fishing shrines and access on Ranch lands for hunting and gathering.

The Draft EA failed to consider the importance of subsistence to Maunaloa residents and the entire island population. Instead, the applicant focused solely on the high unemployment rate and supplementing the economy by providing more construction, retail, and tourist-related jobs as the end-point of its analysis and as a measurement of the community's "success". But the analysis should not stop here. Subsistence values must be figured into the equation as a valid and necessary component to the success of Molokai's

economy and quality of life. Where the average income of a typical Molokai household is considered to be "poverty level" according to national and state standards, Molokai families more than compensate for this through subsistence. Considering the interests of subsistence practitioners is essential because oftentimes development either makes an irretrievable commitment to or irreparable damage of available resources important to subsistence and exercise of traditional practices, or alters habitat or blocks access to such an extent that subsistence is no longer feasible. Preserving subsistence values perpetuates the teachings of our Kupuna.

Here, subsistence values may be threatened through increased touring operations such as trail rides which interfere with traditional fishing practices, hunting activities, and residents' enjoyment of the beach and mountains. Deficiencies in the drainage and sewage systems may also degrade habitat important for subsistence. Increased noise levels from commercial activities and a larger resident population may also disturb wildlife, causing the out-migration of deer, an important food source for most Molokai residents.

The applicant's conclusion that a lowered crime rate will result from the generation of more income through this project since frustrations about money will be mitigated does not necessarily follow. Interview results compiled in the Socio-Economic Impact Assessment (Appendix D) reveal resident's observations of an increased crime rate resulting from the housing development alone. Another concern is that the current Maunaloa population of 428 and the "sense of community" that exists will be disturbed as residents who cannot afford the new housing leave and as the town receives an influx of outsiders who wish to reside there, visit and/or shop in Maunaloa's new urban center.¹ It is in the absence of a lingering sense of community where there no longer exists a willingness to share and trust, and where no person feels he/she has a substantial stake in the community that crime occurs.

It is also unfortunate that Molokai Ranch does not feel a need to preserve the cohesiveness of the Maunaloa community and the island as a whole. The Ranch's forced relocation of some residents for a pittance displays its arrogance and callousness towards the community. The Draft EA's statement that

[p]ublic agencies could take additional steps to enhance the benefits of the project ... may include:

- a. *Enterprise area status for the light industrial area;*
- b. *Provision of job training and employment-related courses in Maunaloa; and*
- c. *Support for small businesses in the form of assigning a small business development specialist to work part-time with West Molokai entrepreneurs."*

¹ Note: the fact that 27 of the 30 new houses placed in escrow went to Maunaloa residents, does not indicate that the remaining residents will be able to afford the homes still in the process of being built.

does not reveal any commitment on the part of the Ranch and neither from public agencies to actually do these things for the community. Finally, the Ranch feels it must reduce the people's values and livelihood into relics for its museum and cultural park to create an illusion for tourists that these are things of the past and are no longer vibrant to the community.

No Economic Justification for the Project

What justifies the making of a "lodge"/hotel, additional apartments, and housing when the demand for visitor and residential occupancy isn't there? The 29% occupancy rate at nearby Kaluakoi resort and work limited to a few days in the week and part-time hours was reported in the Socio-Economic Impact Assessment (Appendix D). A lack of "critical mass" and available jobs at Kaluakoi should indicate to Molokai Ranch that its project is not needed. It explains that with improved marketing strategies and by making Molokai a better tourist destination would give a boost to the visitor industry. But before the proposed action can be justified, there is the question of whether we want a Molokai for Molokai people or for visitors who have no real stake in what happens to the community, the island resources, and our rural subsistence lifestyle.

Island residents have already made their objectives clear in the Molokai Community Plan that the expansion of the visitor industry is allowable only "to the extent that it does not infringe upon the traditional, social, economic and environmental qualities of the island." Here, the uncertainties of economic success of this project is clearly outweighed by concerns involving our traditional subsistence lifestyle, possible degradation of environmental characteristics important to traditional practices and subsistence activities, and negative impacts on social relationships among community members. There are also broad ramifications on an economic level. The Molokai Community Plan states that Kaunakakai Town shall be retained "as the population center of the island," and that "technical and financial support to existing and potential small businesses" should be provided. The proposed urban center located on 29.2 acres at Maunaloa will be twice the size of Kaunakakai Town. The businesses at Kaunakakai, the majority of which are small and owned by families still, will be threatened seriously by new and competitive shops and restaurants proposed at Maunaloa. As stated earlier, there is no assurance on the Ranch's part that these new enterprises at Maunaloa will employ or be run by local residents.

A Self-Serving Recitation of Project Benefits

The Draft EA violates Section 11-200-14 of the Department of Health Hawaii Administrative Rules (HAR). This section states:

An EIS is meaningless without the conscientious application of the EIS process as a whole, and shall not be merely a self-serving recitation of benefits and a rationalization of the decision-making process. (emphasis added)

Numerous justifications based on jobs to be provided and enhancing the tourist industry were given as positive aspects for project approval; whereas no negative, adverse impacts on community life, traditional subsistence activities, and environmental characteristics were even mentioned in the EA. This type of one-sided analysis hinders the entire review process.

Project Segmentation

Molokai Ranch is also in violation of Section 11-200-7, HAR in its piecemeal treatment of its entire project. This section states:

A group of actions proposed by an agency or an applicant shall be treated as a single action when:

- (1) The component actions are phases or increments of a larger total undertaking.*
- (2) An individual project is a necessary precedent for a larger project.*
- (3) An individual project represents a commitment to a larger project.*
- (4) The actions in question are essentially identical and a single statement will adequately address the impacts of each individual action and those of the group of actions as a whole.*

Last year, the Ranch submitted an After-the-Fact EA on Halena Beach improvements which included grubbing and grading of the land and "restoration" of campsite structures located on land zoned Conservation and lying within the Special Management Area. This EA was then withdrawn and has not been revised and resubmitted as yet. The Ranch also submitted an After-the-Fact EA on the Kaupoa House Reconstruction which was actually contested because the action did not include restoration but demolition and an entirely new construction. This structure would serve as a rest stop and shower facility. We suspect that these activities were geared to support touring operations and provide amenities to trail riders. The Outfitter's Center and residential development of 350 housing units in Maunaloa was constructed without the production of an EA or EIS. None of the environmental, social, economic, and cultural impacts of the above-mentioned activities were analyzed together with the impacts of this proposed urban center. There is no good reason for these actions to be assessed separately as they all are geared to serve tourists. Thus, these projects comprise a single action within the meaning of Section 11-200-7, HAR. The cumulative impacts of future activities proposed in Molokai Ranch's Master Plan such as an Industrial Park and Dairy Farm operations also have not been analyzed in this EA.

Proposed Action is Significant and Warrants the Production of an EIS

The danger of doing piecemeal evaluations in violation of the environmental rules is that the public review process is circumvented through the developer's attempts to diminish the significance of its actions. If the accepting authority and the general public reviewing the action does not recognize the applicant's attempts to segment the project and its commitment

Page 9 -- Maunaloa Town Center Draft EA
Ke Kua'aina Hanauna Hou

to larger actions a finding of no significant impact (FONSI or Negative Declaration) is likely. This means that an EIS will not be required and a more thorough analysis and additional studies need not be conducted to further analyze the environmental, social, economic, and cultural ramifications.

There is ample evidence that the proposed action as a phase or component to larger actions will have "cumulative as well as short and long-term effects" possibly

involv[ing] an irrevocable commitment to loss or destruction of ... natural [and] cultural resource[s]; curtailing the range of beneficial uses of the environment; ... substantially affect[ing] the economic [and] social welfare of the community; ... involv[ing] substantial secondary impacts such as population changes or effects on public facilities; [and] involv[ing] substantial degradation of environmental quality

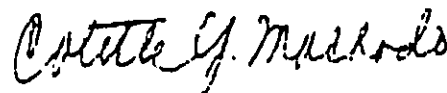
which triggers the production of an EIS under the significance criteria stated in Section 11-200-12, HAR.

Conclusion

For reasons enumerated above, we recommend that serious consideration be given as to the feasibility of this project economically, socially, environmentally, and in light of the unique rural, subsistence lifestyle of the Molokai island community. We also recommend that an EIS be done as this project is cumulatively significant.

Thank you for the opportunity to review this document.

Sincerely,



Colette Y. Machado
Ke Kua'aina Hanauna Hou,
President

cc: David Nakamura, Molokai Ranch, Ltd.
Milton Arakawa, Munekiyo & Arakawa, Inc.
John Harrison, Environmental Center
Gary Gill, OEQC
David Penn
Malia Akutagawa

enclosures

**Attachment to December 23, 1995
Ke Kua'aina Hanauna Hou Letter**

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End of Attachment to December 23, 1995
Ke Kua'aina Hanauna Hou Letter

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MOLOKAI RANCH

February 6, 1996

Colette Y. Machado, President
Ke Kua'aina Hanauna Hou
HC-01 Box 741
Kaunakakai, Molokai, Hawaii 96748

Re: Maunaloa Town Center

Dear Ms. Machado:

We have received a copy of your December 23, 1995 letter to Clayton Yoshida of the County of Maui Planning Department pertaining to the Draft Environmental Assessment (EA) for the subject project. We would like to thank you for your comments and take this opportunity to provide a response. The following response addresses comments brought up under the following major headings of your letter.

Water Availability and Allocation

Molokai Ranch has a three year water agreement with the County of Maui Board of Water Supply to provide up to 100,000 gallons per day (gpd) to Maunaloa Town. This agreement expires on May 31, 1996. Molokai Ranch is in the process of requesting an extension of this agreement for an additional two years.

Our current estimates for future water demand in Maunaloa Town indicate that 315,000 gpd is needed at full build out for the Maunaloa Town Center Project and currently approved residential development of the town. The total water demand represents a net increase of 215,000 gpd over the existing BWS allocation.

The most accessible source of potable water for West Molokai is the Kualapuu aquifer. With its existing uses as well as a significant reservation of water by the Department of Hawaiian Home Lands, additional usage by other entities such as Molokai Ranch, appear unlikely. Thus, to meet future water needs in Maunaloa, we have proposed to utilize groundwater from the Kamiloloa Aquifer System with an attendant transmission system to the West End. The potential

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water from this system should provide an adequate long term supply in excess of the 315,000 gpd needed for Maunaloa development.

It should be emphasized that the net increase of 215,000 gpd attributed to the project represents a small increase in the existing total water usage on the island of Molokai of 8.06 mgd from both groundwater (5.1 mgd) and surface (2.96 mgd) sources.

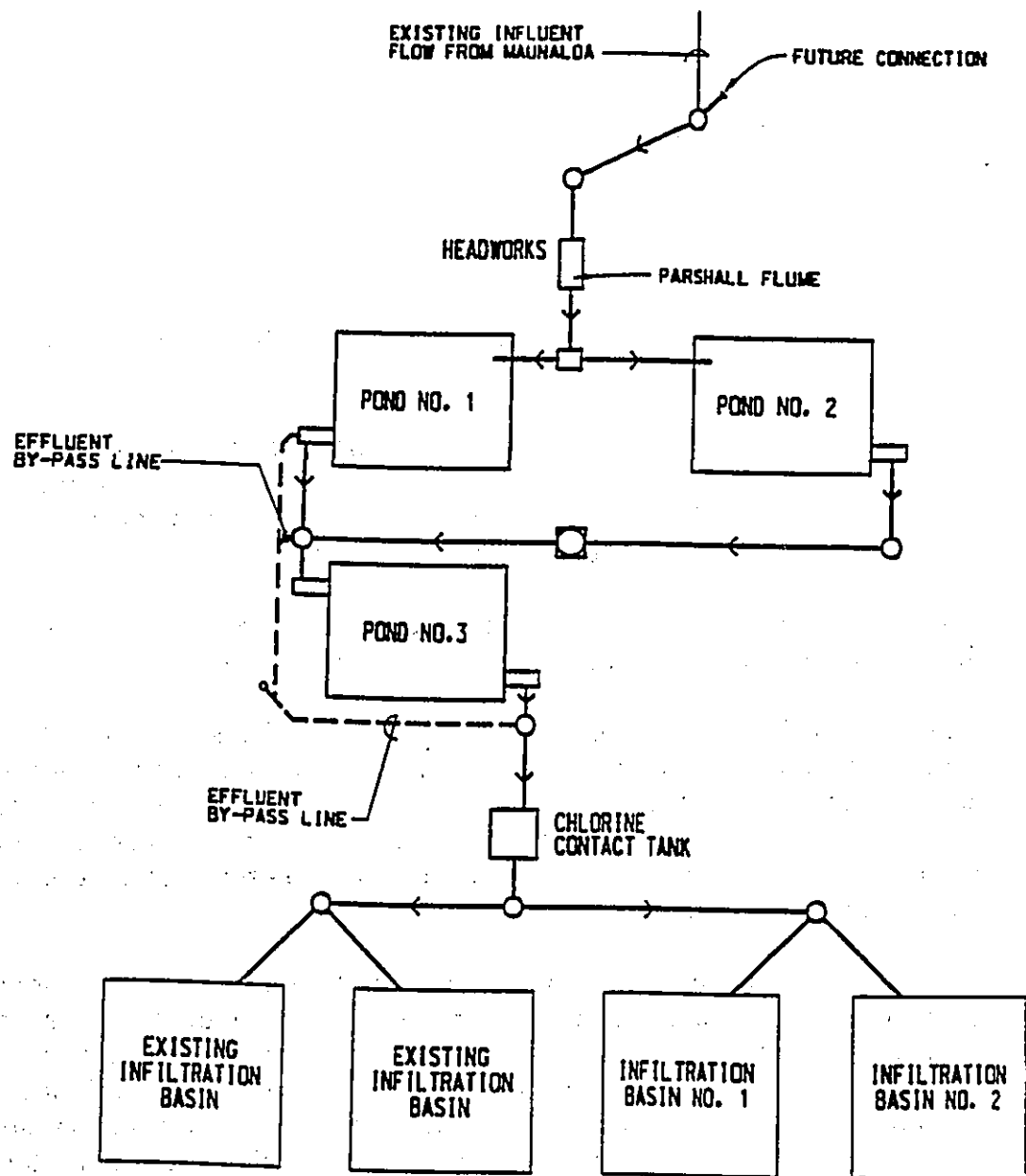
The fact that Molokai Ranch is proposing to utilize the Kamiloloa Aquifer should not adversely impact or preclude other entities such as the Department of Hawaiian Home Lands from developing potable and non-potable sources of water for its needs. Conservative estimates indicate that there are 39 mgd of developable water available on Molokai, including significant additional amounts located within the Northeast Sector. There are also a number of non-potable options which are still available, including future expansion of the Molokai Irrigation System (MIS). Possibilities for the expansion of the MIS include development into Waikolu Valley which could provide 5 mgd. Water development into Pelekunu Valley (9 mgd) and Wailau Valley (15 mgd) also could provide reliable sources of non-potable water for agricultural development.

Sewage Analysis

The expansion to the existing Maunaloa Wastewater Treatment Facility is already approved and construction is underway. A State Special Use Permit for the expansion of the Maunaloa Wastewater Treatment Facility for an average design flow of 105,000 gpd was approved by the Molokai Planning Commission per motion on April 26, 1995. A copy of the process flow diagram is attached.

The headworks portion of the facility contains a bar screen to filter the influent in order to remove larger objects such as rocks, roots, and rags. It also contains a flow metering process which measures the amount of flows coming into the facility. Flow data is then submitted to the Department of Health.

From the headworks, the wastewater flows into one of two lined ponds. Average detention time is 37 days. The effluent then flows into Pond No. 3 where the average detention time is 11 days. The detention time within the ponds allows for natural biological treatment which works to decompose organic matter in the wastewater. The treatment ponds are lined with an



PROCESS FLOW DIAGRAM

NO SCALE

Source: Engineering Concepts, Inc.

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impermeable high density polyethylene material which prevents seepage into the ground.

From Pond No. 3, the effluent is piped into the chlorine contact tank. Effluent is mixed with chlorine tablets and allowed to stand for approximately 60 minutes in order to disinfect the final effluent. The chlorine is dissipated in the process of eliminating bacteria from the effluent.

After this process is complete, the disinfected effluent is then piped to the two existing unlined infiltration basins and three new unlined basins.

The only solids to be disposed at the County landfill is approximately 1 cubic foot of screenings per day from the headworks. Sewage solids captured in the settling process in the treatment ponds are retained in these basins for stabilization into its natural elements. There will be no regular need to dispose of the contained organic matter as the long treatment and detention times allows natural decomposition.

The treatment facility utilizes land disposal of treated effluent and does not rely on mechanical devices that can fail or that rely on electricity. Treated effluent or raw sewage will not be discharged into receiving waters such as the nearshore marine environment; thus an NPDES point source effluent discharge permit is not required. Multiple treatment and disposal basins are provided to prevent any need to bypass treatment and to avoid an uncontrolled effluent discharge even during abnormal operating conditions. This redundancy component feature ensures process reliability and the facility design has been approved by the Hawaii State Department of Health.

An NPDES non-point source discharge permit for Discharges of Stormwater Associated with Construction Activity is required only while construction of the facility is in progress. This permit was issued by the Department of Health for the ongoing plant upgrade. However, a Section 401 Water Quality Certification from the Department of Health or the U.S. Army Corps of Engineers is not required as there will be no impacts during construction on streams. The wastewater will primarily be of domestic origin and its chemical characteristics would be consistent with output from household activities. Since effluent will not be discharged into receiving waters, there will be no effects on aquatic or marine life or subsistence activities.

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The timing of additional treatment plant expansion will be driven primarily by demand. When the wastewater output begins to approach treatment capacity, the expansion will need to be constructed in advance of demand. This approach is rational, economical, and no different from that used by the Federal, State and County governments to program the upgrading of municipal treatment plants, roads, water systems, and other public infrastructure.

The 220,000 gpd figure is intended to be an *order of magnitude* prediction of the volume of wastewater that would be generated by the various land uses within Maunaloa town. Flow projections used for development planning are typically gross projections based on a conservative "gallons per acre" type figure. Since they are essentially an educated guess about the future, they are generally far less reliable than an estimate of the capacity of a treatment plant where both the designers and operators are able to exercise complete control over the variables. Planning figures are generally conservative, so the 220,000 gpd demand figure will almost certainly prove high. The 210,000 gpd treatment capacity figure, which is mentioned in the preliminary engineering report, on the other hand, is probably accurate to within 5 percent.

One must keep the relative precision of these two figures in mind when comparing them. It would be incorrect to perform simple subtraction -- i.e. $220,000 \text{ gpd} - 210,000 \text{ gpd} = 10,000 \text{ gpd}$ -- and draw a conclusion based on the absolute difference. The most meaningful conclusion that one could draw from a comparison of these demand and capacity figures is that the wastewater treatment technology being used appears to be both feasible and sufficiently expandable to accommodate the magnitude of the wastewater flows that are likely to be generated as Maunaloa Town develops.

It should be noted that wastewater flows will be continuously monitored as the town grows, and when building permits are sought to improve any one of the residential or commercial lots, the needs of the improved parcel will have to be weighed against both the available treatment capacity *and* the laws, regulations and policies in effect at that time that will define what constitutes an acceptable method of wastewater disposal.

It should be noted that the expansion of the wastewater treatment facility, which is currently under construction, meets applicable State and County standards. The mechanics of the facility, its location, disposal of solids and effluent, and possible effects on aquatic and marine resources, have been

Colette Y. Machado, President
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considered by State and County agencies, as well as the Molokai Planning Commission, in their review and decision. Any future expansion of the facility will be presented to the appropriate governmental entities for further review at such time when wastewater output begins to approach treatment capacity. While the concept of reuse of effluent is sound, we believe that this option should be deferred since effluent reuse would not be economically feasible since the quantity of waste flow is small. There will be no effects on aquatic and marine resources from the operation of the facility since no discharge occurs into coastal waters.

Drainage

The development of the Maunaloa Town Center will not require the construction of improvements within the existing gulches. The developed lots will merely be discharging into an existing storm sewer which already discharges into these gulches. The gully on the north side of Maunaloa Town into which the town's storm sewer system discharges is a minor tributary of Wahilauhue Gulch. However, the tributary is not a regulated stream. Thus, a Department of the Army Permit and a Section 401 Water Quality Certification are not required.

Development of the Town Center parcels will require an NPDES permit if the nature of the improvements and their specific use warrant it. An NPDES Permit is not required to rezone land, however. If required, a permit needs to be sought at the time the rezoned parcels are improved or activities on the land are initiated that may have some impact on water quality -- such as grading operations during construction or the disposal of industrial wastewater.

It is noted that there are three different types of Lahaina silty clay soils which are located at various parts of the project site. Erosion hazards for the three different types are categorized as minimal, medium, and severe.

It is noted that the Wahilauhue Gulch drainage basin, which includes the gully to the north of Maunaloa Town, is approximately 1,200 acres in size. The existing 2-year 24-hour flow in Wahilauhue Gulch is approximately 150 to 200 cfs. The developed Town Center will increase the 2-year storm flow in this gulch by approximately 8 cfs.

The unnamed gully to the south of Maunaloa is part of a 4,000 acre drainage basin whose main channel conveys a 2-year 24-hour flow of approximately 400

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to 500 cfs to the ocean. The developed Town Center will increase the 2-year storm flow in this gulch by approximately 13 cfs.

The existing flows generated by these large drainage basins and conveyed by these gulches are an order of magnitude greater than the estimated increase attributable to the development of the proposed Town Center. This makes it practically impossible to determine precisely what marginal impact a 2 to 5 percent increase in runoff would have on soil erosion. We can conclude that the impact of runoff attributable to the project, however, is relatively minor. Moreover, should collection of baseline data along the nearshore environment be deemed desirable, it should be done by a governmental entity to enable a regional analysis.

Subsistence and Cultural Practices

It is noted that the project area of 29.2 acres is located within or abutting the existing Maunaloa Town. Most of the project area involves the refurbishment of areas which are currently developed or have been developed in urban usage since the plantation era. Other portions (approximately 5 acres) of the area located south of the Outfitters Center are currently in pasture use and formerly were in pineapple cultivation.

In terms of the actual proposed uses of the land area of the project, it should have a negligible effect upon existing fishing, ocean gathering, and hunting activities conducted for subsistence purposes.

With regard to comments pertaining to crime, we feel that new employment in Maunaloa resulting from the project, as well as new opportunities for home ownership from the ongoing residential development, will enhance a feeling that residents have a stake in Maunaloa and its future. It is our belief that the crime rate will decline as the proposed project and the residential development move forward. We feel that the Maunaloa Town Center project should support a sense of community well-being in Maunaloa over the long term.

The idea of creating a Museum and Cultural Park arose among people who grew up in Maunaloa or live there. It is not something imposed by the Ranch. It is also not intended for use exclusively by tourists. The amphitheater and Village Green will be available for local events and the museum area will be developed and staffed by Maunaloa residents.

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Economic Justification for the Project

Molokai Ranch has developed plans for long-term commercial growth, including small-scale tourism, in Maunaloa. The Ranch recognizes that the Kaluakoi Resort has had low occupancies for years. It proposes eventual development of a single lodge at Maunaloa in the expectation that the Ranch's attractions and facility will enhance visitors' interest in West Molokai, not compete with Kaluakoi. A wider range of activities and facilities will increase West Molokai's appeal to visitors, from both Hawaii and elsewhere. We believe, and others involved in tourism on Molokai have stated, that tourism development at Maunaloa emphasizing the special qualities of its upland area, could lead to higher occupancies at Kaluakoi, as well as at the Maunaloa lodge.

The Molokai Community Plan recognizes both the importance of "Keeping Molokai Molokai" -- characterized by community, open space, subsistence resources, and aloha -- and creation of economic opportunities. Tourism development is recognized as one part of the creation of new economic opportunities, so long as it is limited in scale and location. Molokai Ranch sees the development of low-key visitor amenities, such as its Rodeo center and planned trails, as part of development of Molokai as a tourism destination appealing to visitors interested in the ecology and culture of the island. Molokai Ranch has also planned to develop commercial and community facilities for residents along with tourism-oriented facilities.

The question of whether we want a Molokai for Molokai people or for visitors, is an either/or choice only if creating facilities and services for visitors tends to deny resources to residents. Molokai Ranch has instead identified ways that residents can enjoy employment, services and facilities, along with second-home residents and tourists. The outdoor-oriented tourism planned by the Ranch and the scale of that tourism are in keeping with respect for Molokai's land and people.

As for the impact of the project on Kaunakakai, the urban area of Kaunakakai covered some 1,292 acres before 1980 (Atlas of Hawaii, 1980), far more than Maunaloa will. Kaunakakai is the commercial and demographic center for Molokai, and will remain so. The proposed commercial project adds very little to the population of Maunaloa and is expected to primarily serve a West Molokai market. New commercial opportunities in Maunaloa will mean that West Molokai residents will not depend only on Kaunakakai and off-island

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sources for goods. Kaunakakai merchants will over time have to compete to sell goods to West Molokai residents -- but competition with small stores in Maunaloa is surely more in keeping with Molokai's current social fabric than competition with the larger off-island chains that could come to Molokai with the aim of dominating a single island market.

Project Benefits

Section 11-200-14 of Hawaii Administrative Rules (HAR), which is noted in your letter, is located in Subchapter 7 relating to the "Preparation of Draft and Final EIS". The content and processing requirements of the Draft Environmental Assessment for the Maunaloa Town Center was prepared in accordance with Subchapter 6, HAR, relating to "Determination of Significance".

A socio-economic impact assessment was done to assess possible impacts on community life.

With regard to subsistence activities, the 29.2 acre area of the project is already within or abutting the existing town. Thus, the project has relatively little impact upon subsistence activities. We have also objectively assessed the anticipated environmental effects of the project. Our analysis shows that the proposed project will not result in any adverse environmental impacts.

Project Segmentation

We believe that the Maunaloa Town Center represents the "action" which is subject to environmental review, as defined in Section 11-200-2, HAR. Halena Camp improvements, as well as the reconstruction of Kaupoa House, represent separate actions which require separate environmental review. These are located physically separate from the proposed project, involve different uses, and have proceeded independently from the Maunaloa Town Center Project.

The renovation of the already completed Outfitter's Center structure was done in accord with applicable County Codes. The residential development of Maunaloa Town was approved in accordance with Chapter 201E, Hawaii Revised Statutes, in September 1994 and construction is currently underway. Chapter 201E allows expedited processing through the County approval process for an affordable housing project. In both of these cases, there is no trigger for Chapter 343, HRS.

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Likewise, the proposed Palaa Industrial Park and the contemplated dairy farm would be considered separate "actions" from the Maunaloa Town Center Project. Moreover, existing information regarding these two projects indicate that there are no triggers to Chapter 343, HRS.

Significance of Action and Decision on Whether to Produce an EIS

Within the EA, we have evaluated a broad array of possible environmental impacts resulting from the project. We have considered the significance criteria noted in Section 11-200-12, HAR, and have found that there are no significant environmental impacts resulting from the "action". Thus, we have concluded that an Environmental Impact Statement is not necessary.

We hope that the above response addresses your concerns. Thank you again for your comments.

Very truly yours,



David Nakamura
Project Manager

DN/te



**BOARD OF WATER SUPPLY
COUNTY OF MAUI
P.O. BOX 1108
WAILUKU, MAUI, HAWAII 96793-7108**

95 JAN 29 P 104

January 29, 1996

Mr. David Blane, Director
County of Maui
Planning Department
250 South High Street
Wailuku, Maui Hawaii 96793

Re: Maunaloa Town Center; 95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95/CP-4; 5-1-2:26. & por.
of 27; Molokai Ranch, Ltd.

Dear Mr. Blane,

Thank you for the opportunity to review the subject proposal. We offer the following information:

Source

The source of water for this project is not clearly identified. We submit information on some of the possible options:

The applicants have requested an extension to their contract for 100,000 gpd. BWS may grant an extension provided that CWRM approves a water use allocation adequate to cover the request. However, the agreement has not been formally extended to date. Nor has CWRM finalized future use allocations for Kualapuu Aquifer. The CWRM sponsored "Molokai Water Working Group" is examining various allocation scenarios in an attempt to determine whether a community-based consensus regarding water use allocations on Molokai can be reached. This group is still in session.

The applicants have received permission to drill a well in Kualapuu, with the caveat that no water use allocation for this well is guaranteed. We understand that the applicants have postponed this project.

Allocations from Kualapuu Aquifer currently total 4.695 MGD, with another 2.813 requested. Mink has written a letter revising the estimated sustainable yield of this aquifer from 7 to 5, and indicating that the figure may be as low as 3.2 MGD. The Commission has set aside time to review this information, and consider revising the legal sustainable yield estimate. A recommendation may be made at the April meeting.

The applicants recently submitted an application to CWRM for a well in Kamiloloa. This is scheduled to be heard April 12th. BWS also has plans to develop source in this aquifer. We have discussed participation with the Ranch, but no agreements are finalized.

Finally, it is possible that the applicants may opt to treat their surface water sources. This would require DOH approval under the Surface Water Treatment Rule.

"By Water All Things Find Life"

Consumption

The applicants estimate that the town center project will use 95,000 gpd based on standards for anticipated square footage. The applicants have submitted further information, based on per-acre standards. This per acre analysis indicates a potential consumption of roughly 257,041 gpd. The applicants believe the lower estimate is more accurate, based on their actual planned use of the property. No fire, domestic, irrigation or fixture unit calculations have been reviewed.

Conservation

The applicants state that they intend to use low flow toilets and other water conserving fixtures. We appreciate this positive step for conservation. The following additional information is provided for their use:

In Buildings:

Eliminate Single-Pass Cooling: Single-pass, water-cooled systems should be eliminated per Maui County Code Subsection 14.21.20. These units pass water once-through for cooling, and then dispose of the water into the drain. Although prohibited by code, single-pass water cooling is still manufactured into some models of air conditioners, freezers, and commercial refrigerators.

Utilize Low-Flow Fixtures and Devices: Maui County Code Subsection 16.20.675 requires the use of low flow water fixtures and devices in faucets, showerheads, urinals, water closets and hose bibs. Water conserving washing machines, ice-makers and other units are also available, and can help cut back on water bills.

Maintain Fixtures to Prevent Leaks: A simple, regular program of repair and maintenance can prevent the loss of hundreds or even thousands of gallons a day. Refer to the attached handout, "The Costly Drip". The applicant should establish a regular maintenance program for all rental properties.

In the landscape:

Plant Climate-adapted Plants: The project site is located in "Maui County Planting Plan" - Plant Zone 2. Please refer to the "Maui County Planting Plan", and to the attached documents, "XERISCAPE: Water Conservation Through Creative Landscaping" and "Some of Maui's Native and Polynesian Plants". You can also contact Ms. Kali Montero of UH Cooperative Extension Service at 567-6833 and FAX 567-6818 for more information on Molokai's native plants and appropriate sources and propagation methods.

Prevent Over-Watering By Automated Systems: Provide rain-sensors on all automated irrigation controllers. Check and reset controllers at least once a month to reflect the monthly changes in evapotranspiration rates at the site. As an alternative, provide the more-automated, soil-moisture sensors on controllers.

Limit Irrigated Turf: Limit irrigated turf to 25% or less of total landscaped area. Concentrate any irrigated turf in a comfortable, active play and picnicking area. Turf species with low water use requirements include Buffalograss, Common and "No-Mow" Bermuda and Zoysia. However, low-water use shrubs and groundcovers can be equally attractive and require substantially less water than turf. Substitute these for turf in side yards, boundaries, median areas and wherever active use of the lawn is not intended.

System

The applicants state that the water distribution system in Maunaloa will be improved to meet water system standards. Commissioners should be made aware that the Board of Water Supply has proposed elimination of paragraph 2 of Section 2-11 of BWS Rules. The paragraph proposed for deletion reads, "In areas where there is no public water supply available to serve the development, plans and specifications for providing water sources, including wells, tunnels shafts, pumps, buildings, mains and other appurtenant structures and devices shall be in conformance with the standards of the department, and shall be approved by the director in their entirety prior to construction. The plans and specifications shall be approved by the Department of Health, State of Hawaii, as required."

The deletion of this paragraph, if approved, would mean that BWS staff may not review the project's water system to insure conformance with standards.

To avoid any potential gaps in implementation of standards that may result from BWS rule changes, we suggest that the applicant be required to construct system improvements as necessary to serve the project according to the standards as a condition of the permit, to be guaranteed by the stamp and affidavit of a certified engineer.

Please feel free to contact the Water Resources Planning Division at 243-7835, if you desire further information or assistance.

Sincerely,



for David Craddick
Director

attachments:

- 1) Per-Acre calculations on consumption, submitted by applicant
- 2) "A Checklist of Water Conservation Ideas for Cooling"
- 3) "A Checklist of Water Conservation Ideas for Commercial Buildings"
- 4) "A Checklist of Water Conservation Ideas for Hotels and Motels"
- 5) "The Costly Drip"
- 6) "Some of Maui's Native and Polynesian Plants" - Molokai
- 7) "XERISCAPE: Water Conservation Through Creative Landscaping"

**Attachments to January 29, 1996
Board of Water Supply Letter**

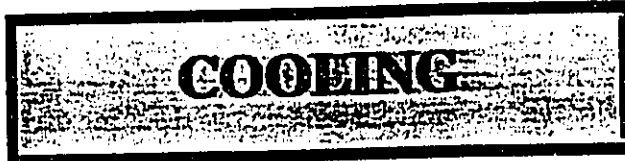
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Lot	Area (sq)	Area (Ac.)	Water (gpd)	Sewer (gpd)	Water (gpd)	Sewer (gpd)	Sewer (gpd)
B-CT 559	31,585	0.73					
B-CT 560	20,531	0.47					
B-CT 561	19,902	0.46					
B-CT 562	19,278	0.44					
B-CT 563	18,423	0.42					
B-CT 564	19,823	0.46					
B-CT 566	79,840	1.83					
B-CT 567	55,684	1.28					
B-CT 571	9,284	0.21					
B-CT 572	6,750	0.20					
B-CT 573	6,750	0.20					
B-CT 574	6,760	0.20					
B-CT 575	6,750	0.20					
B-CT 576	6,709	0.20					
B-CT 577	8,984	0.21					
B-CT 578	83,748	1.92					
Total		8.43	34,885	31,386	65,570	39,599	30,171
B-2	191,840	4.40			26,424	16,467	14,093
Total		4.40	33,030	29,727			
LI	277,169	6.36			36,176	26,724	50,903
Total		6.36	30,542	25,961			
H-1	343,057	7.88			133,864	93,719	53,553
Total		7.88	73,242	51,270			
Park	50,876	1.17			1,966	1,390	7,942
Total		1.17	10,662	7,603			
TOTAL	29.24		182,561.14	145,957.09	257,040.59	179,828.41	156,662.34

Town CTR Only

**A Checklist of Water Conservation Ideas
For**



COOLING TOWERS

Understanding Your System

- Prepare an inventory of each cooling tower you have, its cooling capacity, and the equipment or processes that it serves.
- Meter and record the amount of make-up water added to each tower, and the amount of blow-down water discharged from each tower.
- If you purchase chemicals for the treatment of the recirculating cooling tower water, have the chemical vendor explain the purpose and action of each chemical.
- Have your chemical vendor provide a written report of each service call, and be sure that the vendor explains the meaning of each analysis performed, as well as the test results.
- Tell your chemical vendor that water conservation is a priority at your facility. Ask your vendor to tell you about alternative programs that could reduce the amount of water that is bled-off from the towers.

Water Conservation Opportunities

- If you are using conventional water treatment, work with your chemical vendor to increase your cycles of concentration, thereby decreasing the amount of water bled off.
- Establish a performance-based specification, and have vendors make proposals for your facility's cooling tower water treatment. Require that vendors commit to a predetermined minimum level of water-efficiency. Have them provide figures showing projected annual water and chemical consumption and costs.
- Consider incorporating sulfuric acid in your treatment program. This could enable you to reduce carbonate scale and achieve significantly higher cycles of concentration. If you use sulfuric acid, be sure to observe the appropriate safety precautions.

- Ozone is another alternative to consider for cooling water treatment in appropriate situations. Ozone can help remove dissolved minerals and act as a biocide. Again, observe the appropriate safety precautions.
- If available, use reclaimed water as a source of cooling tower make-up water. Be sure to verify that the water is sufficiently clean for use in your system.
- Re-use blow-down for lower-grade non-potable uses.

EVAPORATIVE COOLERS

- Be sure your coolers have pumps to recirculate the water through them.
- Check to make sure you are not bleeding off an excessive amount of water. For a typical small cooler, anything more than a few gallons per hour may be excessive.
- Pipe the bleed-off from your coolers to help water a landscaped area.

ONCE-THROUGH COOLING

§14.21 of The Maui County Code prohibits discharge of drainage or filter backwash from cooling systems into the public wastewater system, or private wastewater systems connected to the public wastewater system.

- Eliminate all uses of water for once-through or "single-pass" cooling, unless you reuse the water elsewhere for a beneficial purpose.
- Many items of water-cooled equipment can be replaced by very similar air-cooled models.
- Connect to a recirculating cooling water loop (such as the plant chilled water system) instead of using once-through cooling.

This checklist provides water conservation tips successfully implemented by facilities which utilize cooling systems. This list has been revised from the original copy first published and distributed by the City of Phoenix Water Conservation and Resources Division. For more information, contact the Board of Water Supply's Water Resources Planning Division at 243-7835, or the Public Works Department's Wastewater Division at 243-7417.

A Checklist of Water Conservation Ideas
For

Commercial Buildings

This checklist provides water conservation tips successfully implemented by industrial and commercial users. This list has been revised from the original copy first published and distributed by the Los Angeles Department of Water and Power.

General suggestions

Increase employee awareness of water conservation.

Install signs encouraging water conservation in employee and customer restrooms.

When cleaning with water is necessary, use budgeted amounts.

Determine the quantity and purpose of water being used.

Read water meter weekly to monitor success of water conservation efforts.

Assign an employee to monitor water use and waste.

Seek employee suggestions on water conservation; put suggestion boxes in prominent areas.

Determine other methods of water conservation.

Building maintenance

Check water supply for leaks.

Turn off any unnecessary flows.

Repair dripping faucets and showers and continuously running or leaking toilets.

Install faucet aerators where possible.

Reduce toilet water use by adjusting flush valves or installing dams and flapper mechanisms.

As appliances or fixtures wear out, replace them with water-saving models.

Shut off water supply to equipment rooms not in use.

Minimize the water used in cooling equipment in accordance with manufacturers recommendations. Shut off cooling units when not needed.

Cafeteria area

Turn off continuous flow used to clean the drain trays.

Turn off dishwasher when not in use. Wash full loads only.

Use water from steam tables to wash down cooking area.

Do not use running water to melt ice or frozen foods.

Use water-conserving ice makers.

Exterior areas

Convert from water intensive lawns, trees, and shrubs to Xeriscape -- Landscape design incorporating plants that provide beautiful color and require less water.

Inventory outdoor water use for landscaped areas.

Water landscape only when needed. Two-to-three times a week is usually sufficient.

Water in the early morning or evening.

Make sure that water does not run into the streets or alleys.

Stop hosing down sidewalks, driveways, and parking lots.

Use time controllers on sprinkler systems.

Do not water on windy days.

Water in winter only during prolonged hot and dry periods. (During spring and fall, most plants need approximately half the amount they need during the summer.)

For more information, contact:

**California Department of Water Resources
Water Conservation Office
1416 Ninth Street
P.O. Box 942836
Sacramento, California 94236-0001
Telephone: (916) 323-5580**

The ideas presented are not intended as an endorsement by the California Department of Water Resources of any method, process or specific product but are merely suggestions.

A Checklist of Water Conservation Ideas
For

Hotels and Motels

This checklist provides water conservation tips successfully implemented by industrial and commercial users. This list has been revised from the original copy first published and distributed by the Los Angeles Department of Water and Power.

General Suggestions

- Increase employee awareness of water conservation.
- Seek employee suggestions on water conservation; locate suggestion boxes in prominent areas.
- Conduct contests for employees (e.g., posters, slogans, or conservation ideas).
- Install signs encouraging water conservation in employee and customer restrooms.
- When cleaning with water is necessary, use budgeted amounts.
- Read water meter weekly to monitor success of water conservation efforts.
- Assign an employee to monitor water use and waste.
- Determine the quantity and purpose of water being used.
- Determine other methods of water conservation.

Building Maintenance

- Check water supply system for leaks and turn off any unnecessary flows.
- Repair dripping faucets and showers and continuously-running or leaking toilets.
- Install flow reducers and faucet aerators in all plumbing fixtures whenever possible.
- Reduce the water used in toilet flushing by either adjusting the vacuum flush mechanism or installing toilet tank displacement devices (dams, bottles, or bags).
- As appliances or fixtures wear out, replace them with water-saving models.
- Shut off water supply to equipment rooms not in use.
- Minimize the water used in cooling equipment, such as air compressors, in accordance with the manufacturer recommendations.
- Reduce the load on air conditioning units by shutting air conditioning off when and where it is not needed.
- Keep hot water pipes insulated.
- Avoid excessive boiler and air conditioner blow down. (Monitor total dissolved solids levels and blow down only when needed).

Instruct clean-up crews to use less water for mopping.

Switch from wet or steam carpet cleaning methods to dry powder methods.

Change window cleaning schedule from periodic to an on-call/as-required basis.

Pools

Channel splashed-out pool water onto landscaping.

Lower pool water level to reduce amount of water splashed out.

Use a pool cover to reduce evaporation when pool is not being used.

Reduce the amount of water used to clean pool filters.

Kitchen Area

Turn off the continuous flow used to clean the drain trays of the coffee/milk/soda beverage island; clean the trays only as needed.

Turn dishwasher off when not in use. Wash full loads only. Replace spray heads to reduce water flow. If necessary, use ponded water.

Use water from steam tables to wash down cooking area.

Do not use running water to melt ice or frozen foods.

Use water-conserving ice makers.

Recycle water where feasible, consistent with state and county requirements.

Recycle rinse water from the dishwasher or recirculate it to the garbage disposer.

Presoak utensils and dishes in ponded water instead of using a running water rinse.

Wash vegetables in ponded water; do not let water run in preparation sink.

Use water from steam tables in place of fresh water to wash down the cooking area.

Bar

Do not use running water to melt ice in the sink strainers.

Laundry

Reprogram machines to eliminate a rinse or suds cycle, if possible, and if not restricted by health regulations.

Reduce water levels, where possible, to minimize water required per load of washing.

Wash full loads only.

Evaluate wash formula and machine cycles for water use efficiency.

Exterior Areas

Convert from high-water using lawns, trees, and shrubs to xeriscape -- Landscape design incorporating plants providing beautiful color and requiring less water. In the future, design landscapes requiring less water.

Inventory outdoor water use for landscaped areas.

Do not water landscape every day; two-to-three times a week is usually sufficient.

Stop hosing down sidewalks, driveways, and parking lots.

Wash autos, buses, and trucks less often.

Avoid plant fertilizing and pruning that would stimulate excessive growth.

Some of Maui's Native and Polynesian Plants

For further information and additional native plant listings, see the Maui County Planting Plan. The plan was prepared by the Maui Arborist Committee, and is available at the Volunteer Action office in the Kahului Community Center, 275 Ulu Street, ph. 243-7325, for a \$15.00 donation.

Vegetation Zones: The area a mature plant can grow naturally.

- 1 - Wet areas on the windward side.
- 2 - Cool, dry areas in higher elevations (above 1,000 feet.)
- 3 - Low, drier areas that are warm to hot.
- 4 - Lower elevations that are wetter due to proximity to the mountains.
- 5 - Salt-spray zone in coastal areas on the windward side.

Elevation

- L - Sea-level to 1,000 feet
 M - 1,000 to 3,000 feet
 H - Higher than 3,000 feet

Common Name	Scientific Name	Ht	Zone of Self-Subsistence					Elevation		
			1	2	3	4	5	L	M	H
Koa	<u>Acacia koa</u>	60'	1	2		4			M	H
Kamani	<u>Calophyllum inophyllum</u>	60'	1			4		L	M	
Kukui	<u>Aleurites moluccana</u>	50'	1			4	5	L	M	
Hala	<u>Pandanus tectorius</u>	35'	1			4	5	L		
Kou	<u>Cordia subcordata</u>	30'	1			4	5	L		
'Ōhi'a lehua	<u>Metrosideros polymorpha</u>	25'	1	2		4		L	M	H
Kou haole	<u>Cordia sebestena</u>	20'	1		3	4	5	L	M	
Koki'o ke'oke'o	<u>Hibiscus waimeae</u>	20'		2		4			M	
Hala pepe	<u>Pleomele auwahiensis</u>	20'		2	3	4			M	
Wiliwili	<u>Erythrina sandwicensis</u>	20'		2	3	4		L		
Hao	<u>Rauwolfia sandwicensis</u>	20'		2	3	4		L	M	
'Ohe makai	<u>Reynoldsia sandwicensis</u>	20'			3				M	
Olopuia	<u>Nestegis sandwicensis</u>	15'		2	3	4			M	
Mai'a	<u>Musa acuminata</u>	6'-30'	1			4		L	M	
Kōlea	<u>Myrsine lessertiana</u>	15'		2		4			M	
Keahi	<u>Nesoluma polynesianum</u>	15'			3			L	M	
Hō'awa	<u>Pittosporum hosmeri</u>	12'		2		4			M	
Alahe'e	<u>Canthium odoratum</u>	12'			3	4		L	M	
Lama	<u>Diospyros sandwicensis</u>	12'			3	4		L	M	
Naio	<u>Mycoporum sandwicense</u>	10'		2	3	4	5	L	M	H
Koki'o 'ula'ula	<u>Hibiscus kokio</u>	10'-12'	1			4		L	M	
'Awa	<u>Piper methvsticum</u>	10'	1					L		

Common Name	Scientific Name	Ht	Zone of Self-Subsistence					Elevation		
								L	M	H
Kulu' f	<u>Nototrichum sandwicense</u>	8'		2	3	4		L	M	
Wauke	<u>Broussonetia paprifera</u>	8'				4		L		
' Iliahi	<u>Santalum ellipticum</u>	8'		2	3	4		L	M	
	<u>Achyrantes splendens</u>	6'		2	3	4		L	M	
' A' ali' i	<u>Dodonaea viscosa</u>	6'		2	3	4	5	L	M	H
Loulu	<u>Pritchardia glabrata</u>	6'		2		4			M	
KI	<u>Cordyline fruticosa</u>	6'	1	2		4		L	M	
Naupaka kahakai	<u>Scaevola sericea</u>	6'			3	4	5	L		
Ma' o	<u>Gossypium tomentosum</u>	5'			3		5	L		
Kolomona	<u>Senna gaudichaudii</u>	5'		2	3	4	5	L	M	
' Ūlei	<u>Osteomeles anhyllidifolia</u>	4'		2	3	4		L	M	H
Maiapilo	<u>Capparis sandwichiana</u>	4'			3	4	5	L	M	
' Ōlena	<u>Curcuma longa</u>	3'	1			4		L	M	
Pōhinahina	<u>Vitex rotundifolia</u>	3'					5	L		
Nehe	<u>Lipochaeta lavarum</u>	3'		2	3	4	5	L	M	
' Ākia	<u>Solanum nelsoni</u>	3'			3	4	5	L		
' Ānapanapa	<u>Colubrina asiatica</u>	3'				4	5	L		
Pua kala	<u>Argemone glauca</u>	3'		2	3	4	5	L	M	
Nehe	<u>Lipochaeta succulenta</u>	2'	1		3	4		L		
Nehe	<u>Lipochaeta rockii</u>	2'		2	3	4		L	M	
' Āhinahina kuahiwi	<u>Artemisia australis</u>	2'	1			4	5	L	M	
' Uki ' uki	<u>Dianella sandwicensis</u>	2'		2		4			M	H
' Ōhelo kai	<u>Lycium sandwicense</u>	2'					5	L		
' Ākia	<u>Wikstroemia uva-ursi</u>	2'			3	4	5	L	M	
Yellow Naupaka	<u>Scaevola gaudichaudii</u>	2'		2		4		L	M	
Nehe	<u>Lipochaeta integrifolia</u>	1'				4	5	L		
Ko' oko' olau	<u>Bidens hillebrandiana</u>	1'	1				5	L		
' Ala' ala wai nui	<u>Peperomia leptostachya</u>	1'		2	3	4		L	M	
Hinahina kū kahakai	<u>Heliotropium anomalum var. argenteum</u>	1'					5	L		
' Ili'e'e	<u>Plumbago zeylanica</u>	1'		2	3	4		L	M	
Pōhuehue	<u>Ipomoea pes-caprae</u>	1'					5	L		
' Uala	<u>Ipomoea batatas</u>	1'	1	2	3	4		L	M	
' Ākulikuli	<u>Sesuvium portulacastrum</u>	.5'	1				5	L		
' Ilima papa	<u>Sida fallax</u>	.5'			3	4	5	L		

Common Name	Scientific Name	Ht	Zone of Self-Subsistence					Elevation		
			1	2	3	4	5	L	M	H
Mau' u 'aki'aki	<u>Fimbristylis cymosa</u>	.5'			3		5	L		
Pā'ūhi'iaka	<u>Jacquemontia ovalifolia</u> subsp. <u>sandwicensis</u>	.5'			3	4	5	L		
Seashore Paspalum	<u>Paspalum vaginatum</u>	1'	1	2	3	4	5			

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- 5 - Salt-spray zone in coastal areas on the windward side.

Elevation

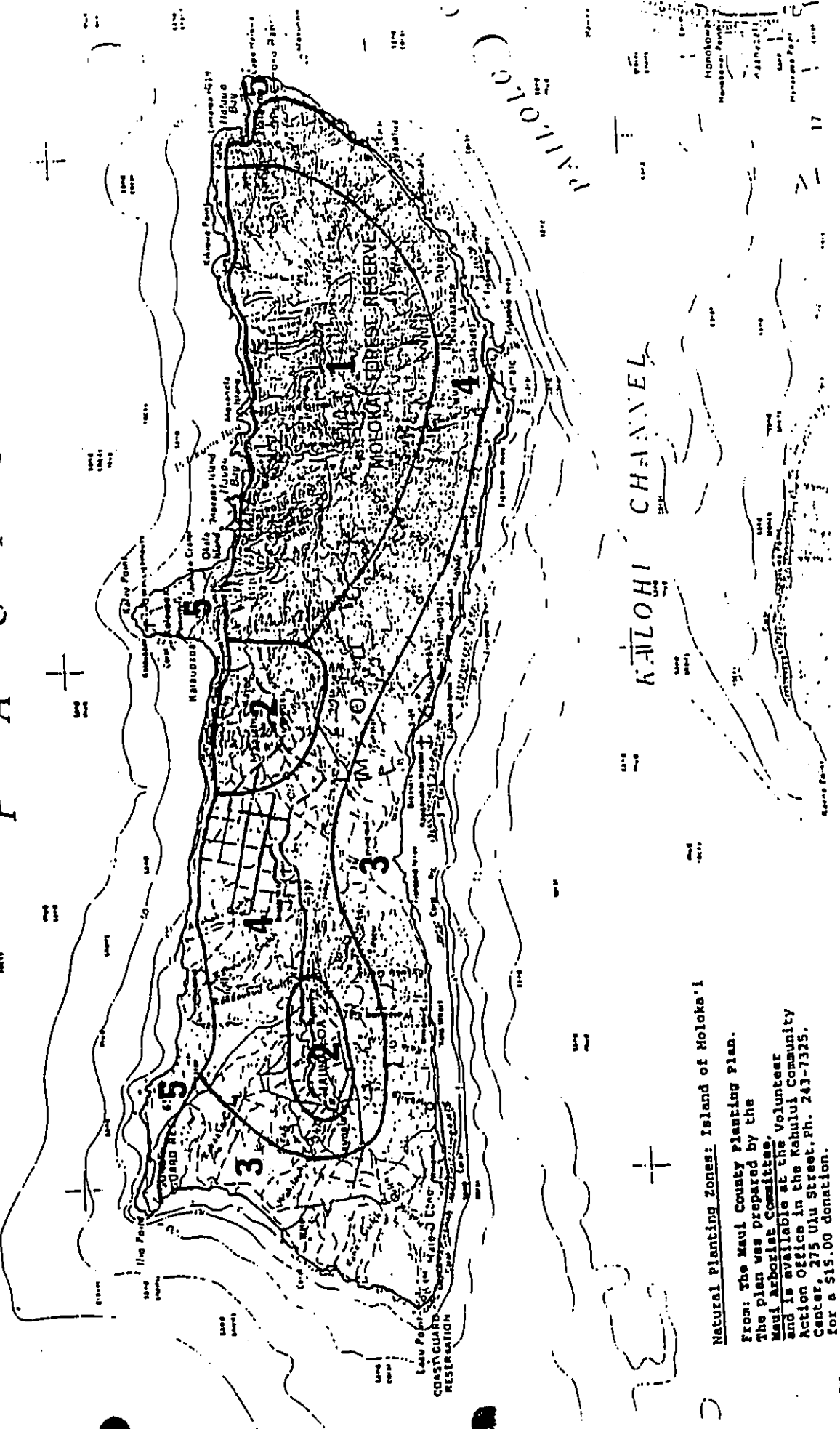
- L - Sea-level to 1,000 feet
- M - 1,000 to 3,000 feet
- H - Higher than 3,000 feet

For More Information about landscaping with native plants on Moloka'i contact:

Ms. Kali Montero, County Extension Agent
 University of Hawaii Cooperative Extension Service
 P.O. Box 317
 Ho'olehua, Moloka'i Hawaii 96729
 Ph: (808)567-6833

- 12 - Cool, dry areas in highest elevations above 4000 feet
- 13 - Low, drier areas that are warm to hot.
- 14 - Lower elevations that are wetter due to proximity to mountains
- 15 - Salt spray zone in Coastal areas on the windward side.

P A C I F I C



Natural Planting Zones: Island of Molokai
 From: the Maui County Planting Plan.
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 Maui Arborist Committee,
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XERISCAPE

Water Conservation Through Creative Landscaping

Xeriscape Defined

Seven Water Conservation Fundamentals

Planning and Design

Soil Improvement

Efficient, Zoned Irrigation

Limited Turf Area

Use of Mulches

Use Of Low Water-Demand Plants

Appropriate Maintenance

Community Water Management

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

XERISCAPE

The Department of Water Supply is faced with increasingly more difficult demands regarding water—its supply, quality, distribution, purification, management, and associated costs. Potable water is becoming scarce and the costs of building delivery systems and water treatment plants prohibitive. Consequently, there is a need to conserve water, not only during droughts, but to reduce demands of peak loading on systems in an attempt to delay construction of larger, expensive facilities. Saving water saves energy while conserving other valuable resources.

Water conservation takes on two broad aspects. First, efficient manipulation of physical factors in the landscape - delivery and irrigation systems, soils, percent hardscape used in a design, plants, microclimates, mulch, etc. Secondly, the people factors, which are often more important.

The incorrect perception that water is "cheap" or "inexpensive" has led to the ideas that the water supply is not finite and that it flows towards money. This in turn has fostered a national consciousness that high water use landscapes are normal, desirable and acceptable. Little has been done to change this mind set, particularly as it relates to water conservation in the landscape.

With the increased, continuous demand for high quality water exceeding supply of both surface and below ground sources, a new philosophy for conservation must be engendered: billing must reflect the real costs of water and people must learn and practice the "whys" and "hows" of water conservation. This is why Xeriscape began.

Xeriscape Defined

XERISCAPE (xir' : scap) is an integrated approach to landscape water conservation. Xeriscape was coined from the Greek word "xero" for dry. Thus, Xeriscape means dryscape or low water use landscaping. Xeriscapes are designed through wise planning, plant and construction materials selection, and proper installation to provide beautiful, water efficient, low maintenance landscapes.

In Hawaiian E' Malama Wai meaning "Cherish Our Water" is used to refer to xeriscaping.

Many have misread the term as xeroscape, which would imply noscape or no landscape plantings. Others have equated xeriscape landscaping with "rockscapes," many of which are not aesthetically pleasing and may not always conserve water or energy. Rockscapes are harsh, produce glare, and do little to prevent noise and air pollution, making them a poor substitute for xeriscape landscaping.

Seven Water Conservation Fundamentals

The xeriscape motto, "Water conservation through creative landscaping," provides the umbrella under which a wide variety of landscape water conservation activities may be caught and employed in a community. And although there are many landscape and horticultural techniques that conserve water, xeriscape programming has focused on seven broad, fundamental areas.

1. Planning and Design
2. Soil Improvement
3. Efficient, Zoned Irrigation
4. Limited Turf Areas
5. Use of Mulches
6. Use of Low Water Demand Plants
7. Appropriate Maintenance

Planning and Design

Architects, planners, and homeowners are encouraged and taught to incorporate standard design elements of function, circulation, topography, exposure, seasonal color, texture, safety, etc. into existing landscapes and new designs with emphasis on conserving, limiting and/or reusing water. 40% to 50% of the water homeowners use goes for yard watering. Appropriate design and planning can provide these very necessary aspects of urban life and conserve water at the same time. Xeriscapes can ameliorate the impact of a severe drought and avoid the costly clean-up resulting from a "boom and bust" water policy. Tree removal, replanting of landscapes and turfgrass fields are eliminated and real savings to Maui County.

Thayer and Richman (1984) suggest that designing water-conserving landscapes should be considered in two parts. First, the physical ecology of plants and plant communities must be integrated within the microclimates of the landscape. Logically, plants best adapted to the climate, temperatures, sun, wind, and physical nuances of the site thrive best and require the least expenditures for water, energy and maintenance. Secondly, landscape designers must accept that there is a "human ecology" of water use in landscapes. That is, the intensity of human

activity dictates landscape water use. This includes... uses, whether functional or aesthetic. Thayer and Richman coined the term "hydrozone" to describe the type and intensity of human activity in the landscape and identified four classes of hydrozones. These will be discussed under the heading "Efficient, Zoned Irrigation".

Soil Improvement

Residential soils can be difficult soils to manage because they have been badly disturbed by construction and urban activities. Normal soil horizons are mixed unevenly both vertically and horizontally. Often, hardpans exist and impede drainage, and most urban soils have been compacted by heavy equipment or traffic. Many of the physical and chemical soil properties plants require for growth are present at less than optimum levels in urban soils. Soil improvements must correct poor water infiltration, percolation, and drainage, while providing adequate water holding capacity and improving the nutritional status of the soil. Organic amendments meet most of these requirements and improve tilth, making it easier to till the soil and manage weeds. Adding 3-5 cubic yards of well composted organic matter per 1000 square feet and tilling it into the top 3-12 inches of soil is recommended.

Other amendments such as lime be added to adjust an undesirable acid soil condition. These adjustments should be made prior to planting.

Efficient, Zoned Irrigation

Matching the amount of water supplied to each plant with the plant's water requirement is the most efficient way to irrigate.

Until recently this was difficult to do and most landscapes were irrigated to meet the needs of the turfgrass or other plants with high water requirements. Sprinklers cover large areas without regard to the water needs of individual plants. To eliminate waste by overwatering and run-off, group plants according to their water requirements and use zoned irrigation systems to deliver water to individual plants or to plants with similar moisture requirements (Figure 10-2). Fewer plants will develop disease or die from overwatering.

Not only are irrigation zones established to meet the physical or ecological water needs of plants, but landscape landscaping also recognizes that human activity will impact plant water needs. Thayer and Richman (1984) describe this irrigation zoning to match man's activity as hydrozone planning, and they define four irrigation regimes (Figure 10-3).

The Principal Hydrozone represents the area with the greatest human activity and consequently the greatest water and energy use: sites in yards, parks, and play fields where people frequently, play, sit, walk, gather, or relax; places where people regularly contact plants.

The Secondary Hydrozone is less physically impacted by humans, but is visually important: areas of passive activities space delineation or focal interest such as flower and shrub beds, entrances, prominent plantings, etc; areas of high visual impact, but seldom touched by humans.

Buffer zones, distant views, median strips, parkways, and embankments—these make up the third hydrozone, called the Minimal Hydrozone. In this case, plants are selected that need minimal supplemental water to survive the natural climatic conditions.

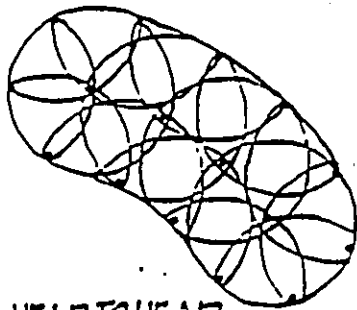
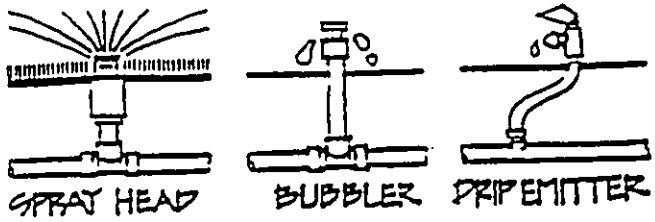
The Elemental hydrozone constitutes landscape plantings that require only natural precipitation to survive and seldom, if ever, incur human activity. Utility areas, mulched native plantings, and naturally sustainable, exotic vegetation belong to this hydrozone (Figure 10-4).

Flexible sprinkler heads and nozzles, adjustable delivery rates and coverage, modern valves, and automated controllers—these allow greater water conservation through zoned irrigation. On-off watering is easily programmed to match water infiltration rates into soils, thus avoiding surface runoff. Also, water is better applied to meet specific plant needs as impacted by seasonal human activity and changes in the weather.

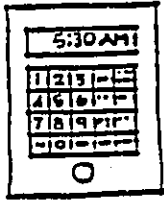
Collection systems should be designed and constructed throughout the landscape to gather storm runoff from roofs, walks, drives, and slopes. By grouping high or moderate water requiring plants near swales and collection basins, such of their water needs can be met by natural moisture accumulations rather than irrigation. On the other hand, drought tolerant species may succumb to frequent accumulations of water and should be located on southern exposures or at the tops of slopes. Because they often only require supplemental irrigation during establishment or during a severe drought, a permanent irrigation system may not be needed.

Limited Turf Area

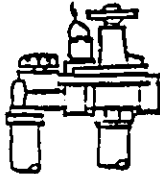
Turfgrass plays a primary role in most landscapes. Turfgrasses make excellent ground covers. They tolerate heavy foot traffic in the backyard, at the park, or on the athletic field. And mowed or unmowed, they stabilize slopes and prevent erosion. They serve to unify designs and instill a sense of pride in home and neighborhood when well kept. Moreover, turf helps keep homes and communities cleaner by reducing particulate and chemical air pollution. Unfortunately, a lawn consumes approximately half the landscape water and requires weekly care. As well, equipment, pest control and periodic cultural practices, such as coring or dethatching contribute to the expense, both in time and money, of maintaining a lawn.



HEAD TO HEAD
COVERAGE OF
LAWN AREA



CONTROLLER



ANTI-SIPHON VALVE

1. Separate irrigation lines into high, moderate and low water-use zones or areas and set an automatic valve at the head of each line. The same plant material on the north side of a structure or in a sheltered area will require less water than in a more severe exposure.
2. To help achieve uniform water distribution for turfgrass, overlap sprinkler spray patterns (100%) so that water from one head reaches out to the next nearest head (head-to-head coverage). Ask your irrigation supplier for low gallonage sprinkler heads that have "matched precipitation rates."
3. Wire each valve into an automatic timer to control how many minutes each valve applies water. Select a timer that allows recycling, that is, several cycles of on/off "run time" during each irrigation day. Heavy soils, clays, require several hours between start on periods to allow water to move deeper into soils. Sandy soils require less time between on times and may require mulching to enhance water retention qualities.
4. Prepare and follow an irrigation schedule by contacting a local landscape architect or irrigation specialist. Determine the precipitation requirements for your particular trees, shrubs, lawn and flower beds and program the timer to meet their individual water requirements. Settings will have to be changed seasonally to meet the plants demand for water.
5. Prevent surface run-off by adjusting heads to eliminate over spray on hard surfaces; reduce misting by spraying larger water droplets; utilizing on/off cycling; reducing slopes; using low precipitation heads and applying mulch whenever possible.

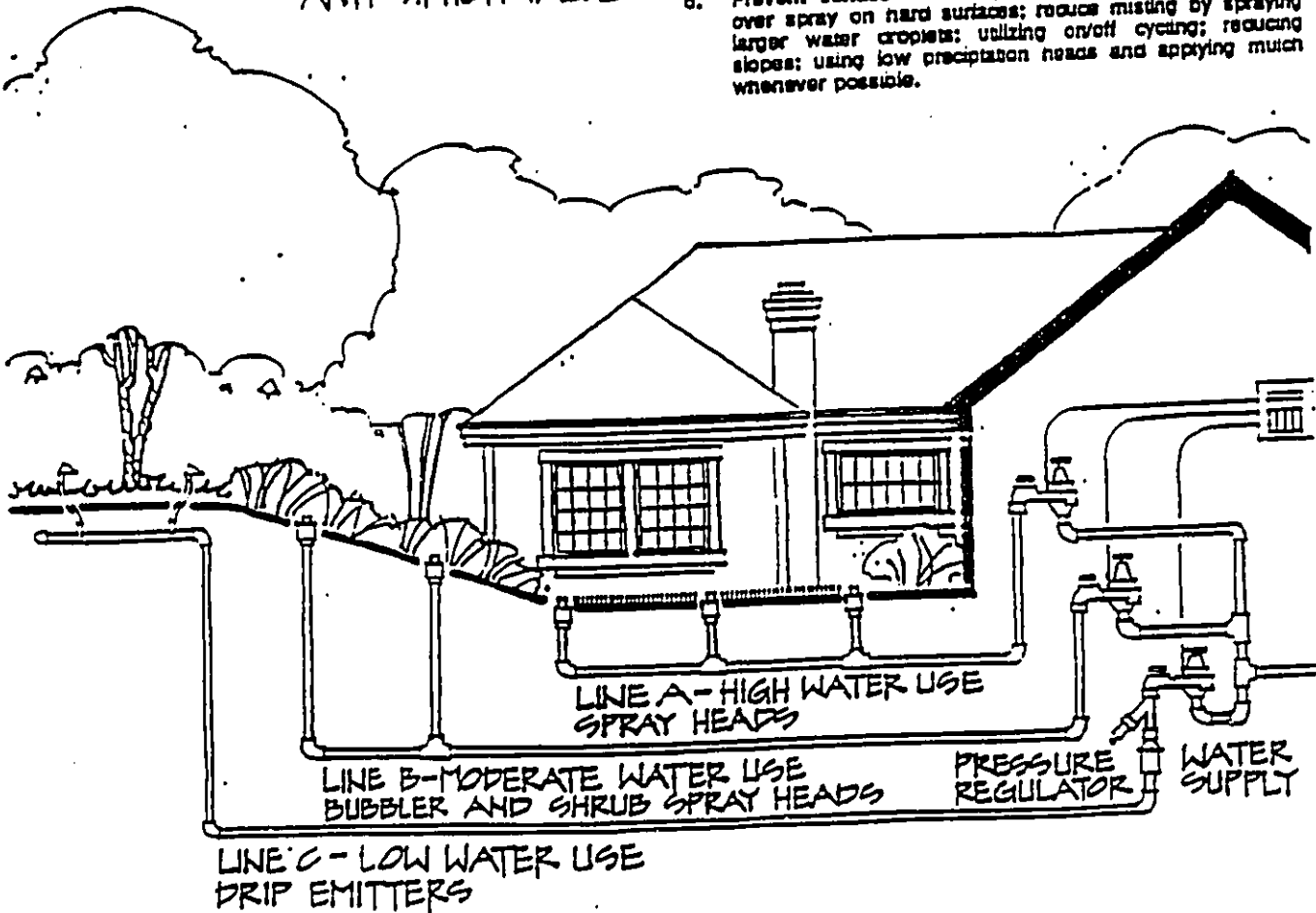


Figure 10-2. Five Steps to Efficient Irrigation

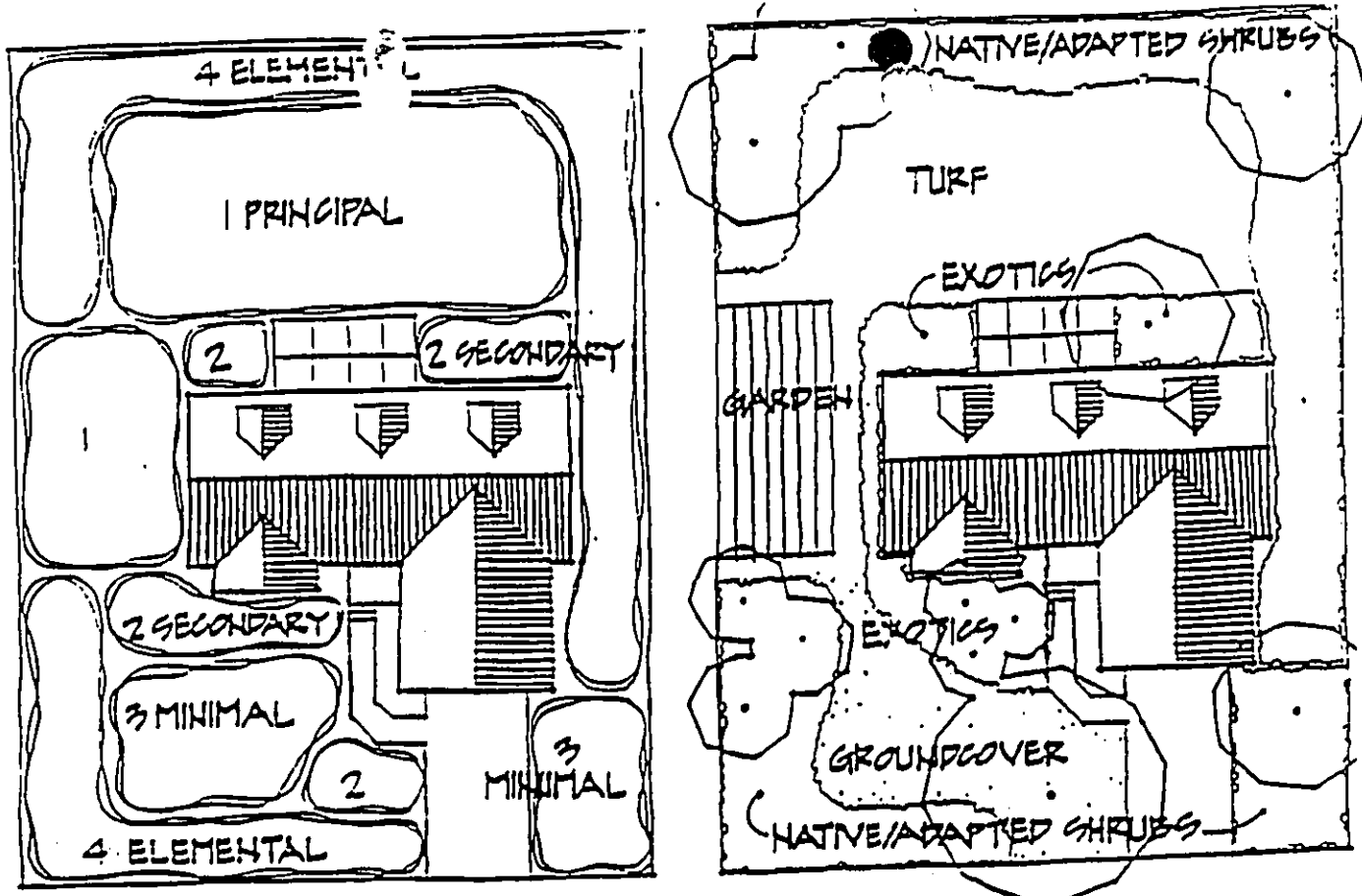


Figure 10-3. Hydrozone Concept Applied to Suburban Lot

Turf should be limited by design to high-use areas in landscapes and separated from other plantings with different water needs. After reviewing the landscape plans, classify the turf areas as either passive or active use and seed and irrigate accordingly. Plant drought-tolerant species with poor resistance to heavy traffic in less-frequented sites.

Not only should the total turf areas be reduced in a landscape, but the perimeter measurement also must be reduced as much as possible. Long, narrow strips of turf are difficult to properly mow, fertilize, keep pest free, and irrigate. Such strips require hand work to keep them attractive, which increases maintenance time and labor costs. Water from over-spraying turf in narrow planter islands, parkways, side yards, and around entrances not only runs off and is wasted but also contributes to the deterioration of paint, walls, walks, and asphalt in parking lots and streets. Mulches or groundcovers and shrubs on drip or underground irrigation can appropriately replace turf in many landscape sites. Drip emitters or bubblers can be used to irrigate individual plants and eliminate waste caused by overspray. Mulches need no water, and well chosen groundcovers require less water and maintenance than turf.

Likewise, the amount of turfgrass in a landscape may be reduced by increasing the hardscape. Patios, wooden decks, rocked and graveled walks limit the turf area while reducing the water requirement.

Use of Mulches

Mulches function to buffer soils against climatic extremes. In summer, they reduce soil heating and slow evaporation water loss from soil surfaces. They also reduce weeds and make those present easier to remove. Proper use of mulches reduces or prevents soil erosion. Organic mulches also contribute to the nutritional level and tilth of the soil as they breakdown.

These practical functions are important; however, many mulches are included in the landscape for their design flexibility and attractiveness, not simply because they save water, protect roots, and reduce maintenance.

Mulches are classified as organic, inorganic, and living. Organic mulches include plant refuse, such as chips and slash from tree trimming operations, saw dust, composted leaves and manures, peat moss, and graded bark products. Sized and washed rocks and gravels are popular inorganic mulches which come in many sizes, colors, and textures. Impervious sheet plastics covered with either organic or inorganic mulches were popular, but because sheet plastic prevents gas and water exchange between air and soil and creates a water-logged root environment, woven, porous plastics are now preferred. Mulches are applied 3 to 4 inches deep over bare soil and only 2 to 3 inches deep over woven fabrics. Living mulches include low growing groundcovers and low maintenance turfgrasses. They function well as mulches, but may be heavy competitors for water and nutrients under newly planted trees and shrubs. If used, select hardy, drought-tolerant species that resist common diseases. These species provide the best results and require less maintenance.

Use Of Low Water-Demand Plants

Many beautiful and functional plants, both exotics and natives, are available that thrive with natural precipitation or small amounts of supplemental water.

Chapter Two lists tree characteristics including their water requirements ranging from dry (less-thirsty) to wet (very-thirsty).

All types of plants with low water requirements are now available and more will become available as demand increases. The range of drought-tolerant plant species and those with low water requirements is now wide enough to permit selecting for function, beauty, and seasonal interest. As with all plant selections and planting, take care to match the specific needs of the plant to the environmental conditions and the intensity of human activity at the planting site. This is critical when using drought tolerant and low water use plants in the landscape. Choosing the proper plants and planting them correctly will reduce water consumption and maintenance costs over many years.

Appropriate Maintenance

Low maintenance is not no maintenance. The use of all or most of the Xeriscape principles will reduce but not eliminate maintenance. And generally, the greater the human activity at a site, the greater its maintenance requirements will be. Trees, shrubs, groundcovers, and turfgrasses are living organisms that require care. Timely fertilizing, watering, pruning, pest management, and other cultural practices are necessary in Xeriscape landscapes, but at reduced levels compared to conventional landscape plantings. Even mulched sites without plants must have litter removed periodically. Irrigation components for drip and sprinkler systems require routine checks and servicing. Xeriscape landscaping coupled with sound maintenance produces water and energy savings and environmentally adapted landscapes that are aesthetically pleasing.

As has been stressed, integrating these principles in landscapes will conserve water and reduce annual maintenance costs. Most importantly though, Xeriscape landscaping provides these benefits without sacrificing function or beauty. And although these seven points are stressed in Xeriscape literature and are the basis for Xeriscape programming, there is no substitute for creativity as a means of discovering and sharing new ways to conserve water without making yards and parks into xeroscapes.

Community education in Xeriscape landscaping is the key to a successful water conservation program. The principles of Xeriscape landscaping challenge the widespread but mistaken belief that water is cheap, unlimited resource which will always be available. Hopefully, the public will recognize that this is a misconception and that water conserving landscapes are necessary and should be considered "normal" within our society. At the same time, it teaches people the "whys" and "hows" of effective water conserving horticulture. To reach these objectives requires the cooperation of government leaders,

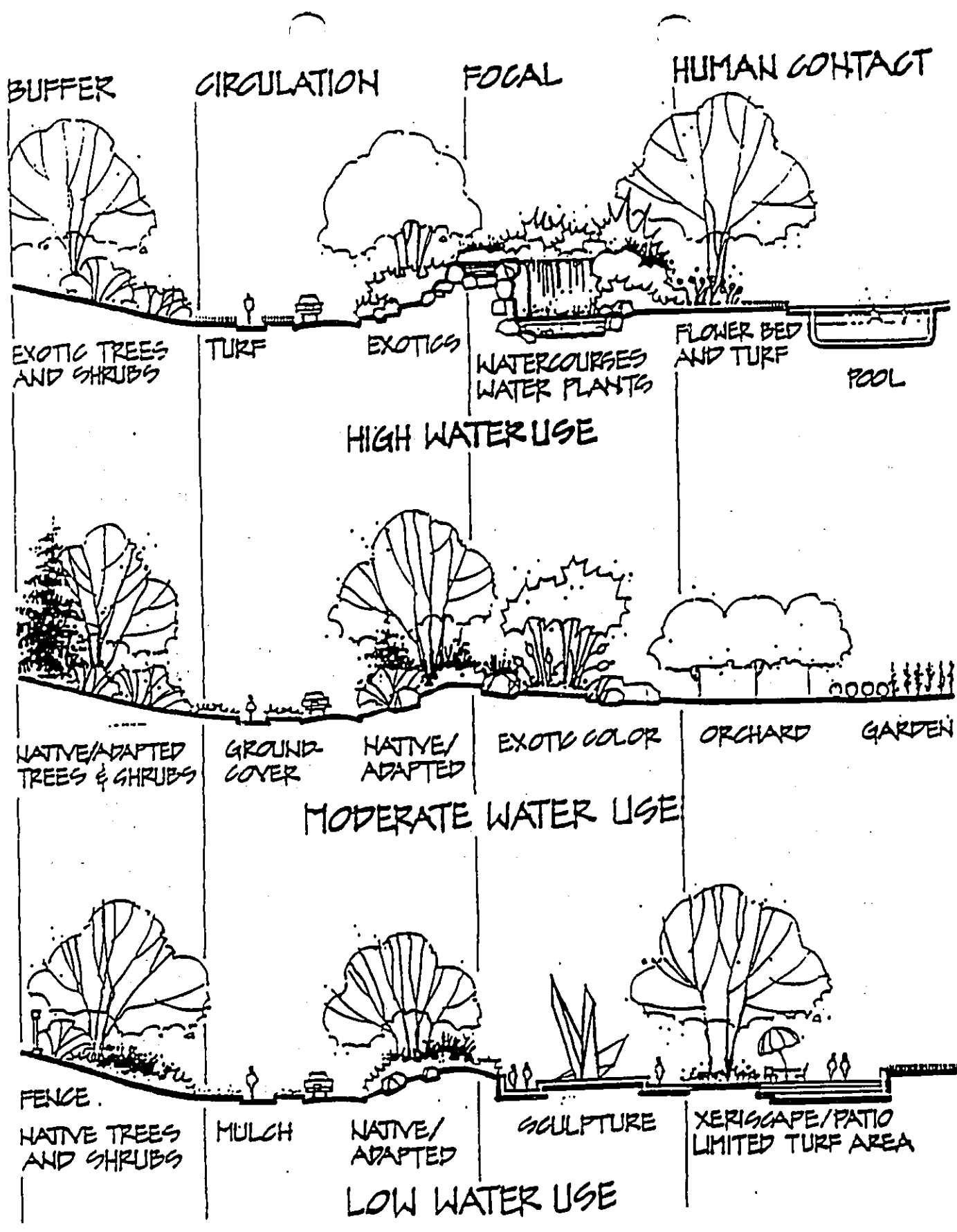


Figure 10-4. Water Use Relating to Human Use—Three Approaches

agencies, landscape professionals, horticulturists, irrigation specialists, concerned citizens, and an army of volunteers enthusiastically supporting and promoting xeriscape programming.

Community Water Management

Xeriscape landscaping, when followed, will conserve water, reduce maintenance costs, and establish beautiful, environmentally sound landscapes, parks, recreational facilities and greenspaces throughout a community. Conserving water averts the need to construct costly new delivery systems and waste treatment plants that would otherwise be needed to meet periods of peak loading. Xeriscaping also leads to changes in attitudes about water quality, water use, and how a community's water should be managed, especially in landscape irrigation.

Literature Cited

Urban and Community Forestry - A Guide for the Interior Western United States - United States Department of Agriculture - Forest Service

Thayer, Jr., Robert L. and TG. Richman. "Water-Conserving Landscape Design." In Energy Conserving Site Design, Ed. G. McPherson, Am. Soc. Landscape Architects, 1984.

LOW WATER USE/DROUGHT TOLERANT PLANT LIST

All plants require water for establishment. After they are rooted and growing well their water requirements will vary.

The following is an incomplete list of drought tolerant plants. It is provided for your convenience.

Please review the following reference lists for many other suggestions.

1. Drought Resistant Plants For Hawaiian Gardens by Norman C. Benzona, County Extension Agent, Cooperative Extension Service.
2. Drought Tolerant Native Hawaiian Plants for the Landscape - by Heidi Bornhorst Horticulturist, Honolulu Botanic Gardens.
3. Halawa Xeriscape Garden Registry of Nurseries that grow Less-Thirsty-Plants-Honolulu Board of Water Supply, November 1989.

Key to Symbols

A Accent Plant
F Flower Color
GC Groundcover
G Grass
OG Ornamental Grass
S Shrub
SC Succulent
ST Small Tree
MT Medium Tree
LT Large Tree
V Vines

Key to Zones

Zone 1 - Normal watering level.
Includes lush lawns and gardens.

Zone 2 - Moderate watering level.
Includes lawns, ground covers and shrubs.

Zone 3 - Low watering level.
Includes self-sustaining plant materials and natural vegetation with emphasis on plants that require little or no supplemental irrigation.

Type	Botanical Name	Zone	Common Name
S	<u>Abutilon menziesii</u>	3	Ko'o Loa'ua
MT	<u>Acacia koa</u>	2	Koa
A,F,S,SC	<u>Adenium obeseum</u>	3	Desert Rose
A,F,GC	<u>Agapanthus africanus</u>	2	Lily of the Nile
A,SC,S	<u>Agave attenuata</u>	3	Agave
MT	<u>Aleurites moluccana</u>	2	Kukui
S,GC,F	<u>Aniscanthus thurberi</u>	3	Desert Honeysuckle
V,GC,F	<u>Antigonon leptopus</u>	3	Mexican Creeper (3 colors)
S,GC,A	<u>Asparagus densiflorus</u> cv 'Meyers'	2	Foxtail Asparagus
S,GC,A	<u>A. densiflorus</u> 'Sprenger'	2	Sprenger Asparagus
A	<u>Aspidistra elatior</u> 'variegata'	2	Cast Iron Plant
GC	<u>Asystasia gangetica</u>	3	Asystasia
V,SC,GC	<u>Aptenia cordifolia</u>	3	Hearts and Flowers
MT,F	<u>Bauhinia blakeana</u>	2	Hong Kong Orchid Tree
V,F	<u>B. galpinii</u>	2	Red Bauhinia
ST,F	<u>B. tomentosa</u>	3	Yellow Bauhinia
A,SC,ST	<u>Beaucarnea recurvata</u>	3	Pony tail
A,V,F	<u>Bougainvillea 'Crimson</u> 'Jewel'	2	
A,V,F	<u>Bougainvillea 'Jamaica</u> 'White'	2	
A,V,F	<u>Bougainvillea 'Rosenka'</u>	2	
A,V,F	<u>Bougainvillea 'Temple</u> 'Fire'	2	
ST	<u>Brexia madagascariensis</u>	2	Brexia

Type	Botanical Name	Zone	Common Name
MT	<u>Caesalpinia ferrea</u>	2	Brazilian Ironwood
A,S,F	<u>Caesalpinia pulcherrima</u>	3	Ohai ali'i (3 colors)
S	<u>Calotropis gigantea</u>	3	Crown Flower
ST	<u>Canthium odoratum</u>	3	Alahe'e
S	<u>Carissa grandiflora</u>	3	Natal Plum
S,GC	<u>C. grandiflora prostrata</u>	3	Creeping Natal Plum
S,ST,F	<u>C. surratensis</u>	3	Kolomona
SC,GC	<u>Carpobrotus edulis</u>	3	Hotentot Fig
MT,F	<u>Cassia fistula</u>	2	Yellow Shower
MT,F	<u>Cassia fistula x</u>	2	Rainbow Shower
	<u>C. javanica</u>	3	(All Colors)
ST	<u>Ceratonia siliqua</u>	3	Carob Tree
V,GC,S	<u>Clerodendron inerme</u>	3	Glory Bower
MT	<u>Clusia rosea</u>	3	Autograph Tree
S	<u>Clusia sp.</u>	3	Small Leaf Clusia
MT,F	<u>Cochlospermum vitifolium</u>	2	Buttercup Tree
MT,F	<u>Cordia subcordata</u>	2	Kou
OG	<u>Cortaderia selloana</u>	3	Pampas Grass
S,SC,A	<u>Crassula argentea</u>	3	Jade Plant
ST	<u>Crescentia cujete</u>	3	Calabash Tree
V	<u>Crotostegia grandiflora</u>	3	India Rubber Vine
A,S	<u>Cycas revoluta</u>	3	Sago Palm
G	<u>Cynodon dactylon</u>	3	Bermuda Grass
A,S,SC	<u>Dasyliron wheeleri</u>	3	Spoon Flower
MT,A,F	<u>Delonix regia</u>	2	Royal Poinciana
S	<u>Dodonaea viscosa</u>	3	(3 colors)
LT	<u>Enterolobium cyclocarpum</u>	3	'A'ali'i
MT	<u>Eriobotrya japonica</u>	2	Earpod
MT	<u>Erythrina sandwicensis</u>	3	Loquat
MT	<u>Erythrina "Tropic Coral"</u>	2	Wiliwili
MT	<u>E. variegata var. orientalis</u>	2	Tropic Coral
S,SC,A	<u>Euphorbia cotinifolia</u>	3	Wiliwili
A,GC,SC	<u>E. millii</u>	3	Tigers Claw
ST,A	<u>Feijoa sellowiana</u>	2	Hierba mala
S	<u>Ficus buxifolia</u>	2	Crown of Thorns
ST,A	<u>Ficus carica</u>	3	Pineapple Guava
S,A	<u>F. diversifolia</u>	2	Boxwood Ficus
LT	<u>F. microcarpa</u>	3	Fig
S,GC	<u>F. microcarpa var. crassifolia</u>	3	Mistletoe Fig
A,SC	<u>Furcraea aff. gigantea variegata</u>	3	Chinese Banyan
			Taiwan Ficus
			Variegated Furcraea

Type	Botanical Name	Zone	Common Name
S,A	<u>Gardenia brighamii</u>	2	Nanu
S,GC	<u>G. radican</u>	2	Creeping Gardenia
S	<u>Gossyolium tomentosum</u>	3	Ma'o
S,A	<u>Grewia occidentalis</u>	2	Lavendar Star
ST,A	<u>Gualacum officinale</u>	3	Lignum Vitae
S,A,F	<u>Hibiscus brackenridge</u>	2	Ma'o hau hele
S,GC	<u>H. calyphvilus</u>	2	Rock's Hibiscus
S,A,F	<u>H. 'Carnation'</u>	2	Carnation Hibiscus
S,A,F	<u>H. 'Cooperi'</u>	2	Calico Hibiscus
S,A,F	<u>H. schizopetalus</u>	2	Coral Hibiscus
S,A,F	<u>H. schizopetalus 'Pagoda'</u>	2	Pagoda Hibiscus
S,A,F	<u>H. waimeae</u>	2	Koki'o ke'o ke'o
S,F	<u>Jasminum sambac</u>	2	Pikake
S,F	<u>J. samoac 'Duke of Tuscanv'</u>	2	Giant Pikake
GC	<u>Juniperus chinensis procumbens</u>	2	Japanese Garden Juniper
S,GC,F	<u>Lantana camara 'Radiation'</u>	2	Lantana
GC,F	<u>Lantana cv 'Gold Mound'</u>	2	Trailing Lantana
GC,F	<u>L. montevidensis</u>	2	Bay Laurel
S,A	<u>Laurus nobilis</u>	2	
ST	<u>Myoporum sandwicense</u>	3	Naio
S,A	<u>Nandina domestica compacta nana</u>	2	Dwarf Nandina
S,F	<u>Nerium oleander</u>	3	Oleander
S,F	<u>Nerium oleander f. 'dwarf'</u>	3	Dwarf Oleander
S	<u>Nototrichium sandwicense</u>	3	Kului
MT	<u>Olea europaea</u>	3	Olive
S	<u>Osteometes anthylliditolia</u>	3	'Ulei
S	<u>Paspalum vaginatum</u>	2	Seashore Paspalum
MT	<u>Pithecellobium dulce 'variegata'</u>	2	Variegated Opiuma
S,GC	<u>Pittosporum tobira 'wheeleri'</u>	2	Wheeler's Pittosporum
S,F	<u>Plumbago auriculata</u>	3	Cape Leadwort
S,GC	<u>P. zeylanicum</u>	3	'Ilie'e
MT,F	<u>Plumeria hybrid (and spp.)</u>	2	Plumeria
S,A,SC	<u>Potulacaria afra</u>	2	Miniature Jade
MT,F	<u>Pseudobombax ellipticum</u>	2	Pink Bombax
S,ST	<u>Punica granatum</u>	3	Pomegranate
A,GC	<u>P. granatum nana</u>	3	Dwarf Pomegranate

Type	Botanical Name	Zone	Common Name
S	<u>Rosemarinus officinalis</u>	3	Rosemary
GC	<u>R. officinalis</u> var. <u>prostrata</u>	3	Creeping Rosemary
S,A,F	<u>Russelia equisetifolia</u>	2	Coral Plant
T	<u>Samanea saman</u>	3	Monkey Pod
A	<u>Sansevieria</u> spp.	3	Sansevieria
MT	<u>Sapindus saponaria</u>	2	Soapberry Tree
S	<u>Scaevola taccada</u>	3	Naupaka
ST	<u>Schinus molle</u>	3	California Pepper Tree
GC,SC	<u>Sedum</u> spp.	3	Sedum
V,F	<u>Senecio confusus</u>	2	Mexican Flame Vine
V,GC	<u>Stapelia nobilis</u>	3	Giant Carrion Flower
G	<u>Stenotaphrum secundatum</u>	2	St. Augustine Grass
OG	<u>S. secundatum variegatum</u>	2	Variegated St. Augustine Grass
A,F	<u>Strelitzia reginae</u>	2	Bird of Paradise
MT	<u>Tabebuia argentea</u>	2	Silver Trumpet Tree
LT	<u>T. chrysantha</u>	2	Trumpet Tree
LT	<u>T. donnel-smithii</u>	2	Gold Tree
MT	<u>Tamarix aphylla</u>	3	Desert Athel
V,GC,F	<u>Thevetia peruviana</u>	3	Be-still Tree
GC	<u>Tradescantia spathacea</u>	3	Oyster Plant
S,GC	<u>Wikstroemia uva-ursi</u>	3	'Akia
A,SC	<u>Yucca gloriosa</u>	3	Spanish Bayonet
G	<u>Zoysia tenuifolia</u>	2	
G	'Elegance' <u>Z. tenuifolia 'Emerald'</u>	2	

End of Attachments to January 29, 1996
Board of Water Supply Letter



MOLOKAI RANCH

February 6, 1996

Mr. David Craddick
Director
Department of Water Supply
County of Maui
P.O. Box 1109
Wailuku, Hawaii 96792-7109

Re: Maunaloa Town Center

Dear Mr. Craddick:

We have received a copy of your letter dated January 29, 1996 to the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and take this opportunity to provide a response.

Regarding the short term provision of water to Maunaloa Town, we are currently working with the Board of Water Supply and the Commission on Water Resource Management (CWRM) in extending our agreement to provide up to 100,000 gallons per day of water for an additional two years. For the long term, we have also submitted an application to the CWRM for a well within the Kamiloloa Aquifer System. We will continue to work with the appropriate agencies and groups in order to arrive at reasonable solutions for both the short-term and long-term provision of water for Maunaloa Town.

With regard to water consumption, we would like to emphasize that the estimate of an additional 95,000 gallons of water needed by the project (Maunaloa's commercial district) is probably conservative. Once individual building plans are finalized, domestic, irrigation and fixture unit calculations can more precisely estimate water demand. It is likely that actual usage at total buildout will be less than 95,000 gpd. Moreover, the implementation of low flow toilets and other water conserving fixtures should lower actual usage to an even greater extent.

With regard to fire control provision, the improvements constructed with the Maunaloa Village Subdivision will provide Maunaloa Town with a modern fire protection system meeting current Department of Water Supply performance standards.

Mr. David Craddick
February 6, 1996
Page 2

We appreciate the information on water conservation in buildings and landscaping. These suggestions will be considered during the design, construction and maintenance phases of the project.

With regard to reviews of the water distribution system in Maunaloa, we intend to comply with all applicable standards.

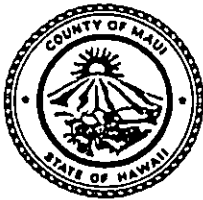
We hope that the above response clarifies your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN:jy



DEPARTMENT OF
PARKS AND RECREATION
COUNTY OF MAUI

1580-C Kaahumanu Avenue, Wailuku, Hawaii 96793

LINDA CROCKETT LINGLE
Mayor
HENRY OLIVA
Director
ALLEN SHISHIDO
Deputy Director

(808) 243-7230
FAX (808) 243-7934

December 21, 1995

Mr. David Blane, Director
Department of Planning
County of Maui
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Blane:

SUBJECT: Environmental Assessment For Maunaloa Town Center

We have reviewed the Environmental Assessment for the above referenced project and submit the following comments:

1. The section on Recreational Facilities, page 24, should be expanded to include the acreage and uses of existing and proposed parks and recreational facilities within the town of Maunaloa.
2. The proposed plan would take 2.713 acres out of Park designation and change it to Business/Commercial. There were no provisions for replacement of this park land designation.

As a general note, we would like the opportunity to review the master plan for the entire town of Maunaloa including the 201 Residential Development Plan. We would reserve further comment on the proposed land use actions until then.

Thank you for the opportunity to review and comment on this matter. Please feel free to call me or Mr. Patrick Matsui at extension 7387 should you have any further questions.

Sincerely,

HENRY OLIVA
Director

PTM

c: Patrick Matsui



MOLOKAI RANCH

February 6, 1996

Mr. Henry Oliva, Director
Department of Parks and Recreation
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Re: Maunaloa Town Center

Dear Mr. Oliva:

We have received a copy of your letter to the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and take this opportunity to provide a response.

As suggested, we will expand the discussion on page 24 of the Draft Environmental Assessment to include the acreages and uses of existing and proposed parks and recreational facilities within the town of Maunaloa. There is an existing 3.0-acre playfield adjacent to Maunaloa School. A 1.66-acre park for active recreation purposes is proposed to be constructed within the residential area to the south of Maunaloa Road. The proposed Maunaloa Museum and Cultural Park encompasses 5.57 acres near the town's entrance.

A community plan amendment is being sought to change 2.713 acres of the Maunaloa Museum and Cultural Park site from Park to Business/Commercial. This area currently contains a basketball court, open play area, and the gas station. The Business designation is being sought in order to allow museum use and to stage special event displays. Our intent is to leave this area in a park-like setting. A newly constructed basketball court, playground area, and the open field area will be included in the new 1.66-acre park planned in the area south of Maunaloa Road.

The ongoing residential construction within Maunaloa Town was approved through the Chapter 201E, HRS, process. Besides the pending Maunaloa Town Center application, there are no current requests for any discretionary governmental approvals for further development of Maunaloa Town.

We hope that the above response addresses your concerns. Thank you for your comments.

Very truly yours,

David Nakamura
Project Manager

DN:jy

BENJAMIN J. CAYETANO
GOVERNOR OF HAWAII



LAWRENCE MIKE
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. BOX 3378
HONOLULU, HAWAII 96801

In reply, please refer to:

January 18, 1996

95-229/epo

96 JAN 25 P2:01
DEPARTMENT OF HEALTH
COMMUNITY PLANNING
RECEIVED

Mr. David W. Blane
Planning Director
County of Maui
Planning Department
250 South High Street
Wailuku, Hawaii 96793

Dear Mr. Blane:

Subject: Application for District Boundary Amendment, Community Plan Amendment, Change in Zoning and Conditional Permit for Maunaloa Town Center
Maunaloa, Molokai
TMK: 5-1-02: 26, Por. 27

Thank you for allowing us to review and comment on the subject permit application. We have the following comments to offer:

Wastewater

It has been determined that the subject project is located within an area served by a private wastewater sewer system. As the area is sewered, we have no objections to the proposed refurbishment and redevelopment of Maunaloa Business Center, provided that the project is connected to the sewer system, including the proposed new wastewater treatment facility.

The developer should work closely with the owner of the wastewater system to assure the availability of additional treatment capacity and adequacy for the project. Non availability of treatment capacity will not be an acceptable justification for the use of any private treatment works.

Should you have any questions on this matter, please contact Ms. Lori Kajiwara of the Wastewater Branch at 586-4294.

Underground Storage Tanks

If the proposed development involves the installation and/or removal of underground storage tanks (USTs), these USTs may be regulated in accordance with the technical standards and

Mr. David W. Bland
January 18, 1996
Page 2

95-229

financial responsibility regulations of 40 CFR Part 280. These regulations include requirements for:

- a) Design, construction, installation, and notification;
- b) General operating requirements;
- c) Release detection;
- d) Release reporting, investigation, and confirmation;
- e) Release response and corrective action;
- f) Changes-in-service and closure; and
- g) Financial responsibility.

Owners of newly installed USTs must notify our UST Section of the existence of such USTs within 30 days of installation. The installation of UST systems containing flammable and combustible liquids is also subject to regulation by the County Fire Departments. In this case, the Honolulu County Fire Department should be contacted regarding county requirements that govern UST systems.

The Underground Storage Tank Section has developed a detailed **Technical Guidance Manual for Underground Storage Tank Closure and Release Response** (August 1992) to assist responsible parties and their consultants and contractors in complying with the federal UST closure requirements and release response requirements as found in Title 40 Part 280 of the Code of Federal Regulations.

If you have any questions on this matter, please call Roxanne Kwan of our Underground Storage Tank Section at 586-4226.

Sincerely,



Lawrence Miike
Director of Health

c: Solid & Hazardous Waste Branch
Wastewater Branch



MOLOKAI RANCH

February 7, 1996

Dr. Lawrence Miike
Director
State of Hawaii
Department of Health
P.O. Box 3378
Honolulu, Hawaii 96801

Re: Maunaloa Town Center

Dear Dr. Miike:

We have received a copy of your January 18, 1996 letter to the County of Maui Planning Department pertaining to the subject project. We would like to thank you for your comments and take this opportunity to provide a response.

Wastewater

A State Special Use permit on the expansion of the Maunaloa Wastewater Treatment Facility for an average design flow of 105,000 gallons per day was approved by the Molokai Planning Commission on April 26, 1995. Construction of the improvements is currently underway. All proposed buildings within the Maunaloa Town Center project will be served by the wastewater treatment facility.

While the improvements to the wastewater treatment facility provide an expansion of capacity, we will continue to monitor flows into the facility. Any future expansion of the facility will be presented to the appropriate governmental entities for further review at such time when wastewater output begins to approach treatment capacity.

Underground Storage Tanks

We appreciate the information on underground storage tanks. Our intent is to coordinate with the Underground Storage Tank section of the Department on any installation and/or removal of said tanks.

We hope that the above response addresses your concerns. Thank you again for your comments.

Very truly yours,

David Nakamura
Project Manager

DN:jj



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
COUNTY OF MAUI

LINDA CROCKETT LINGLE
Mayor
STEPHANIE AVEIRO
Director
HENRY OLIVA
Deputy Director

200 SOUTH HIGH STREET, WAILUKU, HAWAII 96793

'96 FEB -2 P1:17

(808) 243-7805

January 30, 1996

DEPT. OF HOUSING AND
HUMAN CONCERNS
RECEIVED

TO: Mr. David Blane
Director of Planning

FROM: Ms. Stephanie Aveiro *SA*
Director of Housing and Human Concerns

SUBJECT: Maunaloa Town Center
Application For District Boundary Amendment, Community
Plan Amendment, Change In Zoning and Conditional Permit
I.D.: 95/EA-9, 95/CPA-6, 95/DBA-3, 95/CIZ-11, 95/CP-4
TMK: 5-1-2:26 por. of 27

We have reviewed Molokai Ranch's application for a District Boundary Amendment, Community Plan Amendment, Change In Zoning and Conditional Permit for the subject project, and would like to offer the following comments:

1. The proposed project will complement the residential redevelopment of Maunaloa Village and we have no objection to the application being approved.
2. The application states that further east of Area "B", three (3) existing residential structures will be utilized for low intensity retail use. We would like to know what relocation housing arrangements are being made for the people who will be displaced.
3. The application states that approximately 2.97-acres in Area "A" is planned for single-story commercial uses as well as two-story structures containing apartments on the second level and retail use on the ground level. We would like to know who will be occupying the apartments and what the rental rates will be for the apartments.



Mr. David Blane
Page 2
January 30, 1996

4. The applicant is requesting a Change In Zoning from Interim to H-1 Hotel District for 2.484 acres and is proposing to develop sixty (60) suites in a lodge facility to provide visitor accommodations. If approval is granted, the applicant shall be subject to the provisions of Chapter 2.94 of the Maui County Code. We recommend that the applicant meet with our department and the Department of Planning as soon as possible to discuss how they propose to satisfy the requirements of Chapter 2.94 of the Maui County Code.

Please call Mr. Wayde Oshiro of our Housing Division at extension 7351 if you have any questions.

WTO:hs

xc: Housing Administrator



MOLOKAI RANCH

February 8, 1996

Stephanie Aveiro, Director
Department of Housing and Human Concerns
200 South High Street
Wailuku, Hawaii 96793

Re: Maunaloa Town Center

Dear Ms. Aveiro:

We have received a copy of your letter dated January 30, 1996 to the Planning Department pertaining to the subject project. We appreciate your statement that the proposed project would complement the residential development of Maunaloa Village and would like to take this opportunity to provide a response to your specific comments.

We would like to clarify that the lands east of Area "B" were formerly in residential use. The structures are currently utilized for commercial use and a police substation. Thus, no relocation housing arrangements would apply to these structures.

With regard to Area "A", our intent is to create a traditional country town arrangement of a family living above the store. It is hoped that the second floor apartments will provide a convenient living arrangement for owners and/or employees working in the first floor commercial space. At this juncture, we are not certain whether the apartments would be rented or sold. Information as to rental rates or sales prices are still to be formulated.

Stephanie Aveiro, Director
February 8, 1996
Page 2

With regard to Chapter 2.94 of the Maui County Code, we intend to work with your Department and other applicable County agencies in complying with these requirements.

We hope that the above response clarifies your concerns. Thank you for your comments.

Very truly yours,



David Nakamura
Project Manager

DN:to
mrimtwn.001.le44

References

References

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Chris Hart & Partners, Design Guidelines for Country Town Business Districts, Moloka'i, Hawaii, July 1993.

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Telephone conversations with Moloka'i General Hospital employee, Agatha Fontes, May 1995.

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Appendices

Appendix A

Traffic Assessment Report

TRAFFIC ASSESSMENT REPORT

MAUNALOA TOWN CENTER

Maunaloa, Molokai, Hawaii

October 1995

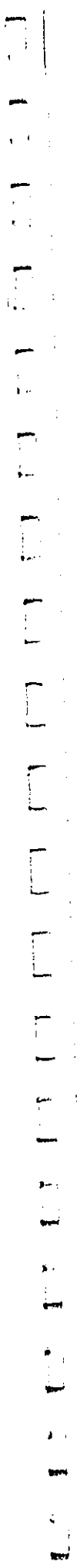
Prepared By:

**Julian Ng, Inc.
P.O. Box 816
Kaneohe, Hawaii 96744**

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4 Traffic Estimate - 1995, Maunaloa Highway and Kalua Koi Road	
5 Future Traffic Without Project, Maunaloa Highway and Kalua Koi Road	
6 Future Traffic With Project, Maunaloa Town Center	
7 Future Traffic With Project, Maunaloa Highway and Kalua Koi Road	



TRAFFIC ASSESSMENT REPORT

MAUNALOA TOWN CENTER Maunaloa, Molokai

October 1995

Molokai Ranch, Ltd. has proposed improvements to refurbish and redevelop the business district of Maunaloa Town in Maunaloa, Molokai (see Exhibit 1). The project, which would involve approximately 29.2 acres, would enable area residents to have essential services nearby as well as provide economic opportunities and related employment. A mixture of retail, commercial, and light industrial uses are proposed; implementation will include the renovation of existing structures and the construction of new buildings.

This report describes the findings of a traffic assessment of the proposed project. Existing and future conditions, without and with the proposed project, were evaluated for weekday morning and afternoon peak hours on Maunaloa Highway near Maunaloa Town. Future peak hour conditions at two intersections within the town (with the proposed project) were also evaluated. The assessment found that, while highway volumes will increase, conditions on the two-lane highway will be acceptable even at full development. Stop-controlled intersections within Maunaloa Town will provide adequate service for the expected traffic demands, with minimal to average delays to stopped traffic.

Existing traffic conditions are based on traffic counts taken by the State Highways Division¹ in 1993; counts taken in earlier years and the State's estimates² of average daily traffic on the highway for odd-numbered years between 1987 and 1991 were also used in this assessment. A linear regression of the counted daily traffic was used to factor the latest available counts (1993) to existing (1995) and to relate future conditions to a future year.

Future (without project) traffic volumes on the highway were estimated for the already approved residential redevelopment at Maunaloa, using equations for estimating trip generation from projects of single family dwelling units, as described in *Trip Generation*^{3,4}, a reference published by the Institute of Transportation Engineers. Equations and average rates from *Trip Generation* were used to estimate traffic due to the proposed activities in the Maunaloa Town Center. Analysis methods from the *Highway Capacity Manual*^{5,6} were used to determine traffic conditions, with highway and intersection conditions being described by a "Level of Service" (LOS) ranging from "A" (good) to "F" (poor). An appendix to this report provides descriptions of these levels of service.

Existing Traffic Conditions

The proposed project is located at the west end of the Maunaloa Highway, a two-lane highway which connects to the town of Kaunakakai in the center of the southern coast of Molokai.

Maunaloa Highway consists of a twelve-foot lane and a grassed shoulder of between six and ten feet wide in each direction; the highway is located generally in the center of an 80-foot wide highway right-of-way. While generally an east-west highway, the road curves to enter the west side of the town of Maunaloa from the north. The highway outside of Maunaloa is posted for a speed limit of 45 miles per hour. The first intersection outside of Maunaloa is located approximately 1½ miles to the north, where Kalua Koi Road intersects the highway from the north as the stop-controlled stem of a T-intersection.

Maunaloa Road is a two-lane paved roadway bisecting the town of Maunaloa, extending from the terminus of the highway on the west side of the town to Maunaloa School on the east side. Other roadways within Maunaloa village are unpaved or in poor condition. Construction activities to the south as part of a residential subdivision are improving the streets in that area.

Existing traffic conditions in Maunaloa Town and on the highway near the town are best described as very light. The nearest State Highways Division traffic count station on Maunaloa Highway is Station 6-E, located at the intersection of Kalua Koi Road and Maunaloa Highway, where a total volume of 1,630 vehicles was counted at the intersection over a 24-hour period in March, 1993. Peak hour volumes of 120 vehicles per hour (vph) and 170 vph were counted in the AM Peak Hour and the PM Peak Hour, respectively. Counts taken at this station are summarized in Table 1.

Table 1
TRAFFIC COUNTS

Maunaloa Highway and Kalua Koi Road (6-E)	Entering	Exiting
24-hour (March 16-17, 1993)	1,629	1,620
AM Peak Hour (7:30-8:30 AM)	116	117
PM Peak Hour (3:00-4:00 PM)	169	172

Source: State of Hawaii, Department of Transportation, Highways Division, *Traffic Survey Data (Individual Stations) - Islands of Maui, Molokai & Lanai 1993*.

Historically, daily traffic volumes along Maunaloa Highway have been increasing. The daily two-way volume on the west leg of the intersection of Kalua Koi Road and Maunaloa Highway has increased from about 750 vehicles per day (vpd) in 1979 to 930 vpd in 1993. The State Highways Division estimates that the average daily traffic (ADT) using the segment of highway between Maunaloa village and Kalua Koi Road was 891 vpd in 1993. Table 2 summarizes the daily traffic on this segment of roadway.

Table 2
DAILY TRAFFIC
Maunaloa Highway, Maunaloa to Kalua Koi Road

	<u>Counted</u>	<u>ADT estimate for year</u>
April 1979	753	n/a
November 1981	767	n/a
October 1983	542	551
December 1985	808	828
September 1987	570	565
April 1989	781	768
March 1991	855	836
March 1993	929	891

Sources: State of Hawaii, Department of Transportation, Highways Division, *Traffic Survey Data (Individual Stations) - Islands of Maui, Molokai & Lanai 1993, Traffic Summary - County of Maui: 1993, and Traffic Summary - County of Maui: 1989.*

The traffic counts and estimates for the years 1987, 1989, 1991, and 1993 were used to estimate the average growth in traffic volumes that could be expected on the highway. Linear regression analyses to find "best-fit" lines using the counted volumes would extrapolate a growth of approximately 57 vpd per year, while the ADT estimates project a growth of 52 vpd per year. As shown in Exhibit 2, if these rates of growth were to continue, the daily highway volumes could reach 2,500 vpd sometime between the years 2020 and 2025; the higher line based on the counted volumes was used to estimate existing (1995) traffic.

Peak hour traffic conditions on Maunaloa Highway were determined. On a two-lane highway, levels of service are determined by evaluating potential delays due to slow moving vehicles and the effects of opposing traffic volume on the ability to pass these vehicles, considering highway characteristics and the total two-way volume. Existing peak hour conditions on Maunaloa Highway were determined to be LOS A for the 1993 and 1995 peak hourly volumes.

Conditions at intersections are affected by turning volumes. The traffic data collected by the State Highways Division included only approach and departure volumes on each leg; turn volumes were estimated by studying these volumes. Exhibits 3 and 4 show the estimates of peak hour turning movements at the intersection of Maunaloa Highway and Kalua Koi Road. Capacity analyses of this unsignalized intersection show all controlled movements operating at LOS A.

Future Traffic Conditions

The future traffic volume on Maunaloa Highway was estimated for the completion and full use of the recently approved residential redevelopment of Maunaloa, which would result in a total of 351 single-family dwelling units in Maunaloa. Using trip generation equations for single family dwellings from *Trip Generation*, these units are estimated to generate a two-way average weekday volume of 3,280 vpd. As indicated in Exhibit 2, if the recent increase in highway volume were to continue, this volume would be reached sometime between 2033 and 2038.

Future peak hour traffic volumes were similarly estimated. Future volumes due to already approved residential units would be about 3½ times the volumes counted in 1993. Exhibit 5 shows the estimated turn volumes at the intersection of Maunaloa Highway and Kalua Koi Road for future conditions without the proposed Maunaloa Town Center project. The highway capacity analysis shows LOS B in both peak hours for this future condition; the left turn from Kalua Koi Road to Maunaloa Highway would experience increased delays at the stop sign, but peak hour conditions would still be described by LOS B. All other movements at the intersection would continue to be served at LOS A.

Project Traffic

The proposed project includes a number of commercial uses, a small number of apartments, and light industrial uses at various sites within Maunaloa village. Average rates or equations from *Trip Generation* and from other traffic studies were used to estimate peak hour driveway volumes at each site. Table 3 summarizes the trip rates used.

Table 3
TRAFFIC GENERATION FACTORS

	AM Peak Hour		PM Peak Hour		
	In	Out	In	Out	
Apartments	0.09	0.38	0.38	0.20	per dwelling unit
Retail	1.54	1.67	2.81	2.12	per 1,000 square feet building area
Restaurants	0.61	0.26	4.95	2.44	per 1,000 square feet building area
Museum	0.36	0.00	0.00	0.31	per 1,000 square feet building area
Post Office	2.29	2.20	3.06	3.06	per 1,000 square feet building area
Police Station	4.94	0.94	8.16	2.87	per 1,000 square feet building area
Artisan studios	0.62	0.67	1.12	0.85	per 1,000 square feet building area
Cinema	0.00	0.00	2.43	1.37	per 1,000 square feet building area
Light Industrial	0.76	0.16	0.12	0.86	per 1,000 square feet building area
General Office	2.44	0.29	0.49	2.34	per 1,000 square feet building area
Convenience market with gas	22.62	22.62	31.29	31.29	per 1,000 square feet building area
Grocery store	1.41	0.60	5.27	5.07	per 1,000 square feet building area
Lodge (hotel)	0.40	0.27	0.41	0.35	per suite

Retail and general office trip generation estimates were computed from equations; Table 3 shows the resultant trip rates for these uses. Traffic generated by the artisan studios was estimated to be 40% of that generated by full retail use of an equivalent floor area. The Outfitters Center, which is an office booking various recreational activities such as wildlife park tours and trail rides, was estimated to generate 10 vehicles entering and 2 vehicles exiting in the AM Peak Hour with the reverse in the PM Peak Hour. While special events at the village square could be a significant generator of traffic, the village square is not expected to add traffic on a typical day.

Although the trip generation factors represent driveway volumes that could be expected for each use, the traffic assessment conservatively assumed minimal linked trips between the various activities in the town center. Each activity was assumed to generate trips independent of trips which may be attracted by other activities in the town center. For each peak hour and each direction of travel, estimates were made of the trips between the town center and the neighboring residential areas. A net impact of the town center activities to highway traffic was determined from this analysis. In addition, trip ends were assigned to one of five zones within the town center to provide estimates of peak hour traffic volumes at two intersections within the town center. Table 4 shows the traffic generation calculation.

Table 4

TRAFFIC GENERATION CALCULATION

Zone	Description	AM Peak Hour		PM Peak Hour	
		In	Out	In	Out
1	Wai`eli Street, north of Maunaloa Road	65	70	152	105
2	Maunaloa Road, east of Wai`eli Street	28	25	74	46
3	Wai`eli Street, south of Maunaloa Road	19	13	57	52
4	Mokio Street, south of Maunaloa Road	34	18	27	31
5	Wai`eli and Mokio Streets, south of Maunaloa Road	182	130	216	238
	Total Generated in Maunaloa Town Center	328	256	526	472
	Trip ends in Maunaloa (residential area)	(82)	(38)	(88)	(157)
	Trips generated in residential area	62	178	214	121
	Trip ends in Maunaloa Town Center	(38)	(82)	(157)	(88)
	Net traffic generated out of Maunaloa	270	314	495	348

Within Maunaloa, the most critical locations are expected to be at the Maunaloa Road intersections with Mokio Street and with Wai`eli Street. A portion (40%) of the traffic generated in Zone 5 and all of the traffic from Zone 3 were assigned to Wai`eli Street south of Maunaloa Road. The remainder of Zone 5 traffic and all of the Zone 4 traffic were assigned to Mokio Street. Exhibit 6 shows the peak hour traffic assignments for these intersections.

At each intersection, capacity analyses were done for stop controls on the northbound and southbound approaches, with Maunaloa Road being the uncontrolled through street. Single lane approaches shared by all movements were found to be adequate. Delays to vehicles stopped on a shared lane approaching from Mokio Street would be described by LOS B in the AM Peak Hour and LOS C in the PM Peak Hour; left turns from Maunaloa Road to Mokio Street would have little delay (LOS A) in either peak hour. Left turns from Maunaloa Road to Wai`eli Street in either peak hour would have minimal delays, with LOS A describing these delays; delays to the controlled Wai`eli Street approaches would be only slightly higher, with LOS A or LOS B describing conditions. If a second lane were striped within the pavement provided on any of these approaches, overall delays would be reduced and levels of service would be the same or better.

Exhibit 7 shows the estimated future turning volumes at the intersection of Maunaloa Highway and Kalua Koi Road with the development proposed in Maunaloa Town Center. Left turns from the stop-controlled Kalua Koi Road approach would be served at LOS B in the AM Peak Hour and LOS C in the PM Peak Hour. All other movements at the intersection

would have less delay and would be served at LOS A or LOS B. Peak hour conditions on the two-lane Maunaloa Highway between this intersection and Maunaloa would be LOS C in each peak hour. Tables 5 and 6 summarize the findings of the capacity analyses.

Table 5
INTERSECTION LEVELS OF SERVICE

	Average Delay in seconds (Level of Service)		
	EB LT	WB LT	SB approach NB approach
Kalua Koi Road at Maunaloa Highway			
Estimate of 1993 traffic			
AM Peak Hour	2 (A)	-	4 (A)
PM Peak Hour	2 (A)	-	4 (A)
Estimate of 1995 traffic			
AM Peak Hour	2 (A)	-	4 (A)
PM Peak Hour	2 (A)	-	4 (A)
Estimate of future traffic without project			
AM Peak Hour	3 (A)	-	5 (B)
PM Peak Hour	3 (A)	-	8 (B)
Estimate of future traffic with project			
AM Peak Hour	3 (A)	-	9 (B)
PM Peak Hour	4 (A)	-	16 (C)
Mokio Street at Maunaloa Road			
Estimate of future traffic with project			
AM Peak Hour	-	3 (A)	-
PM Peak Hour	-	5 (A)	-
8 (B)			
13 (C)			
Wai`eli Street at Maunaloa Road			
Estimate of future traffic with project			
AM Peak Hour	3 (A)	3 (A)	4 (A)
PM Peak Hour	2 (A)	3 (A)	5 (B)
6 (B)			
9 (B)			

Note: EB LT = eastbound left turn; WB LT = westbound left turn; SB = southbound; NB = northbound

Table 6
TWO-LANE HIGHWAY ANALYSIS
 Maunaloa Highway, Maunaloa to Kalua Koi Road

	AM Peak Hour			PM Peak Hour		
	Volume	LOS	V/C ratio	Volume	LOS	V/C ratio
Counted (1993)	66	A	0.03	98	A	0.05
Existing (1995)	74	A	0.04	110	A	0.05
Future without project	240	B	0.11	335	B	0.14
Future with project	584	C	0.25	843	C	0.36

Note: * V/C = ratio of volume to capacity (service volume for LOS E)

Conclusions and Recommendations

The analyses show that Maunaloa Highway in the vicinity of the project is adequate for existing traffic and will be adequate for expected increases in traffic, in the future without or with the proposed project. Similarly, the nearest intersection outside of Maunaloa, at Kalua Koi Road, would continue to adequately serve increasing traffic volumes (east of Kalua Koi Road, increases in traffic may be due to other growth and specific conditions were not evaluated).

Within Maunaloa, peak hour traffic volumes were estimated for typical weekdays. Capacity analyses at two unsignalized intersections show acceptable conditions; traffic volumes at other intersections are expected to be lower and conditions will be better than at the intersections which were evaluated.

Consequently, no traffic mitigation measures will be necessary. Roadways should be constructed to meet County of Maui standards and uniform traffic control devices, such as stop signs and pavement markings, should be installed.

References

1. State of Hawaii, Department of Transportation, Highways Division, *Traffic Survey Data (Individual Stations) - Islands of Maui, Molokai & Lanai 1993*.
2. State of Hawaii, Department of Transportation, Highways Division, *Traffic Summary - Islands of Maui, Molokai & Lanai 1993*.
3. Institute of Transportation Engineers, *Trip Generation, An Informational Report, 5th Edition*, Washington, D.C., 1991.
4. Institute of Transportation Engineers, *Trip Generation, An Informational Report, February 1995 Update to the 5th Edition*, Washington, D.C., 1995.
5. Transportation Research Board, National Research Council, *Highway Capacity Manual, Special Report 209*, Washington, D.C., 1985.
6. Transportation Research Board, National Research Council, *Highway Capacity Manual (Third Edition)*, Special Report 209, Washington, D.C., updated October 1994.

APPENDIX - LEVELS OF SERVICE

A qualitative measure used by traffic engineers to describe traffic operational conditions is the level of service (LOS). Six levels have been defined, from LOS A (best operating condition) to LOS F (worst). The *Highway Capacity Manual* describes analysis procedures for different types of facilities. For uninterrupted flow facilities such as freeways, other divided highways, and two-lane rural highways, factors such as speed and travel time, freedom to maneuver, comfort and safety, and continuity of flow are used to determine levels of service.

On multi-lane highways, levels of service are related to maneuverability within the traffic stream travelling in the same direction; directional volume and traffic density are used to determine capacities and levels of service. On two-lane highways, levels of service are affected by a driver's ability to pass slow-moving vehicles; opposing volume is also a factor. Descriptions of the levels of service for two-lane rural highways are:

LOS A represents free flow. Travel at desired speeds is unimpeded, as passing of any slow-moving vehicles is infrequent and can be done easily. Platoons of vehicles would be three or less.

LOS B describes stable flow. Passing to maintain desired speed becomes significant and platooning of vehicles increases.

LOS C also describes stable flow. Platooning and restrictions to passing become noticeable and while flow remains stable, some congestion may occur because of slow-moving vehicles or turning movements.

LOS D is characterized by opposing traffic flows operating separately. Passing is extremely difficult as opportunities are very limited.

LOS E describes unstable operation at or near capacity levels. There are no usable gaps in the traffic stream and any disruption to flow causes congestion. Flow is unstable as slow-moving vehicles and other interruptions cause intense platooning and congestion; passing is virtually impossible.

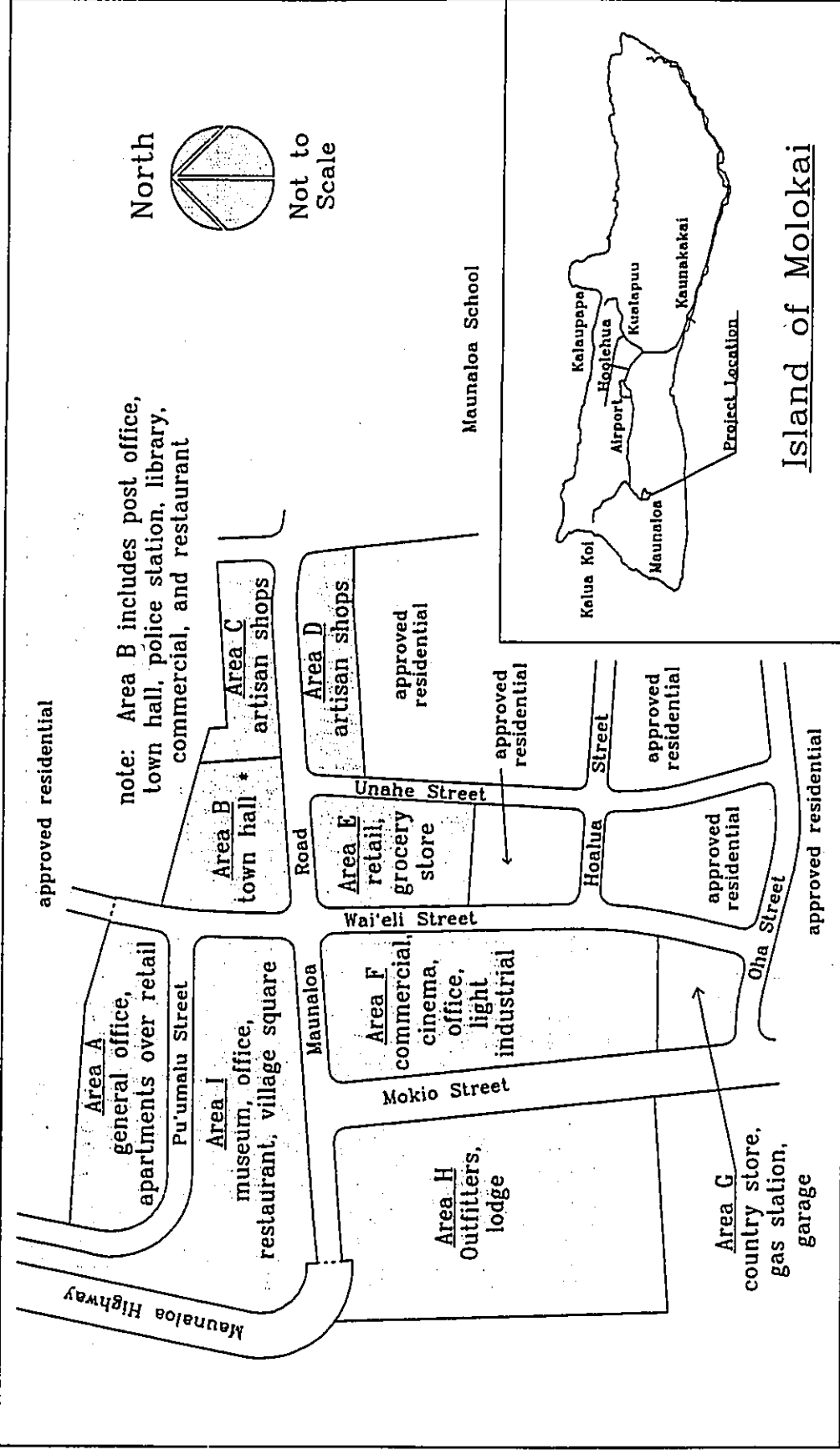
LOS F represents a forced or breakdown flow caused by traffic demand volume exceeding capacity; actual volume served will drop as speed decreases and congestion increases. LOS F is used to identify bottlenecks, or points of congestion, and operations within the queue behind these bottlenecks.

Levels of service are identified for the controlled movements at unsignalized intersections. The analysis procedure from the 1985 *Highway Capacity Manual* determines the reserve capacity (total capacity less volume) of a controlled movement such as a left turn against oncoming traffic, or traffic entering a roadway from a side street controlled by a stop sign. The updated procedure uses computed average delays to identify levels of service. Criteria for levels of service are:

Reserve Capacity	LOS	Estimated Delay to Controlled Movement
≥ 400	A	Little or no delay (≤ 5 seconds)
300 - 399	B	Short traffic delays (> 5 and ≤ 10 seconds)
200 - 299	C	Average traffic delays (> 10 and ≤ 20 seconds)
100 - 199	D	Long traffic delays (> 20 and ≤ 30 seconds)
0 - 99	E	Very long traffic delays (> 30 and ≤ 45 seconds)
< 0	F	Very long traffic delays (> 45 seconds)

References: Transportation Research Board, National Research Council, *Highway Capacity Manual*, Special Report 209, Washington, D.C., 1985
 Transportation Research Board, National Research Council, *Highway Capacity Manual - Third Edition*, Updated 1994, Special Report 209, Washington, D.C., 1994

ULOA-EXHIBIT 10/10/95



Maunaloa Town Center
 Maunaloa, Molokai
 TRAFFIC ASSESSMENT REPORT

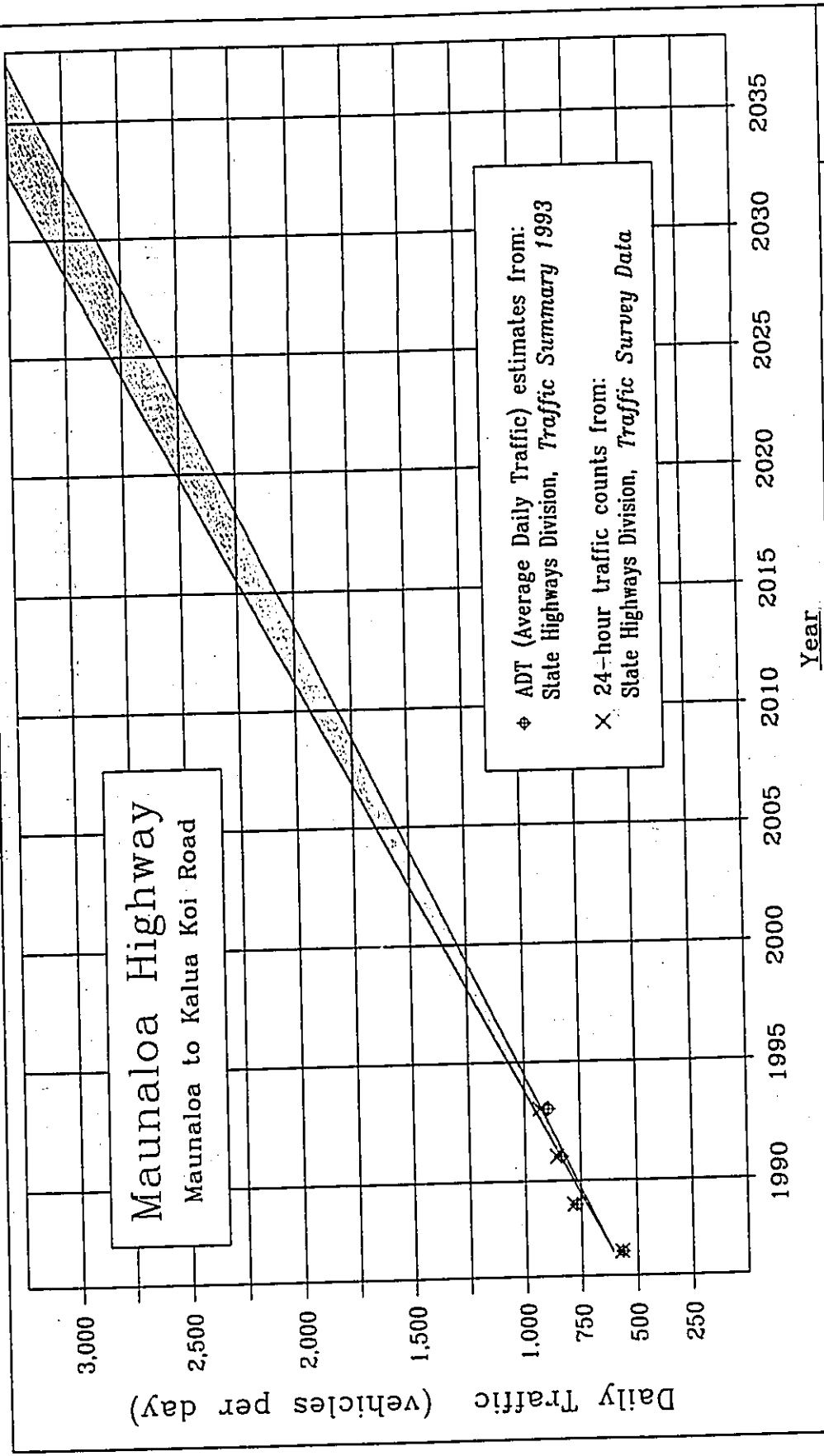
SITE PLAN AND PROJECT LOCATION

Exhibit
 1

prepared for: Molokai Ranch, Ltd.
 prepared by: Julian Ng, Incorporated

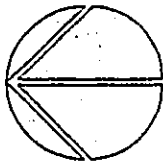
October 1995

MOA-EXH5K0 10/10/95



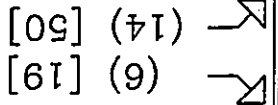
Maunaloa Town Center Maunaloa, Molokai	HIGHWAY TRAFFIC TREND	<u>Exhibit</u>
	TRAFFIC ASSESSMENT REPORT	2
prepared for: Molokai Ranch, Ltd. prepared by: Julian Ng, Incorporated		October 1995

Reference North



Not to Scale

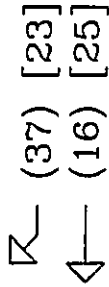
Kalua Koi Road



Legend:

(37) AM Peak Hour
[23] PM Peak Hour

<--- Maunaloa



(11) [27] →
(33) [28] →

Maunaloa Highway

Kaunakakai --->

Maunaloa Town Center
Maunaloa, Molokai
TRAFFIC ASSESSMENT REPORT

1993 TRAFFIC ESTIMATE
Maunaloa Highway and Kalua Koi Road

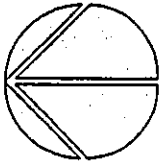
prepared for: Molokai Ranch, Ltd.
prepared by: Julian Ng, Incorporated

October 1995

Exhibit

3

Reference North



Not to Scale

Kalua Koi Road

(2) [21]
(16) [56]

<-- Maunaloa

Legend:

(41) AM Peak Hour
[26] PM Peak Hour

(41) [26]
(18) [28]

(12) [30]
(37) [31]

Maunaloa Highway

Kaunakakai -->

Maunaloa Town Center
Maunaloa, Molokai

TRAFFIC ASSESSMENT REPORT

TRAFFIC ESTIMATE - 1995
Maunaloa Highway and Kalua Koi Road

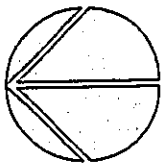
prepared for: Molokai Ranch, Ltd.
prepared by: Julian Ng, Incorporated

October 1995

Exhibit

4

Reference North



Not to Scale

Kalua Koi Road

(21) [65]
(48) [171]

Legend:

(38) AM Peak Hour
[93] PM Peak Hour

(127) [79]
(41) [149]

(38) [93]
(140) [28]

<-- Maunaloa

Maunaloa Highway

Kaunakakai -->

Maunaloa Town Center
Maunaloa, Molokai
TRAFFIC ASSESSMENT REPORT

FUTURE TRAFFIC WITHOUT PROJECT
Maunaloa Highway and Kalua Koi Road

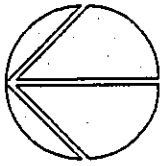
Exhibit

5

prepared for: Molokai Ranch, Ltd.
prepared by: Julian Ng, Incorporated

October 1995

Reference North



Not to Scale

Kalua Koi Road

(30) [115]
(39) [122]

Legend:

(67) AM Peak Hour
[61] PM Peak Hour

<--- Maunaloa

(67) [61] ↗
(247) [287] →

↖ (98) [110]
← (240) [380]

Maunaloa Highway

Kaunakakai --->

Maunaloa Town Center
Maunaloa, Molokai
TRAFFIC ASSESSMENT REPORT

FUTURE TRAFFIC WITH PROJECT
Maunaloa Highway and Kalua Koi Road

prepared for: Molokai Ranch, Ltd.
prepared by: Julian Ng, Incorporated

October 1995

Exhibit

7

Appendix B

Preliminary Engineering Report

PRELIMINARY ENGINEERING REPORT

FOR

MAUNALOA TOWN CENTER

Maunaloa, Molokai, Hawaii

OWNER/DEVELOPER:

**Molokai Ranch Limited
Honolulu, Hawaii**

Prepared By:

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**October 1995
Revised, February 1996**

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Preliminary Engineering Report
for
Maunaloa Town Center

1. INTRODUCTION

This report evaluates the ability of the existing infrastructure to support the proposed Maunaloa Town Center commercial development, and identifies the infrastructural improvements that may be required in order to mitigate any undesirable impact that the proposed development may have on the community.

2. PROJECT SITE

2.1 Location

The Maunaloa Town Center development will be located in Maunaloa, which is a town in West Molokai situated at the extreme southwest terminus of Maunaloa Highway. The project site consists of a cluster of 20 lots¹ located at the center of Maunaloa town totaling approximately 30 acres.

2.2 Topography

The project site generally slopes east to west from elevation 1080 to 940 feet MSL. Grades within the project site vary between 7 and 8 percent.

¹Lots 559 to 568, 571 to 578, 717 and 718 recorded on Land Court Application 1683, Map 53.

2.3 Soils

A soil survey by the U.S. Department of Agriculture, Soil Conservation Service, identifies the predominant soil type within the project site as Lahaina Series Silty Clay. These soils developed in material weathered from basic igneous rock. The surface layer is dark reddish-brown, silty clay about 15 inches thick; the subsoil is dusky-red and dark reddish brown subangular blocky silty clay and silty clay loam; and the substratum is soft, weathered basic igneous rock. Permeability is moderate ranging between 0.63 and 2.0 inches per hour. Runoff is slow, and the erosion hazard slight.²

3. EXISTING INFRASTRUCTURE

Maunaloa town is currently undergoing extensive redevelopment as part of the Maunaloa Village Subdivision 201E residential project. This redevelopment effort includes extensive infrastructure improvements intended to replace the remaining plantation-era infrastructure with infrastructure meeting modern standards. These infrastructure improvements are currently under construction: the area south of Maunaloa Road is scheduled for completion in March 1996; the area north of Maunaloa Road will be completed in December 1996.

²United States Department of Agriculture, Soil Conservation Service, Soil Survey of the Islands of Kauai, Oahu, Maui, Molokai and Lanai, State of Hawaii (Washington D.C.: U.S. Government Printing Office, August 1972), pp. 78-80, Map Sheet 70.

3.1 Roadway

Maunaloa town is linked to the rest of Molokai by Maunaloa Highway -- a two-lane Federal Aid secondary highway owned and maintained by the State Department of Transportation which consists of two 12-foot wide travel lanes and 6 to 10-foot wide grassed shoulders. All of the roads within Maunaloa town are currently being reconstructed to modern roadway standards approved by the Maui County Council. These new streets will be paved, curbed and guttered, lit by streetlights, and provided with a concrete sidewalk on at least one shoulder. Construction of these new roads will be completed in late 1996, at which time they will be dedicated to the County of Maui.

3.2 Drainage

Post-redevelopment Maunaloa town will be equipped with a modern underground storm sewer system designed and built to fully meet all current Maui County storm drainage standards. An interceptor channel cut into the hillside above town will safely divert upland runoff around the town and into an existing natural drainageway to the south of town. Storm runoff generated within town will be captured in curb-inlet type catch basins located along all of the streets, conveyed safely through an underground storm sewer system, and discharged into the existing natural drainageways on the makai (west) side of town.

3.3 Water System

3.3.1 Source:

The present source of water for Maunaloa Village is the County Well east of Kualapuu. Molokai Ranch has an agreement with the County Department of Water Supply to purchase up to 100,000 gallons per day (gpd) from this well source for Maunaloa.

3.3.2 Transmission System:

Water is conveyed from the County well at Kualapuu to Kaunakakai by means of 8- and 12-inch transmission lines. The Department of Water Supply has provided Molokai Ranch with a four (4) inch meter on this line above Kalamaula for Maunaloa. A six (6) inch line owned by Molokai Ranch then conveys the water across Hoolehua towards Puu Nana. A pair of pumps at Mahana then boost the water up to Puu Nana through a five (5) inch line that conveys it to the 3.0 MG storage reservoir above Maunaloa town. The elevation of this 3.0 MG reservoir is approximately 1210 feet above sea level.

3.3.3 Distribution System:

Post-redevelopment Maunaloa town will have a modern distribution system that will be capable of meeting current Maui County Department of Water Supply performance standards for service and fire protection. The new distribution system is being constructed entirely of Maui County Department of Water Supply / American Water Works

Association (AWWA) approved materials, including 8- and 12-inch polyethylene-wrapped ductile iron water mains, fire hydrants, and DWS-standard service laterals. The water system within Maunaloa town will continue to be privately owned and maintained by Molokai Ranch, Ltd., for the foreseeable future.

3.4 Sewer System

3.4.1 Collection System:

Post-redevelopment Maunaloa town will be served by a new sewer collection system which has been designed to meet State Department of Health and Maui County Department of Public Works standards. The new system will consist of 8- and 10-inch diameter gravity sewer mains with one 6-inch service lateral serving each individual lot.

3.4.2 Treatment Facility:

Wastewater treatment is currently provided two oxidation ponds located approximately 900 feet northwest of the village; however, these existing oxidation ponds do not meet current Department of Health Standards and are scheduled to be replaced in 1996 with a new wastewater treatment facility now under construction.

The new wastewater treatment facility will be operational in April 1996 and will meet County and State Department of Health standards for design, construction and operation. Its initial treatment capacity will be 105,000 gallons-per-day; however, the facility has been designed so that treatment capacity may be expanded to a maximum of 210,000 gallons-per-day in the future as the need for additional treatment capacity grows.

The wastewater system serving Maunaloa town, including both the collection system and treatment facility, will continue to be privately owned and maintained by Molokai Ranch, Ltd., for the foreseeable future.

3.5 Solid Waste

Once the new streets have been dedicated to the County, solid waste generated by single family lots will be collected by the County Solid Waste Division for a fee and disposed at the County landfill in Palaau. Solid waste from businesses and other non-residential will be handled under contract with private disposal companies.

3.6 Electricity & Telephone

Electricity for Molokai is provided by Maui Electric Company. Power is generated at Maui Electric Company's power plant at Palaau, then carried by overhead transmission line to Maunaloa town.

Electric and telephone service for post-redevelopment Maunaloa town will be provided by means of a modified-overhead type distribution system in which the primary distribution lines are overhead, but the service lines to the individual lots and buildings are underground.

4. RECOMMENDED IMPROVEMENTS

4.1 Roadway.

All of the proposed commercial areas in the Town Center will abut 56-foot wide streets -- the standard width for streets serving commercial areas in Maui County. The new street configuration was designed so that the commercial areas would be fully accessible from both Maunaloa Road and the other wide, higher capacity commercial streets without requiring vehicles to pass through the residential areas of town. Given its small scale and the low-intensity commercial uses being proposed for the Maunaloa Town Center development, the roadway system for Maunaloa town should easily accommodate the additional traffic generated by the expanded commercial area.

4.2 Drainage

4.2.1 Storm Sewer System

The expanded commercial uses being proposed for the Town Center were largely planned for in the design of the new storm sewer collection system now under construction. At 90 cfs, the projected 10-year runoff volume generated by the Town Center is roughly 30 cfs

higher than initially predicted; however, the storm sewer system was designed with sufficient reserve capacity to accommodate the increase. Consequently, the drainage system now being constructed should safely accommodate the needs of the expanded Town Center without modification.

4.2.2 Water Pollution Control

All industrial and construction related activities will be required to obtain an NPDES Permit from the Dept. of Health for storm water disposal, where applicable.

4.3 Water System

There will be approximately 350 residential dwellings in Maunaloa town once all of the residential lots in the first phase of the Maunaloa Village Subdivision have been fully developed. These 350 homes and Maunaloa School will require approximately 220,000 gallons of water per day. The proposed Town Center development is expected to require an additional 95,000 gpd, increasing total water demand to approximately 315,000 gpd.³ However low flow toilets and other water saving devices being used in Maunaloa Village is expected to reduce this total water demand significantly.

³Water demand calculations are contained in Table 1 at the end of this report.

4.3.1 Source

The present 100,000 gpd available to Molokai Ranch from the Kualapuu well will be adequate to serve the current population of Maunaloa town; however, additional water will have to be obtained in order to complete the full residential and commercial expansion of the town as proposed.

Molokai Ranch has proposed the construction of a new well at Kamiloloa and an extension of the transmission system to convey the water from the new well to Maunaloa. The proposed Kamiloloa well has the potential to provide Maunaloa with the 315,000 gpd necessary to complete the development of the Town Center.

4.3.2 Transmission

Molokai Ranch is currently designing a new 9.5 mile long, 12-inch diameter transmission line between Kalamaula and Puu Nana to replace the old existing 6-inch transmission line. This new line will increase the transmission capacity available to the Maunaloa area.

4.3.3 Storage

The 3,000,000 gallon storage capacity of the existing Maunaloa reservoir exceeds both the 315,000 gallons of storage needed for domestic use and the 250,000 gallons of storage necessary for fire protection; therefore, no increase in storage capacity will be necessary.

4.3.4 Distribution

The expanded commercial uses being proposed under the Town Center plan were largely anticipated when the new water distribution system for Maunaloa Village Subdivision was designed; consequently, the distribution system should accommodate the additional domestic and fire protection requirements of the proposed Town Center without significant modification.

4.4 Sewer System

There will be approximately 350 residential dwellings in Maunaloa town once all of the residential lots in the first phase of the Maunaloa Village Subdivision have been fully developed. These 350 residences and Maunaloa School are expected to generate about 150,000 gallons of wastewater per day. The proposed Town Center development is expected to increase that volume by another 70,000 gpd, boosting the total wastewater output to 220,000 gpd.⁴ As stated earlier, use of low flow toilets and other water conservation devices will result in a reduction of total wastewater generated daily also.

4.4.1 Collection System

The expanded commercial uses being proposed in the Town Center development plan were planned for in the design of the new wastewater collection system now under construction; consequently, the

⁴Wastewater demand calculations are contained in Table 1 at the end of this report.

improved sewer system should accommodate the additional needs of the expanded Town Center without significant modification.

4.4.2 Treatment

The initial 105,000 gpd treatment capacity provided by the new wastewater treatment facility should adequately handle the early stages of commercial and residential development; however, the treatment facility will have to be expanded when the town's wastewater output grows beyond this initial treatment capacity.

4.5 Solid Waste.

Disposal of solid waste from the expanded businesses and commercial areas of town will be handled under contract with private disposal companies.

4.6 Electricity and Telephone.

The expanded commercial uses being proposed were planned for in the design of the new electrical and telephone system now under construction; consequently, the improved system should accommodate the additional needs of the expanded Town Center with only minor modifications to the primary distribution system.

Maunaloa Town Center - Projected Water and Sewer Demand

Existing Residential & School	Base Unit	Rate*	Water Demand (gpd)	Sewer Demand (gpd)
Maunaloa Village Subdivision	286 units x	600 gals/unit	171,600	120,120
Kauhale Mua	53 units x	560 gals/unit	29,680	20,776
Other Existing Residential	8 units x	600 gals/unit	4,800	3,360
Maunaloa School	9 Ac. x	1,700 gals/Acre	15,300	10,710
Total			221,380	154,966

Maunaloa Town Center	Base Unit	Rate*	Water Demand (gpd)	Sewer Demand (gpd)
Retail	50,400 s.f. x	140 gals/1000 sf	7,056	4,939
Commercial	89,000 s.f. x	140 gals/1000 sf	12,460	8,722
Office	20,500 s.f. x	140 gals/1000 sf	2,870	2,009
Light Industrial	6.36 s.f. x	6,000 gals/Acre	38,160	26,712
Public	12,800 s.f. x	140 gals/1000 sf	1,792	1,254
Hotel/Lodge	60 units x	350 gals/unit	21,000	14,700
Residential	20 units x	560 gals/unit	11,200	7,840
Total			94,538	66,177

Combined Total 315,918 221,143

*Note: Consumption rates taken from Water System Standards, Department of Water Supply, County of Maui, State of Hawaii, 1985, Table 15, p. 35.

TABLE 1

Appendix C

Preliminary Drainage Report

PRELIMINARY DRAINAGE REPORT

FOR

MAUNALOA TOWN CENTER

Maunaloa, Molokai, Hawaii

Owner:

Molokai Ranch, Limited
Honolulu, Hawaii

Prepared by:

Warren S. Unemori Engineering, Inc.
Civil and Structural Engineers - Land Surveyors
Wells Street Professional Center
2145 Wells Street, Suite 403
Wailuku, Maui, Hawaii 96793

October 1995

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 - B. Impact

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- A-1 10-year Runoff Before Development
- A-2 10-year Runoff After Development

Preliminary Drainage Report
for
Maunaloa Town Center

I. PURPOSE

This report discusses the proposed drainage plan for the proposed Maunaloa Town Center development and evaluates the project's anticipated impact on local drainage conditions.

II. PROPOSED PROJECT

A. Site Location

The proposed Maunaloa Town Center development will be located on the west end of the island of Molokai, within the Maunaloa Village Subdivision. It is located on the east side of Maunaloa Highway, approximately 7,000 feet south of the Kaluakoi Road intersection.

B. Project Description

The proposed Maunaloa Town Center will encompass approximately 30 acres. Molokai Ranch, Ltd. proposes to improve and expand Maunaloa's existing business district by constructing new buildings and renovating existing structures. The final mix of uses within the Maunaloa Town Center is expected to include commercial office, retail and industrial space, parks, residential apartments, and a lodge.

III. EXISTING CONDITIONS

A. Flood and Tsunami Hazard

The Maunaloa Town Center is located approximately three miles inland and 1000 feet above mean sea level. The Flood Insurance Rate Map places the project site entirely within Flood Zone C, which indicates that no tsunami hazards and only a minimal risk of flooding exists.¹

B. Topography and Soil Conditions

The existing project site consists of an urban subdivision surrounded by open pasture lands. The existing grade of the subdivision slopes down toward the ocean approximately 7%. Two natural gullies run along the northern and southern edges of the subdivision. Lahaina silty clay and Hoolehua silty clay are the two main soil types of this project site. These soils are reported to produce a slow to medium runoff and only a slight to moderate erosion hazard.²

C. Existing Drainage Conditions

The runoff generated within Maunaloa town is collected along the town's streets in curbside catch basins and drained into an underground storm sewer system. This runoff is then discharged into two existing gullies located along the northern and southern edges of the Maunaloa town which convey the storm water down the mountain side to the ocean.

The existing business and light industrial lots generate approximately 59 cfs of runoff during a 10 year storm; 15 cfs discharges into the northern gully and 44 cfs discharges into the southern gully.

¹Federal Emergency Management Agency, "National Flood Insurance Program; Flood Insurance Rate Map; Maui County, Hawaii," June 1, 1981, Community Panel Number 150003 0025 B, Panel 25 of 395.

²United States Department of Agriculture, Soil Conservation Service, Soil Survey of the Islands of Kauai, Oahu, Maui, Molokai and Lanai, State of Hawaii (Washington D.C.: U.S. Government printing Office, August 1972), pp. 78-80, Map Sheet 70.

IV. DRAINAGE PLAN

A. - Description

The runoff generated by the Maunaloa Town Center will be captured by the existing storm sewer system and discharged into two existing gullies to the north and south of the subdivision.

B. Impact

The expanded commercial development is expected to increase the amount of surface runoff from 59 to 89 cfs -- a net increase of 30 cfs³, due to the increase in the number of buildings and paved area. The 30 cfs generated will be captured by the existing drainage system and discharged into the two natural gullies to the north and south of Maunaloa Village. 26 cfs will be discharged into the existing gully to the north, increasing the existing flow in this gully by 11 cfs; 63 cfs will be discharged into the existing gully to the south of the subdivision, increasing the flow in that drainageway by 19 cfs over the existing conditions.

The increase in runoff within the proposed Maunaloa Town Center was anticipated when designing the existing drainage system. Therefore, the capacity of the existing drainage system was sized accordingly to compensate for the additional runoff.

C. Conclusion

The expansion of the commercial town center is not expected to have an adverse impact on the drainage conditions in the area. The increase in surface runoff resulting from further urbanization will be captured by a modern storm drainage system and safely disposed of in two existing natural drainageways.

³Pre-development and Post-development runoff calculations and maps showing the drainage patterns before and after development may be found in Appendix A.

APPENDIX A

Hydrologic Calculations

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99

Background

The storm runoff values contained in this report were determined using the hydrologic analysis methods described in the Drainage Master Plan for the County of Maui⁴ and the Honolulu Storm Drainage Standards⁵. Runoff values were computed using the Rational Formula:

$$Q = C \cdot I \cdot A$$

where Q = Flow rate in cubic feet per second (cfs)

C = Runoff coefficient

I = Rainfall intensity in inches per hour

A = Drainage area in acres

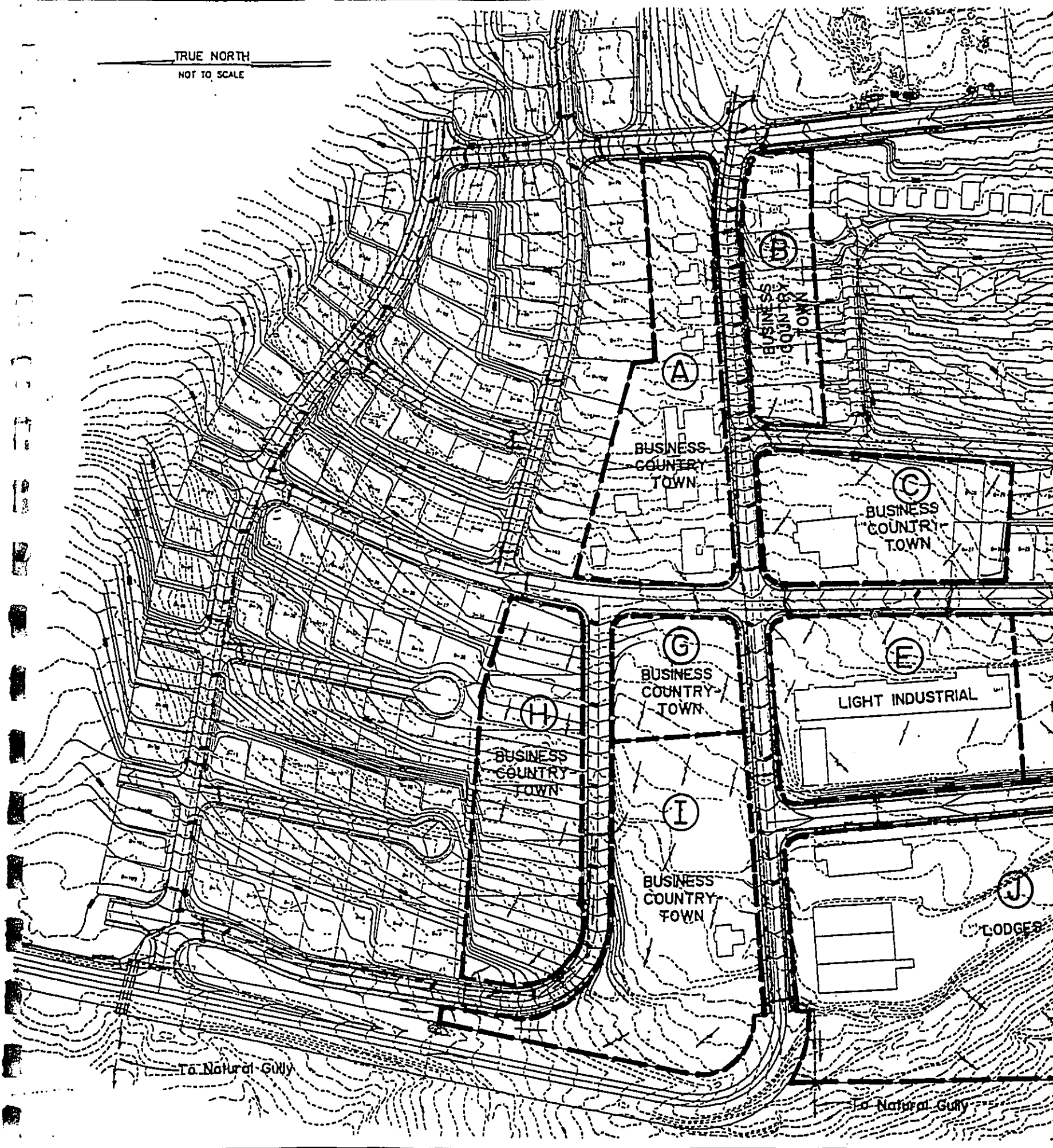
and a 10-year 1-hour rainfall intensity of 2.0 inches for the drainage system.⁶

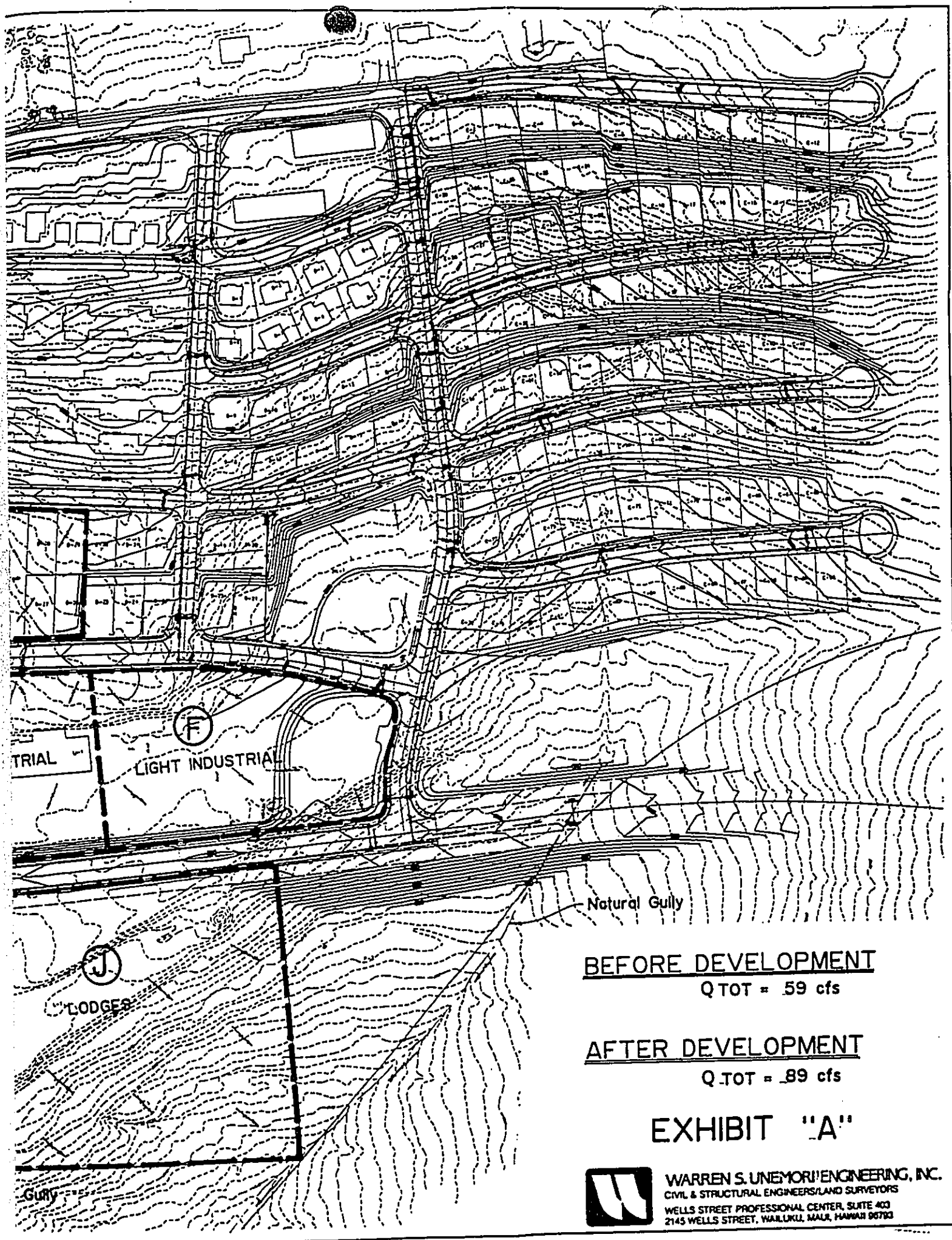
⁴R. M. Towill Corporation, Drainage Master Plan for the County of Maui, October 1971, pp. 108-109, 120-121.

⁵Department of Public Works, City and County of Honolulu, Storm Drainage Standards, March 1986, pp. 2-3.

⁶U.S. Weather Bureau, U.S. Department of Commerce, Rainfall Frequency Atlas of the Hawaiian Islands, Washington D.C.: U.S. Government Printing Office, 1962, p. 19.

TRUE NORTH
NOT TO SCALE





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APPENDIX A-1

Calculation of 10-Year Runoff Before Development

APPENDIX A-2

Calculation of 10-Year Runoff After Development

Post-Development Runoff Calculations

10 yr. 1 hr. Rainfall = 2.0 inches

Runoff Coefficients:

Parkland = 0.35
 Urban Residential = 0.53
 Urban Light Industrial = 0.70

Drainage Area	Basin Area (Acres)			Total Area	Weighted Runoff Coeff., C	Length of Flow Path, L (ft.)	Average Slope of Terrain	Time of Concentration, T _c (min.)	Rainfall Intensity, I (in/hr)	Peak Discharge, Q (cfs)
	Park	Residential	Industrial							
A	0.0	0.0	3.1	3.1	0.70	800	7%	10	4.1	8.9
B	0.0	0.0	1.4	1.4	0.70	510	7%	8	4.5	4.5
C	0.5	0.0	1.9	2.4	0.63	450	7%	8	4.5	6.9
E	0.0	0.0	3.4	3.4	0.70	600	7%	9	4.4	10.4
F	0.0	1.0	2.0	3.0	0.64	500	7%	8	4.7	9.0
G	0.0	0.0	1.2	1.2	0.70	280	7%	5	4.8	3.9
H	0.0	0.0	3.0	3.0	0.70	720	7%	9	4.3	8.9
I	0.0	0.0	4.4	4.4	0.70	720	7%	9	4.3	13.2
J	0.0	1.0	6.9	7.9	0.68	720	7%	9	4.3	23.0

29.7 Ac.

88.8 cfs

EXHIBIT C

Appendix D

Socio-Economic Impact Assessment



Research

Consulting

Financial Consulting

Training

Database Marketing

Socio-Economic Studies

**SOCIO-ECONOMIC IMPACT ASSESSMENT
OF PROPOSED MAUNALOA TOWN CENTER,
MAUNALOA, MOLOKA'I**

October 1995

Prepared for:

Moloka'i Ranch, Limited

Prepared by:

**Community Resources, a division of
SMS Research and Marketing Services, Inc.**

SMS affiliations:

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EXECUTIVE SUMMARY

Moloka'i Ranch Limited proposes to redevelop parts of Maunaloa town, Moloka'i as a commercial area serving residents of and visitors to West Moloka'i. The project will involve (a) allocating space for a museum and cultural park, (b) expansion of retail, other commercial, office, and light industrial facilities, and (c) a lodge with a restaurant and 60 suites. The redevelopment would occur over time, as market conditions permit.

Existing Conditions. Situated on arid uplands in West Moloka'i, Maunaloa has an impressive setting but little economic base. Residents' incomes are low and the nearby Kaluako'i Resort has not been able to provide full-time work to many employees. Maunaloa is now undergoing extensive change, as new housing is finally being built, nearly 20 years after plantation closure.

Forces for Change. Moloka'i residents have tended to support small-scale, gradual development. In any event, projects that could promise major changes in employment and incomes on Moloka'i have been withdrawn due to the economic situation and uncertainties as to the availability of water.

Community Concerns. This is a time of considerable anxiety for many in Maunaloa. Residents can look to the new housing development for a chance finally to own homes in Maunaloa. Some see little in the new housing areas except destruction of old homes and erection of new ones that they feel they cannot afford. The commercial project is, for now, less controversial.

Economic Impacts. Construction of the project will involve about 150 person-years of direct employment (over many years), and another 270 person-years statewide of indirect and induced jobs. New operational employment in the project will be small at first – less than 20 new permanent jobs in Maunaloa after the first phase of development – and would grow to nearly 200 direct jobs at buildout. The proposed lodge would be the major employer, although retail areas would also provide many jobs. The project is expected to contribute to County and State revenues, without in itself creating new costs for government.

Social Impacts. Successful development of the project will change Maunaloa into an urban center for West Moloka'i. Major impacts include contributions to incomes, and hence to lower likelihood of social problems, a change in sense of place, from the current isolation of Maunaloa to a town open to and inviting island residents and visitors; diversification of the town's economy and hence lessened dependence on Moloka'i Ranch, Limited.

Mitigation Measures. The project responds to current economic problems, and is not a source of adverse socio-economic impacts. Hence no mitigation is needed.

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Section 1: INTRODUCTION

1.1 PROPOSED PROJECT

The project under study in this assessment is the planned Maunaloa Town Center. Moloka'i Ranch, Limited proposes to develop and make available for commercial development sites at the entry to Maunaloa and along Maunaloa Highway as it passes through the center of Maunaloa. (See Environmental Assessment for the project's programmatic plan.)

Changes to land use and construction include:

- Allocation of land for a Maunaloa Museum and Cultural Park, with plantation-era houses to be redeveloped, and other attractions to be developed, by a not-for-profit group;
- Commercial development and redevelopment, with sites for stores, restaurants, shops, artisanal workshops, and a movie theater;
- Allocation of sites for small offices; and
- Allocation of a site for a sixty-unit lodge.

The proposed plan shows outlines of future stores and shops largely corresponding to the shape of buildings currently in the redevelopment area. Existing structures are to be refurbished and renovated to meet current County Codes where feasible. The Ranch plans to maintain the plantation village character of the town, and to keep site design, street design, and architecture in conformance with County Town Business area guidelines.

The proposed development is expected to build out in ten to fifteen years, with timing dependent on market demand. The Town Center area includes Ranch buildings recently built or currently being renovated (in map area F). When permits are granted, the Ranch expects early development of the Museum with the surrounding park and amphitheater, redevelopment of stores (in areas B, E, and G), and construction of the movie theater. Development of shops and offices (in areas C, D, and F) could happen over the construction period. The lodge would be built toward the end of the construction period.

The proposed project adjoins lands allocated for residential development per Ranch plans that have received approvals from the County of Maui. The residential and commercial projects are interrelated, as elements of a plan for redevelopment of the entire town.

The project under study is shown in the version of the Programmatic Plan dated September 13, 1995. All references to "the project" in this report refer to the Maunaloa Town Center proposal, not the residential development or other versions of development proposed for Maunaloa.

1.2 SCOPE AND ORGANIZATION OF THIS REPORT

This report identifies social and economic impacts of the project. To do this, the project is considered in the context of local history and community viewpoints, and the likely situation at the time that the project is built. The community of immediate concern consists of Maunaloa as a residential area and economic unit. Next, impacts on West Moloka'i as a whole and on the island are noted. Impacts at the County and State level are identified with regard to potential government revenues and costs.

Social impact assessments are made to identify information of use to the general public and decision-makers, as they consider proposals for development. These reports disclose potential impacts of a development and, if necessary or possible, means to mitigate adverse socio-economic impacts.

Any proposed development will occur in the future, not the present, so its impacts must be judged in relation to the future conditions in which they would arise. Hence this report discusses both existing conditions and forces shaping Moloka'i's future.

This report includes the following sections, after this introduction:

- Section 2 summarizes historical and geographic factors shaping the Maunaloa community, and notes forces for change likely to provide the context in which the project may have impacts;
- The next section identifies issues and concerns of Moloka'i residents (and of Maunaloa residents in particular) relevant to this report;
- A final section assesses potential socio-economic impacts of the Maunaloa Town Center project and notes potential mitigation measures.

Section 2: EXISTING CONDITIONS AND FORCES FOR CHANGE

2.1 OVERVIEW

Moloka'i is often called the Friendly Isle, in celebration of its people's lifestyle. With Hawaiians more numerous than any other ethnic group, Moloka'i is known throughout the state as a center of Hawaiian values and culture. Residents include a mixture of persons who have lived there all their lives, long-term plantation workers and their families, and more recent immigrants, who prefer Moloka'i to more developed areas. Moloka'i has emerged from a plantation era into an uncertain present. Major landholders include a ranch, a resort, the State Department of Hawaiian Homelands, and the Nature Conservancy, pledged to protect unusual and endangered environments.

Moloka'i's economy is depressed relative to other Hawaiian islands. Plans involving varied economic elements -- resort development, fishpond revitalization, diversified agriculture -- aim at the goal of prosperity without community disruption. How that goal can be achieved remains the subject of ongoing debate on Moloka'i.

The population of Moloka'i has changed little over recent decades, while Maui County as a whole has seen growth since 1970. (See Exhibit 2-1.)

Maunaloa is currently a very small town with little economic base. Once the center of a plantation, the town now has little economic activity apart from Moloka'i Ranch, which has its island headquarters in Maunaloa. The various operations in the Kaluako'i resort area, on the West Moloka'i shoreline, are together the major employer of Maunaloa residents. However, that resort attracts few visitors and is far from being a certain source of full-time jobs.

Since pineapple operations ended in 1976, the only major redevelopment in Maunaloa has been construction of a State housing project at Kauhale Mua. Other residential areas were the property of Moloka'i Ranch, Limited, and were not subdivided until recently. Houses in the older residential area were built in the 1920s and 1930s.

The Ranch has secured permits to redevelop the residential areas. Demolition, clearing and new construction are now under way. When completed, the currently planned residential development would include 286 units.

Apart from the Maunaloa projects, development on Moloka'i before the year 2000 is likely to be very modest. Fishpond restoration and occupation of Hawaiian Home Lands lease lots are ongoing. Major resort projects have been planned by

Kukui (Moloka'i), Inc., owner of the Kaluako'i Resort, and Alpha U.S.A., Inc. In the current economic climate, no expansion of Kaluako'i or other new beach development is expected in the near term. Also, Kukui (Moloka'i) has been unable to build a water transmission line, due to local and State opposition, needed for projects it has proposed.

Exhibit 2-A: POPULATION TRENDS

	Population				
	April 1, 1950	April 1, 1960	April 1, 1970	April 1, 1980	April 1, 1990 (1)
Maui County	48,519	42,576	46,156	70,847	100,374
Moloka'i (1)	5,280	5,023	5,261	6,048	6,717
East Moloka'i Division	1,070	2,230	2,574	3,574	4,419
West Moloka'i Division	3,870	2,514	2,515	2,330	2,168
Kalewao Division	340	279	172	144	130
	Average Annual Growth Rate				
		1950-1960	1960-1970	1970-1980	1980-1990
Maui County		-1.3%	0.8%	4.4%	3.5%
Moloka'i		-0.5%	0.5%	1.4%	1.1%

NOTE: (1) The 1950 and 1960 boundaries for East Moloka'i, West Moloka'i, and Kalewao census divisions were different from that of later decennial census starting 1970.

SOURCES: U.S. Bureau of Census, 1961a and 1961b; U.S. Bureau of Census Memorandum to FSCPE agencies from Donald E. Stansic on 1990 Census PL Files Release; U. S. Bureau of Census 1950 Census of Population; and U.S. Bureau of Census 1960 Census of Population, Final Report PC (1)-13A.

2.2 GEOGRAPHIC AND HISTORICAL BACKGROUND

2.2.1 Island Geography

Moloka'i is located 26 miles southeast of Oahu and nine miles northwest of Maui. It is the fifth largest of the Hawaiian islands. Its total land area – 261 square miles – amounts to four percent of the State total. The island is 38 miles long and has a maximum width of ten miles.

West Moloka'i is geologically the oldest part of the island (Anderson, et.al., 1973). It is a relatively low, heavily eroded area centered on the 1,390 foot Pu'u Nana. The west end is generally arid. Its flat lands and open space are suitable for agricultural production, particularly in the Ho'olehua area, where most commercial agricultural activities are located (Decision Analysts, Inc., 1985). The region, however, suffers from a lack of freshwater supply—its underground water is

brackish. Parts of this area are currently supplied with water from the Moloka'i Irrigation System in Kualapu'u.

East Moloka'i includes narrow coastal plains on the south coast and the rugged wet canyons and perpendicular cliffs along the northern shore. The terrain is mostly rugged, particularly on the north coast, where sea cliffs extend for 14 miles. Rain-rich valleys, such as Waikolu, Pelekunu, and Wailau, can be found in the northernmost part of this region.

The southern coast has a gentler topography, inhabitable coastal fringe, and an outside barrier reef. Most of the settlement areas are located along the south coast, where small towns can be found along the stretch of Kamehameha V Highway. This two-lane highway extends from the central part of the island to scenic Halawa Valley at the northeast corner of the island.

East Moloka'i holds more than half of the island population — some 4,419 people in 1990 (US Census, 1992). Hawaiians are numerous in this region, where ancient Hawaiian settlements once existed. Early explorers in the 18th century found that most of the residents of the island lived along the eastern third of the southern shoreline, with other sizable settlements located in the far windward valleys and at Kalaupapa (MKGK/Yamamoto, 1979). Along the southeast coast are many fishponds, few of which are now in good repair, that suggest that the area supported a dense population before Western contact.

East Moloka'i has lush vegetation. It receives ample rainfall throughout the year. The island's water supply mainly comes from the east end's surface and groundwater sources. However, most of East Moloka'i's land area is not suitable for agriculture due to the rugged terrain. In the narrow coastal plain along the south coast, most land is devoted to pasturage. Also, small acreages are planted in vegetables and other crops.

Kalaupapa or Kalawao County is a low peninsula below the north coast pali of East Moloka'i. Its settlement is connected to the rest of Moloka'i by a narrow trail.

In the 1860s, sufferers of Hansen's disease, or leprosy, were exiled to the peninsula. Father Damien Joseph de Veuster came in 1873 and helped establish a community in the leper colony. Kalaupapa has been converted into a National Historic Park to preserve its natural beauty and to commemorate the brave people who lived and died there.

2.2.2 Major Communities

in **West Moloka`i**, a few communities that once were plantation towns are dispersed on broad plains. On the west coast, Kaluako`i stands out as the island's only resort area. The population of West Moloka`i was 2,168 in 1990, compared to 2,331 in 1980 (US Census, 1992, 1981a).

Maunaloa was a former pineapple plantation town built in 1923 by Libby, McNeill, and Libby. (The plantation was later a Dole Company operation.) Today, the former pineapple fields are now grazing land of Moloka`i Ranch. Maunaloa has become in part a local center for arts and crafts.

Maunaloa's population has declined as former residents and their children sought work elsewhere. By 1980, the population was 633, down slightly from the 1970 figure of 660. By 1990, it declined further, to 428. Many residents were born outside the United States since farm laborers were imported mostly from the Philippines and Japan. Persons of Filipino ancestry, alone, comprise 50 percent of the town's population.

The Census showed 136 housing units in Maunaloa in 1990, only 59% of the 1980 figure, of which 124 were occupied. This drop is largely due to the destruction of old, uninhabited plantation houses by Moloka`i Ranch. None of the residential area of Maunaloa had been subdivided in 1990, and all housing units were rented.

Kualapu`u was, like Maunaloa, a former pineapple plantation built in the 1930s by California Packing Corporation (later Del Monte Co.). Del Monte closed down its pineapple operations on lands leased from Moloka`i Ranch in 1989. Unlike Maunaloa, Kualapu`u grew together with the neighboring Ho`olehua/Pala`au homesteads as all of central Moloka`i was planted to pineapple. Schools, shops, and churches were built to serve both communities, giving the area an air of prosperity.

Some public facilities are located near, or at Kualapu`u. The Moloka`i Airport is located in Ho`olehua. The world's largest rubber lined reservoir was constructed at Kualapu`u to contain the combined supplies of several Moloka`i water systems.

Unlike Maunaloa, the population of Kualapu`u grew slowly, at an average annual rate of 1.3 percent from 1970 to 1980. In 1980, its population was 502 residents and was largely dominated by Filipinos who were brought in as migrant workers in the pineapple fields. By 1990, the Kualapu`u Census Designated Place (including a large part of Central Moloka`i) had grown to have a population of 1,676, in 504 households.

Ho`olehua/Pala`au Hawaiian homestead lands include the richest agricultural lands of the island. Today, with an abundant supply of water from the Moloka`i Irrigation System at Kualapu`u, Hawaiian homesteaders are engaged in successful diversified agricultural activities.

Ho`olehua/Palau`u homestead land was established in 1923 by the Hawaiian Homes Commission to provide 40-acre lots for agriculture to persons of Hawaiian ancestry. The lack of water initially made homestead farms unworkable, so homesteaders leased their land to California Packing Corporation until these arrangements were declared illegal.

Kaluako`i includes a hotel and golf course, built in 1968, and residential condominiums. This resort destination covers approximately eight miles of coastline on Moloka`i's west end. The resort has never been particularly successful - Moloka`i island hotel occupancy levels have usually been reported as below 50% (Hawaii State Department of Business and Economic Development, 1988-1990; Department of Planning and Economic Development, 1981-1987). The resort was sold in 1987 to its present owner, Kukui (Moloka`i).

Development of the resort has been marked by a series of struggles with the community. Marches to establish community rights to beach access were followed by labor disputes and discussions over the impact of a proposed second hotel. In the process, Moloka`i civic leaders have generally supported the aim of limiting the visitor industry to West Moloka`i.

In **East Moloka`i**, churches, small farms, ranches, and homes line the coastal highway. The population of East Moloka`i increased from 3,574 in 1980 to 4,474 in 1990 (US Census, 1992, 1981a).

Kaunakakai is the main population and trade center of the whole island, located at the south central part of the island. The town is basically a one-street commercial area with buildings no taller than two stories. It has no fast food chains, major supermarkets, movie theaters, or traffic signals.

Originally named Kaunakahakai, meaning resting on the beach, the town's beach was once reserved for the recreation of Hawaii's chiefly families. Kaunakakai emerged as the main town of Moloka`i due to its harbor. Historically, this was as a canoe landing for the fishing grounds from Kamalo to Hale o Lono. More recently, Kaunakakai has been the sole port for the island. Although it is the shallowest of the major commercial harbors in Hawaii, Kaunakakai handled nearly 200,000 tons of freight in 1988 (Hawaii State Department of Business and Economic Development, 1990).

Kaunakakai is mostly populated by Hawaiians and Filipinos. In 1980, its population count was 2,231, with an average annual growth rate of 7.6 percent for the period 1970-1980 -- well above both island and county rates of increase. In 1990, the count reached 2,623.

Other small communities lie east of Kaunakakai, namely: **Kawela, Kamiloloa, Kamalo, Ualapu'e, Puku'o, and Pauwalu.** These are largely rural and agricultural. Some are rich in history. Chiefs' residences, caves, petroglyphs, and burials are located at Kawela. 'Ili'ili'opae, a major Hawaiian temple dedicated to the highest gods, is located near Puku'o.

Kalaupapa Settlement is populated by some 90 patients afflicted (or previously afflicted) with Hansen's disease. Since the introduction of sulfone drugs in the 1940s, patients were allowed more mobility. A visitor program was initiated in 1957 under the direction of the patients themselves. Presently, the place is accessible by riding a mule down a 2,000-foot cliff face, or flying in by a small plane to Kalaupapa airport.

2.3 INDICATORS OF SOCIO-ECONOMIC CONDITIONS

2.3.1 Economic Conditions

Moloka'i's economy was dominated by pineapple cultivation from the 1920s until the early 1980s. Pineapple was suitable for Moloka'i's dry land subject to high winds off the north coast.

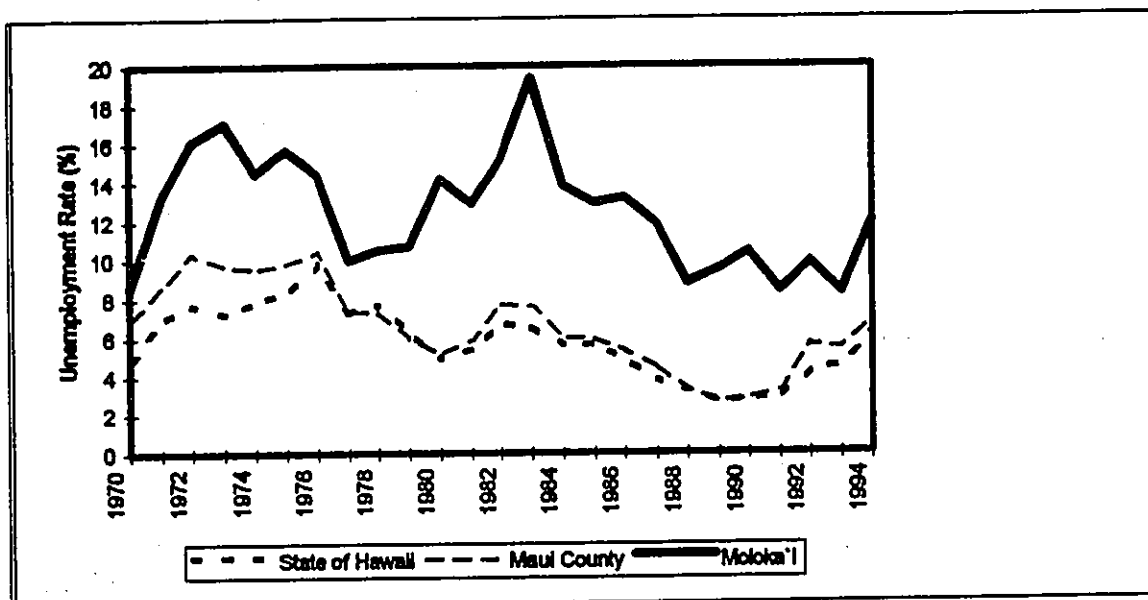
In the 1970s, the industry was plagued with high operational costs and stiff competition from foreign producers. Dole Pineapple closed its Moloka'i plantation in 1975, leaving 15,000 acres of fallow land and 500 unemployed agricultural workers (Phillips, et. al., 1986). Del Monte continued to lease agricultural land in Central Moloka'i from Moloka'i Ranch, but in 1984, it reduced its acreage to 2,000 acres for the cultivation of pineapple for the fresh market. It finally shut down operations in May of 1989, ending the plantation economy on Moloka'i.

Moloka'i lacks new economic opportunities for its residents. The number of jobs on Moloka'i has remained constant at about 1,500 since 1982. The visitor industry has brought new jobs during the 1980's but diversified agriculture has not created many new jobs. The number of agricultural jobs has declined, as shown in Appendix A, Exhibit 5.

The island has experienced high unemployment since the 1970's. (See Exhibit 2-B). The islands of Moloka'i and Lana'i have had double-digit

unemployment, with Moloka'i's rate usually the highest in Hawaii. As of August 1995 its unemployment rate was 12.0 percent compared to 7.0 percent for Maui County and 6.0 percent for the whole state (personal communication, Manuel Fragante, Research Statistician, Department of Labor and Industrial Relations, October 1995).

Exhibit 2-B: UNEMPLOYMENT TRENDS, MOLOKA'I, MAUI COUNTY, AND STATE



Major landowners – and hence major decision-makers in expanding the island's economy – are concentrated in West Moloka'i:

- **Kukui (Moloka'i)** owns the Kaluako'i Resort. The resort has had some 250 employees at the hotel and golf course. Many on the staff are working only a few days a week.

Kukui (Moloka'i) has permits for expansion, but has not succeeded in bringing to the West end water needed for development. Plans are on hold until the water issue is resolved (Senior Vice President Ron Hedani, personal communication, October 1995).

- **Moloka'i Ranch** was formed in 1898. The company's 52,740 acres comprise approximately 32 percent of the land on the island. It owns approximately 43,000 acres of pasture land and leases another 6,000 acres of pasture (Moloka'i Ranch Annual Report, 1989). The

company's major shareholdings were bought by a New Zealand firm, Brierley Investments Limited, in 1989.

In recent years, the Ranch has pursued real estate development, tourism, and water resource development. The Moloka'i Ranch Wildlife Park was first established to provide safari tours to visitors.

- **Alpha USA, Inc.** bought a 6,350-acre site at the southwest corner of Moloka'i. It has developed plans for a resort, but all plans are on hold until economic conditions in Japan improve (personal communication, Norman Quon, Project Manager for Alpha USA, Inc., October 1995).
- **The State's Department of Hawaiian Home Lands (DHHL)** holds approximately 25,500 acres or 16 percent of the total land area. It has nearly 14,000 acres in the Ho'olehua/Pala'au area, where most of its agricultural landholdings are located. Other DHHL lands are located in the Kalama'ula (about 5,000 acres), and Kapa'akea-Kamiloloa-Makakupaia (about 5,000 acres) and Kalaupapa (1,000 acres) areas.

Ho'olehua homesteaders produce truck crops such as onions, bell pepper, sweet potatoes, watermelon, and seed corn. The average area under production by a single homesteader was estimated at 10 to 15 acres (Phillips, et. al., 1986).

Prior to 1984, homesteaders were awarded 40 acre lots. Since 1984, the number of acres awarded varies. Many smaller lots, of five to eight acres, have been created. Currently, around 400 homestead families live on DHHL lands (personal communication, Greg Helm, Supervisor, DHHL Moloka'i District Office, October, 1995).

The **Nature Conservancy** started to buy land in Moloka'i in 1983 to preserve and manage the native ecosystem. It has three preserves located in Kamakou, Pelekunu, and Mo'omomi involving roughly 6 percent of the total Moloka'i land area. This non-profit organization has a nation-wide membership. Hawaii's ecosystems have been identified by the national organization as deserving special attention. In Hawaii, the Conservancy counts about 9,000 members.

2.3.2 Demographics

Exhibits in Appendix A place Moloka'i's demographic indicators from the US Census in the context of other islands of Maui County and the County and State as a whole. The Moloka'i population was distinctive in that:

- Population growth has been slow (as shown in Exhibit A-1), but
- The median age in 1990 was less than the County and State medians, suggesting that migration of different age groups to and from Moloka'i has occurred.
- Islandwide, some three-quarters of the population was Hawaii-born in 1990, and this figure was increasing for Moloka'i while other areas saw the proportion of Hawaii-born shrinking. (See A-2 for indicators of geographic mobility.)
- Household sizes were larger than the State and County averages (shown in Exhibit A-3), although the average was diminishing, on Moloka'i as elsewhere.
- Some 61% of Moloka'i households lived in their own homes in 1990 -- slightly more than in the other islands of Maui County. This was overwhelmingly due to conditions in East Moloka'i.
- Both family and household average incomes (in Exhibit A-4) were well below the County figures. The share of the population with Social Security and/or public assistance income was high. With some 21% of the population below the poverty level in 1990, more than twice the share found on other islands in Maui County.
- While 1990 average rents were modest by County and State standards, some 38% of renting households paid a very large part of their income for rent.
- Labor force population was lower than elsewhere in the County in 1990 (as shown in Exhibit A-5). The unemployment rate shown in that exhibit for Moloka'i is higher than the State and County figures. (It is not comparable to the unemployment series in Exhibit 2-B, which is based on State Department of Labor and Industrial Relations definitions.)

2.4 RECENT CHANGE IN WEST MOLOKA'I

Residential Development. Moloka'i Ranch has received permits for residential development of Maunaloa. It has cleared part of the town and built model homes. One model won a major award in the building industry's Parade of Homes in 1995. Plans call for extensive clearing of old houses, new fee simple and rental housing, lot sales for self-help housing and fee-simple housing. The housing is offered at rates keyed to Moloka'i income levels, not the higher Maui County median income level.

(The house and lot package entered in the 1995 Parade of Homes was priced at \$131,400. It can be owned, with a 5% down payment, and proposed low rates, by families earning about 80% of the estimated Moloka'i median income. Even if purchasers could only find mortgages at standard commercial rates, such a home would be within the reach of families earning the island median.)

As of late October 1995, some 34 lots in the residential area were in escrow to qualified buyers. All but three of the buyers were already Maunaloa residents.

Visitor Industry. A total of 574 visitor units has been identified on Moloka'i – slightly less than one percent of the State total.

Counts of visitor arrivals to Moloka'i showed a decline from 1984 to 1989, from an annual total of 111,490 westbound visitors to 86,020. (University of Hawaii, College of Tropical Agriculture and Human Resources, 1990 and Hawaii Visitors Bureau, 1990). However, this trend appears to have been reversed in 1990, when both arrivals and hotel occupancies rose as much as 17 percent over comparable monthly periods in 1989 (Wright, 1990). More recently, visitor arrivals have wavered around 100,000.

Hotel occupancy rates on Moloka'i have been quite low compared to Hawaii averages. Likewise, the room rates in Moloka'i have been lower than the rest of the Hawaiian islands. The most recent reported occupancy level was 29% (for August 1995).

Several factors presently limit tourism development on Moloka'i. According to Decision Analysts Hawaii, Inc. (1985), the major factors are:

- Lack of a "critical mass" or sufficient visitor accommodations supported by several major hotels with strong marketing ties and the active participation of airlines and travel agents;
- Increasing competition from the more established visitor industries on Oahu, Maui, Kauai, and Hawaii; and
- Relatively few visitor attractions and recreational activities.
- Community attitudes towards resort development. These vary widely in the Moloka'i community, with some vocal members of the community being strongly opposed to resort expansion.

(The report also noted regulations limiting air traffic as a constraint. Those regulations have been ended with expansion of the airport.)

Agriculture. Diversified agriculture has developed significantly in the past ten to fifteen years, particularly in West Moloka'i. This success can be attributed to the availability of a low-priced water source (the Moloka'i Irrigation System located at Kualapu'u), renewed interest and success of the Hawaiian Homesteaders in farming, and the establishment of the Hikiola Cooperative. Hikiola Cooperative is a non-profit organization established to provide the necessary farm supplies and credit for purchasing equipment.

The County of Maui also created a large agricultural park. The Moloka'i Park has 753 acres with 19 lots ranging from 24 to 125 acres, used for livestock, vegetables and nurseries. It cost \$8 million to develop (Gonser, 1990).

Recent developments in diversified agriculture of Moloka'i include:

- **Fruits and Vegetables:** Moloka'i ranks as a major producer of watermelon, sweet potatoes, sweet pepper, and snap beans for the whole state.
- **Coffee:** Coffees of Hawaii has established a plantation in Ho'olehua and is marketing its product under two labels.
- **Seeds:** Two major firms, Ciba-Geigy and Hawaiian Research, Ltd., and a few smaller companies contracted by these two, have established research and production facilities for plant breeding, particularly for corn.

Other Economic Activity. Fishing has always been a part of the Hawaiian lifestyle in Moloka'i. Both subsistence and commercial fishing are practiced currently. In the 1992-1993 fiscal year, some 41,660 pounds of fish were sold on Moloka'i, with a total value of \$94,066 (Hawaii State Department of Business, Economic Development and Tourism, 1994). This amount is less than in previous years, and represents only 0.2% of Hawaii's total catch.

Aquaculture was extensively developed on Moloka'i by Hawaiians. A total of 74 fishponds are known to have existed on Moloka'i, but only two were in good to excellent condition in 1989 (Hawaii State Department of Business and Economic Development, 1989). Even the 15-acre State-run 'Ualapu'e fishponds had deteriorated. These have been repaired and are used for experimental uses such as growing seaweeds for commercial purposes.

Recent research on subsistence on Moloka'i has indicated that many households regularly depend on hunting, fishing, and gathering of marine life for food and exchange. A State-sponsored Subsistence Task Force has recommended closing some fishing areas to non-islanders, in order to support local efforts.

2.5 FORCES FOR CHANGE

Plans and Policies. During the 1980s, Moloka'i residents active in community affairs formulated goals for development, including:

- Economic revitalization through controlled growth;
- Encouraging agriculture and aquaculture development;
- Limiting tourism development in scale and in location (to West Moloka'i only); and
- Providing diverse employment opportunities for residents.

These goals have been recognized in initiatives by the State, formation of the Moloka'i Planning Commission, the Moloka'i Community Development Plan, the Maui County General Plan (Maui County, 1984, 1991), and recommendations for amendment of the Community Development Plan made by a Citizens Advisory Committee and by the Moloka'i Planning Commission. (This summary is based on review of the plans named above and the recorded testimony and deliberations of the committee and commission named above with regard to the Community Plan.)

Community-Based Development. Moloka'i residents and government agencies support the concept of "Community-Based Development" (CBD). Since this strategy is widely preferred as a basis for development on Moloka'i, a conceptual overview is provided here to estimate the amount of change likely to be created through CBD on Moloka'i in the coming years.

(The following synthesis draws largely on interviews conducted in 1991 by CRI personnel with Walter Ritte, Jr., then Moloka'i Economic Development Coordinator, Hawaii State DBEDT; Robert Agres, then Co-ordinator Community-Based Economic Development, Hawaii State DBEDT; Carol Araki Wyban, Planner; and Puanani Burgess, Executive Director, Wai'anae Coast Community Alternative Development Corporation.)

On Moloka'i, such development could include:

- **Fishpond Development:** Fishponds could be put back in use for production of fish, limu, clams, and oysters;
- **Aquaculture Support Activities:** Development of a hatchery, and perhaps improvements on ice production, new transport services, and marketing would produce jobs if fishpond aquaculture grows;

- **Additional Fishing Activities:** With increasing interest in fish production, improved support activities, and some offshore stock enhancement, an increase in small-boat fishing is possible;
- **Taro Production:** Production for both island use and export will likely increase with fishpond clearing and new attention to ways to use the land for sustenance;
- **Intensive Cultivation of Selected Traditional Plants:** Aquaculture development cannot succeed if upland erosion, pesticide use, and other activities which could harm fish stocks are not controlled. Renewed attention to cultivation and reforestation would complement fishpond development.

Wyban (1990) mentions kukui, maile, ko'oko'olau (used in herbal teas), wauke (paper mulberry), and hala (pandanus) as traditional plants that could be cultivated and harvested, along with tree species with woods used for carving.

Experimentation will, it is assumed, lead to profitable production of one or two such crops, yielding both agricultural and crafts jobs. Also, increased production of breadfruit, sweet potatoes, and taro would add to the locally-grown products on Moloka'i family tables.

Arts and craft production would likely be encouraged by a development strategy that supports family-level work groups. Small increases in light industrial and commercial activities can also be forecasted.

Creation of jobs through CBD would lead to a few additional jobs on-island due to spending by CBD organizations and their workers, i.e., due to the circulation of additional money in the local economy. It is assumed that one additional job is created on Moloka'i for every five CBD jobs. (This estimate is in line with studies of "indirect and induced" effects of job-creation in the State economy and local economies, notably the detailed analysis of Kauai by Anderson et al [1975].)

Community-based development will likely not expand quickly. It demands (a) planning extensive land uses; (b) finding and obtaining rights to use land resources; (c) obtaining permits; (d) recruiting people to work routines with modest economic returns (which may leave them available for part-time work for wages elsewhere); and (e) inevitable disappointments, as well as successes, as various production schemes and social arrangements are tested.

However, State and County support for CBD has been strong, and Moloka'i may be seen as a test case for the development of CBD programs.

Accordingly, CBD expansion could occur at an unusually swift rate on Moloka'i in the next decade.

The Strategic Plan for Hui o Kuapa, the co-operative responsible for U'alapu'e fishpond, calls for the development of management and business plans for fishponds by 1995, and the dissemination of information to other fishponds as of 1995 (in *ibid.*). This schedule recognizes the importance of developing a body of knowledge at one site, sharing it and adapting it to new sites, and hence eventually accumulating both extensive knowledge and wisdom in applying them to different sites and production strategies.

Many elements of community-based development can succeed while creating relatively few jobs. Many people could expand their involvement in both fishing and agriculture significantly as supplementary activities. Such development could be important for many people's health, family life, community organization, and pride in Moloka'i, whether or not they are occupied full- or even half-time in community-based development activities.

Any estimate of job-creation associated with CBD on Moloka'i is speculative. Based on the data reviewed here, the following seems a plausible midrange estimate of jobs created by CBD on Moloka'i in the coming years:

	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
Fishponds	10	20	30	40
Other aquaculture, fishing operations	5	15	15	20
Agricultural operations	15	30	50	70
Other activities	10	20	20	25
Subtotal	<u>40</u>	<u>85</u>	<u>115</u>	<u>155</u>
Indirect and Induced jobs	10	20	25	30
TOTAL	<u>50</u>	<u>105</u>	<u>140</u>	<u>185</u>

This calculation indicates that CBD does not offer a full solution to the problem of unemployment on Moloka'i.

Visitor Industry. Recent visitor industry statistics show no growth in tourism on Moloka'i. Residents note that the tourism economy has declined further in 1995. Some voice no hope, and others have little liking for, additional tourism on the island. However, the island tourism industry's future must be extrapolated in the context of larger trends.

Over the long term, a transition from O'ahu-centered tourism to predominantly Neighbor Island tourism is occurring. Tourism numbers have been increasing in 1994 and 1995, although visitor counts are not at the levels projected in the late 1980s. With increasing expansion of tourism on Maui and the Big Island, some spillover to other islands appears inevitable. The appeal of Moloka'i as "off the beaten track" will likely spur increased demand in the coming years.

Accordingly, current low occupancy rates reflect limited facilities and marketing as much as or more than they reflect potential demand. With additional visitor attractions and diversification of the tourism plant, modest – if substantial in the Moloka'i context – growth in tourism appears possible.

Other Plans of Major Landowners. Moloka'i Ranch, Limited is developing the Moloka'i Industrial Park at Pala'au. This 22-lot area is scheduled to open in mid-1996.

The Department of Hawaiian Home Lands will devote efforts in the coming years to (a) developing lease land that has already been awarded (under the "accelerated grants" program) and (b) improving light industrial or commercial areas in Ho'olehua and Kalama'ula. The latter project has not been documented and approved in Department plans as yet (personal communication, Greg Helm, Moloka'i Land Manager, State Department of Hawaiian Home Lands, October 1995).

Section 3: COMMUNITY ISSUES AND CONCERNS

3.1 ISLANDWIDE DEBATES

Much information about Moloka'i residents' viewpoints comes from public hearings on land use plans. A 1988 survey, while involving only a modest sample from the island, is useful, since Moloka'i responses can be compared to others. It shows (in Exhibit 3-A):

- In 1988, people on Moloka'i were, on average, somewhat more content with their quality of life than residents of the State as a whole; but
- Lack of jobs was a generally recognized problem; and
- Most respondents favored expansion of tourism on the island, but wanted such development to occur away from their "part of the island."

In the 1990s, review and revision of the Moloka'i Community Plan has provided opportunities for residents to debate their island's future. Changes in the Plan have been proposed by a Citizens Advisory Committee, then reviewed, and amended in turn, by the Moloka'i Planning Commission. Some major themes of those discussions were:

- **Preservation of Distinctive Rural Qualities on Moloka'i.** Moloka'i civic leaders are concerned to maintain the distinctive pace of life and overall appearance of Moloka'i. This sentiment is especially strong in regard to the East End of the island (Machado, 1994).
- **Interest in Slow Growth.** Economic development was named as a priority, but discussions focused more on controlling growth than on encouraging job-creation.
- **Protection of Scarce Resources.** Moloka'i residents have often expressed a sense that resources -- notably water, but also such qualitative resources as open space and a distinctive sense of community on Moloka'i -- are limited and could be lost to development. Reviews of water supply and usage by citizens and State officials have led to (a) reservation of considerable water for current and future use on the Hawaiian Home Lands areas; (b) reduction of water currently allocated to Kaluako'i, and opposition to a proposed 24-inch pipeline linking Kaluako'i to the Moloka'i Irrigation System reservoir.

**Exhibit 3-A: GENERAL COMMUNITY ISSUES AND ATTITUDES,
STATEWIDE TOURISM IMPACT CORE SURVEY, 1988**

	State of Hawaii	County of Maui	Island of Moloka'i
COMMUNITY ISSUES -- %'S RATED "BIG PROBLEM IN YOUR PART OF THE ISLAND"			
Cost of housing	64%	71%	43%
Cost of food and clothing	43%	52%	57%
Lack of nearby jobs	28%	28%	72%
Traffic	56%	51%	3%
Pollution of oceans or natural areas	29%	30%	13%
Population growing too fast	38%	40%	9%
Beauty of area being des- troyed by development	25%	30%	15%
Not enough sports and recreational facilities	22%	25%	33%
Crowded beach parks	23%	24%	1%
Crime	30%	22%	3%
Not enough nearby stores, restaurants, entert.	14%	16%	27%
Too many tourists	7%	13%	3%
Problems between people of different backgrounds	9%	7%	4%
QUALITY OF LIFE "IN THIS PART OF THE ISLAND" VS. FIVE YEARS AGO			
Today is... Better	29%	32%	34%
Worse	24%	31%	11%
Same	46%	36%	52%
Not sure	2%	1%	3%
TOURISM GROWTH -- %'S AGREEING WITH VARIOUS STATEMENTS			
In my part of the island, it's more important to keep things like they are than to have more tourism jobs.	63%	68%	59%
It is time to stop building new hotels on this island.	68%	67%	37%
We need more tourism jobs on this island.	43%	38%	68%
BASE	(3,904)	(1,057)	(150)

SOURCE: Community Resources, Inc., 1989.

- **Low Regard for Large Landowners.** Both the Citizens Advisory Committee and the Planning Commission entertained motions that would greatly restrict large landholders' use of some of their lands, e.g., extensive shoreline setbacks (except on land subdivided and already sold to private parties), deep setbacks in the Pala'au industrial area, rather than landscaping requirements, and changing the designation of parcels for which general County approvals have already been given. The overall impression given was that island leaders sought controls on current and future activities of large landowners.

3.2 ISSUES AND CONCERNS RAISED IN INTERVIEWS

3.2.1 Interview Process

For this assessment, Community Resources/SMS Research (CRI) staff interviewed some 24 persons to gain a sense of current community concerns. The aim was to canvass the range of concerns, not to identify one or another viewpoint as dominant. Nearly all interviews were held on Moloka'i in September and early October 1995. Exhibit 3-B is a list of persons interviewed.

Interviewees were asked to discuss Maunaloa and West Moloka'i, the future of the town, and the effects they saw as following from development of the Maunaloa Town Center project, when and it is approved. They were asked to describe the issues of concern to them and people they knew. The interviews were loosely structured, following out interviewees' interests as far as possible, rather than a set framework of questions.

CRI drew up an initial list of possible interviewees, and asked Moloka'i Ranch staff to suggest additional names.. The Ranch staff included both supporters and opponents of Ranch activities on that list. CRI also asked interviewees to name persons who they thought would bring their own distinctive perspectives to understanding Maunaloa. Many of the persons named by Ranch personnel were also mentioned by other interviewees. Several people named by interviewees but not on earlier lists were interviewed.

3.2.2 Current Local Issues and Concerns

Interviews conducted for a socio-economic impact assessment can identify specific issues that have not surfaced elsewhere, can provide insight into community concerns as part of overall viewpoints, not just isolated ideas, and can allow discussion of what the community sees as impacts and alternatives of a project.

**Exhibit 3-B: PERSONS INTERVIEWED ABOUT
COMMUNITY ISSUES AND CONCERNS**

Contact	Position and/or Organization
Ernesto Aganon	Maunaloa Resident
Billy Akutagawa	Na Pu'uwai Native Hawaiian Health Center
Gerry Anderson	Editor, The Dispatch
Dan Aquino	President, Maunaloa Museum and Cultural Park
Crystal Egusa	Co-Chair, Small Business Committee, Moloka'i Council for Economic Opportunity
Uldarico Eleccion	Maunaloa Resident
Albert Espaniola	Maunaloa Resident
Josephine Espaniola	Maunaloa Resident
Mercedes Espaniola	Maunaloa Resident
James Fujikami	Principal, Maunaloa Elementary School
Jean Hann	Maunaloa Resident
Ron Hedani	Senior Vice President, Kukui (Molokai) Inc.
Lillian Lee	Molokai Resident, from Maunaloa family
Mike Lee	Manager, Kaluakoi Resort and Golf Club
Lenora Mangan	Maunaloa Resident
Theresita Motas	Maunaloa Resident
Garish Patel	Maunaloa Resident and Business Owner
Kehau Pule	Manager, Kauhale Mua Housing
Bernie Santiago	Maunaloa Resident
Jonathan Socher	Maunaloa Resident and Business Owner
Penny Stiller	Maunaloa Resident; State Adult Probation Officer
Steve Takeo	Postmaster, Maunaloa
Perfecto Valdez	Maunaloa Resident
Rose Valdez	Maunaloa Resident

Interviews conducted in September and October of 1995 yielded only partial insight into community response to the Maunaloa Town Center project. This was largely because the residential development now under way was of great concern to many. People were ready to discuss effects of the residential development, but few gave much attention to the proposed commercial area. (The two developments are interrelated, and many comments made concerning the residential project can appropriately be taken as applying to the overall plan for Maunaloa's redevelopment.)

After years of planning, people in Maunaloa tended to take strong positions for or against development of the town by Moloka'i Ranch. Some persons are quick to assert that they support the Ranch and look forward to economic development in Maunaloa. Others view the Ranch as acting with no concern for the community of Maunaloa, and as involved in a short-sighted enterprise that will benefit no one on Moloka'i. Even vocal supporters of the Ranch raise concerns about the residential development or about particular Ranch policies.

Six themes stood out in interviews with persons active or living in Maunaloa:

- **Uncertainty and Concern about Maunaloa's Future.** Maunaloa has seen very little change for two decades, despite much discussion of the need for infrastructure, residential improvements and economic development. With much land cleared on the south side of town, a small factory for building and assembling steel-frame house modules open in town, and schedules for construction and demolition the topic of daily talk, residents have much activity to watch and assess.

In this context, many appreciate the prospect of gaining new homes or a new lot on which to rebuild their homes. Some are angry and fearful, expressing concern that current Maunaloa residents will not be able to afford new housing and that outsiders will benefit from new homes and jobs, not the locals. (As noted earlier, lots are currently in escrow for about 30 local families. Rentals will also be offered with reduced rates for local residents.)

Some persons reacted to the news of the commercial project by saying that it comes too soon on the heels of the residential project. They felt the Ranch was rushing matters.

- **Dependence of Maunaloa on Ranch Policies and Timetables.** The anxiety noted above follows from a point on which many commented. Maunaloa is owned by Moloka'i Ranch, Limited, so residents' lives depend greatly on decisions made by Ranch personnel.

For some interviewees, their dependence on the Ranch was not a problem. Some expressed gratitude for new housing opportunities and respect for the Ranch. Others were upset and angry. They found Ranch management high-handed. Several referred to a previous plan to sell houses and land to residents, a proposal that was withdrawn when it did not gain the backing of County authorities. (The interviewees who discussed this plan tended to see both the offer and its withdrawal as the Ranch's doing, ignoring the County's role.) Others were unhappy with decisions made to restore some buildings but not others, arguing

that the Ranch's agreement that a house could be renovated could mean many thousands of dollars saved.

- **Interest in Job Creation.** Many interviewees were concerned about the lack of jobs in West Moloka'i. Several saw the commercial proposal as a way to increase jobs in Maunaloa, to the benefit of residents. Others were concerned that the lodge proposal could increase the problems being experienced at the Kaluako'i Resort. (Interviewees from outside Maunaloa were apt in turn to see the Lodge proposal as complementing the Kaluako'i resort, expanding the base of visitor attractions rather than competing for the same market.)

A few interviewees noted that the Ranch has hired locally in the recent past. They characterized the new jobs as security jobs and claimed that the Ranch was hiring in order to enroll residents among its supporters. They suggested that any need for security was due to new unsettled conditions created by the Ranch or by the opening of Kauhale Mua.

- **Interest in Home Ownership.** Ownership has been long desired by Maunaloa residents. Families expecting to buy land or land and housing from the Ranch expressed anticipation, while others were resigned or bitter that they would probably be renting a new home in the area of town now being developed.
- **Desire for "Country" Atmosphere and Community Life.** Many residents and ex-residents emphasized that Maunaloa had long had a valuable community life. Some mentioned caring relationships among residents, cross-cutting ethnic lines. Others mentioned the community's self-sufficiency – the ability of people with limited means, isolated from the rest of the island, to make do and enjoy life. Many said that Maunaloa had long been a community where doors were not locked and children were safe to play and wander.

For some, this community life ended when the plantation closed. Others point to the opening of Kauhale Mua, the State housing project, as a time when the number of outsiders and the incidence of crime increased. Others view struggles with Moloka'i Ranch and uncertainty about the community's future as leading to despair and resentment.

The proposed redevelopment, especially of residential areas, was viewed by some as ruining what remains of a vital and supportive community. From this viewpoint, Maunaloa's community life is its people, and that life will end when some move to Ranch-sponsored housing, and others leave Maunaloa.

Again, opposing views of community aesthetics were expressed. Some thought that the design elements incorporated in buildings recently constructed for the Ranch achieved a country atmosphere. Others questioned whether new, relatively small houses, located in areas where no trees now remain, would perpetuate Maunaloa's "country atmosphere." Finally, a few spoke of Maunaloa as so badly deteriorated that new construction was clearly wanted to improve the town.

- **Desire for Community Input and Control over Decision-Making.** Just as Moloka'i citizens have worked to get their own Planning Commission, so some Maunaloa residents sought to have more local input in Moloka'i Ranch planning for their town. (In the past, the Ranch has sponsored planning processes in which local views were elicited and considered.)

Interviewees included persons outside Maunaloa concerned about the future of the island or West Moloka'i. These interviewees largely saw the project as a means to encourage economic development. They viewed Maunaloa as badly in need of such development. Along with residents, they commented extensively on Ranch leadership, expressing views ranging from admiration to deep suspicion.

Comments on the specifics of the Maunaloa Town Center project were mixed:

- **Support for Economic Development** was often voiced, with interviewees seeing the project as helping Maunaloa and, in some cases, Kaluako'i as well.
- **Interest in Particular Facilities** -- notably a movie theater, larger stores, and restaurants.
- **Doubt that the Project will Benefit Residents.** Some welcomed the project as a source of jobs, but wanted the Ranch to provide assurances that jobs will be open to local residents.

One person cited the Ranch's reliance on outside contractors on the residential project as an unwelcome precedent. (However, the Ranch demanded that bidders on that job hire locally, a condition that the contractor has met.)

Again, concern was expressed that the project was not scaled to the local retail market. Since Maunaloa does not currently support a full-sized grocery store in town, some interviewees doubted that the project could succeed.

- **The Size of the Project:** Some residents saw the project as too large for the needs of Maunaloa and the few tourists who visit it. Other interviewees (including some residents) noted instead the inclusion of existing buildings in the Town Center area and judged that the changes involved in the project were small.
- **Concern over Current and Future Commercial Operators:** Some regretted that current commercial operators in Maunaloa would, they expected, not be likely to continue in a redeveloped, presumably more expensive, Town Center. Concern was expressed that the Ranch would seek out more politically quiescent tenants. Moreover, they saw the Ranch plan for increased retail space in Maunaloa as sure to fail, and as leading to misery for future store operators.
- **Impact on the Kaluako'i Resort.** As noted earlier, this was of concern to many, since the resort is the major job center on the island. Some residents thought that the commercial proposal would make it even harder for the resort to prosper, while others, especially businesspeople from outside Maunaloa, saw the project as potentially stimulating the entire local economy.
- **Ambivalence about Representation of the Plantation Era.** The idea of a museum and visitor attraction area was welcome for many. However, some Maunaloa residents found the representation of their lives and community by old, now rundown, housing hard to take.

Finally, some interviewees thought that the Ranch would not be able to obtain water needed for the project, and hence the project would not be approved.

As the interviews began, we expected much critical discussion of the proposed lodge. It was not discussed much as a separate element, that could intrude into Maunaloa's community life. Instead, several interviewees viewed it in relation to their concern that the market would not support such a project.

Section 4: ECONOMIC AND SOCIAL IMPACTS OF THE PROJECT

Impacts of a new development range from specific, quantifiable changes occurring in a given time and place, such as construction jobs, to less clear-cut impacts with uncertain timing and extent. In this report, both are considered. Economic impacts are considered first, not only because they are more easily summarized but also because these establish conditions which affect the more qualitative social impacts considered later in the section.

4.1 ECONOMIC IMPACTS

Economic impacts associated with the project include new employment, incomes for workers, and changes in government costs and revenues. The project will generate a few jobs at first, and will provide sites for more jobs as the local economy is established. Revenues will flow to the County due to increased property taxes, and to the State, notably from construction.

4.1.1 Employment and Incomes

The project involves short-term jobs related to construction and long-term jobs associated with continuing operations. Employment impacts for both construction and operations are of three types:

- Direct jobs are immediately involved with construction of a project or with its operations. Direct jobs are not necessarily on-site: construction supports construction company personnel in offices and base yards, as well as on site.
- Indirect jobs are created as businesses directly involved with a project purchase goods and services in the local economy.
- Induced jobs are created as workers spend their income for goods and services.

Indirect and induced employment in Hawaii can be estimated using multipliers from a model of input-output relations in Hawaii's economy developed by State researchers.

Jobs are not necessarily located at the site of a project. As a rule, some 20% of direct construction jobs are off-site (in baseyards, offices, and the like). Indirect and induced jobs are measured on a statewide basis. These are likely to be concentrated in commercial and/or industrial centers, rather than near a job site.

Construction. Construction employment can be estimated based on construction spending. In the present case, construction will involve a mix of new building and renovation. Some renovation will likely be done by professional builders; other work will be done by lessees or operations personnel, either before a facility opens or in the course of time. As a result, construction estimates for this project are speculative.

The approach taken in Exhibit 4-A is to expect that (a) relatively little new construction will be done, and (b) both new construction and renovation will be done for quite low rates. Construction already being done in the project area is not counted here, in that it is not a consequence of project approvals.

Exhibit 4-B translates assumptions into construction jobs and income. As a rule, about eight construction jobs are created per million dollars of construction spending (Bank of Hawaii, 1995; Hawaii State Department of Business, Economic Development and Tourism, 1994).

Construction of the project will involve some 154 person-years of employment. Most of that employment will occur towards the end of the construction phase. If, as seems likely, that phase will last as long as 15 years, then about ten direct construction jobs would be associated with the project per year. A larger number of indirect and induced jobs statewide would be supported by this construction activity.

The total construction cost of the project is estimated here as about \$19.3 million, of which some \$6.2 million would go to direct wages. Total wages (including direct, indirect, and induced workforce incomes) would amount to about \$13.8 million. (All monetary figures are given in constant 1995 dollars.)

Construction workers and many indirect workers associated with construction would be from Moloka'i. The contract for the current phase of the residential project has gone to Fletcher Pacific, a major contractor statewide. Of 19 employees on Moloka'i, 13 are residents. In addition, the contractor is hiring a Moloka'i subcontractor and buying materials on-island (personal communication, Brian Ige, Project Manager, Fletcher Pacific, October 1995).

Operations. The project provides space for a mix of public, retail, and other commercial uses as demand for these grows over time. A lodge, planned for the end of the development period, will add more visitor demand for retail and services, as well as jobs at the lodge itself.

Exhibit 4-A: ASSUMPTIONS USED TO ESTIMATE CONSTRUCTION IMPACTS

PHAS- ING	USES TO BE DEVELOPED	AREA TO BE -		ESTIMATED COST
		BUILT	RENOVATED	
Already Renovated				
	28 Ranch offices		X	
	39 Outfitters	X		
Rest of Phase I: First Years of Project				
	Museum Exhibits			\$200,000
	7 Museum Offices	X		\$502,500
	8 Restaurant		X	\$140,000
	Area E		X	\$860,000
	Area G	X		\$225,000
	27 Cinema/Retail	X		\$860,000
Phase I Subtotal				\$2,387,500
Phase II: Middle Years of Project				
	Area B		X	\$405,000
	Area C	X		\$280,000
			X	\$285,000
	Area D:	X		\$1,570,000
	Area F (part)	X		\$2,325,000
			X	\$600,000
Phase II Subtotal				\$5,465,000
Phase III: End of Project (about years 10 to 15)				
	Area A	X		4,065,000
	Area F (remainder)	X		1,725,000
	Lodge: 60 suites	X		\$5,625,000
Phase III Subtotal				\$11,415,000
TOTAL				\$19,267,500

NOTES: Assumptions made here are provisional, and developed for the purpose of this assessment. Assumptions cover construction to be done by all parties involved in redevelopment, not just Moloka'i Ranch, Limited. Areas from Land Use Summary dated September 13, 1995. Phasing details by Community Resources, based on information from Moloka'i Ranch, Limited personnel. Estimates of construction needed - whether new building or renovation - and of construction cost provided by Community Resources. Dollars are constant 1995 dollars.

Exhibit 4-B: CONSTRUCTION EMPLOYMENT AND WAGES

PHASE	CONSTRUCTION COST	DIRECT JOBS	INDIRECT+ INDUCED JOBS	DIRECT WAGES	TOTAL WAGES
I	\$2,387,500	19	34	\$768,427	\$1,705,346
II	\$5,465,000	44	77	\$1,758,934	\$3,903,545
III	\$11,415,000	91	161	\$3,673,968	\$8,153,516
TOTAL	\$19,267,500	154	271	\$6,201,330	\$13,762,407

NOTES: Jobs are full-time equivalent jobs for one year (i.e., person-years). Number of jobs estimated from state average ratio of construction spending to jobs. Indirect and induced jobs projected from State Input-Output Model. Wages are Maui County average construction wages, and State average wage, all payrolls, in 1993, increased by 5% to approximate current wages.

SOURCES: Hawaii State Department of Business, Economic Development and Tourism, unpublished models; Hawaii State Department of Labor and Industrial Relations, 1994.

With Phase I construction completed and new facilities in operation, about 16 new jobs would be created a few years after the project begins. (The existing jobs in Maunaloa's stores and public buildings are excluded from this and subsequent calculations.) When the project is fully built out, the total new employment would grow to some 190 direct jobs. (These jobs have been estimated largely on the basis of square footage to be built and would nearly all be located in Maunaloa.) An additional 130 indirect and induced jobs statewide would be associated with project operations

4.1.2 Implications for the Labor Force

Moloka'i currently has high unemployment and extensive underemployment. The project could help to lessen problems of unemployment, but it is likely to be small in its employment impact for the first few years of operations. Within the town of Maunaloa, the new jobs will have greater impact, helping to lower the local unemployment problem significantly. The total number of direct operations jobs estimated as created in Maunaloa at buildout is smaller than the current number of persons unemployed but looking for work on Moloka'i. Moloka'i residents would be well placed to be hired for many jobs made possible in Maunaloa with the project. Job opportunities include:

Exhibit 4-C: NEW EMPLOYMENT ASSOCIATED WITH MAUNALOA TOWN CENTER PROJECT OPERATIONS

PHASE	USES (1)	AREA	JOB	WAGES
A. DIRECT EMPLOYMENT				
I	Public/QuasiPublic Museum and Park Town Hall		2	\$40,000
	Food and Beverage Restaurant		6	\$83,343
	Retail Renovated stores in B, E		4	\$82,950
	Amusement Services Cinema		4	\$93,874
II	Retail/Commercial Over 25,000 sf of new retail space		58	\$1,141,875
	Offices Light Industrial 19,800 sf.		20	\$488,271
III	Hotel 60 units		48	\$1,062,180
	Retail Area A: 24,000 sf		48	\$995,400
	Finance		3	\$79,938
	BUILDOUT		193	\$4,067,830
B. INDIRECT AND INDUCED EMPLOYMENT STATEWIDE				
I	Food and Beverage		5	\$148,832
	Retail		2	\$63,546
	Amusement Services		2	\$54,628
II	Retail		33	\$921,422
	Light Industrial		12	\$340,029
III	Hotel		43	\$1,204,036
	Retail		27	\$762,556
	Finance		3	\$89,467
	BUILDOUT		129	\$3,584,515

NOTES: New direct jobs estimated from Land Use Summary for project, using employment multipliers based on previous studies (Community Resources, Inc., 1986, 1992). Wages estimated from average payrolls for Maui County establishments (for direct jobs) and average statewide wage for indirect and induced employment. Number of indirect and induced jobs taken from employment multipliers in State Input-Output Model.

- Some construction jobs — a crew or firm experienced in renovation of plantation houses would find regular work in Maunaloa, and additional construction workers would be employed on new building projects;
- Retail, restaurant, and service jobs throughout the Town Center;
- Office work (including administrative, professional and clerical jobs);
- Crafts and industrial jobs (both in small workshops in the mauka commercial area and in the light industrial area); and
- Hotel jobs at the lodge, when it is built.

The number of jobs and the gradual pace of development of jobs projected here are very similar to the estimates for Community-Based Economic Development on Moloka'i (in Section 2.5). Alone or together, these are too small to redress the island's economic problems. In combination with a revival of tourism, CBD and modest commercial development can provide a significant increase in household incomes so long as population growth remains slow on Moloka'i.

4.1.3 Impacts on Government Revenues and Costs

Maui County. The project would provide increased revenues for Maui County from its onset. With urban designation and subdivision of the project site, the site would be valued as commercial or industrial land, and taxed accordingly. As the project builds out, new or renovated buildings would also be sources of new taxes.

Given the uncertainties of project timing and valuation, only a minimal estimate of taxes collected at buildout can appropriately be offered. Values of improvements in the project area will increase by at least the amount spent on construction. Land value will also increase. As commercial activity increases, the added value in the land would come to equal or exceed construction value.

Exhibit 4-D shows calculations of minimal annual property tax revenues for Maui County from the project after buildout. It indicates a continuing cash flow of about \$270,000 every year.

Few or no County costs are likely to be incurred due to the project. It would not attract new residents to the County, and it would tend to increase the number of visitors coming to Moloka'i and the County only late in the project's development. That increase — of about 80 persons per day — is much smaller than the increase in resident population expected in Maunaloa with buildout of the new residential areas.

Exhibit 4-D: ESTIMATE OF PROPERTY TAX INCREASE WITH PROJECT

VALUES (in \$1,000s)		
Improvements (Construction Value)		\$19,268
Commercial/Industrial share	70.8%	
Hotel share	29.2%	
Added Land Value		\$19,268
Estimated Value, Commercial and Industrial		\$27,285
Estimated Value, Hotel		\$11,250
RATES		
Commercial and Industrial	\$6.50	per \$1,000 in value
Hotel/Resort	\$8.00	per \$1,000 in value
ANNUAL TAXES		
Commercial and Industrial	\$177,353	
Hotel/Resort	\$90,000	
TOTAL		\$267,353

State of Hawaii. State revenues associated with a commercial project are of two sorts. Some flow from construction, and are short-term in nature. Others follow from economic growth, as the State taxes transactions and incomes. In this assessment, a minimal estimate of new State revenues is given, based only on construction spending.

Exhibit 4-E shows that the State would gain some \$1.8 million (1995 dollars) in revenues associated with construction. Over time, additional revenues would be derived from that share of commercial activity at the project site that would not otherwise occur in Hawaii.

No State costs are attributable to the project.

Exhibit 4-E: STATE REVENUES ASSOCIATED WITH PROJECT CONSTRUCTION

(in \$1,000s)	Phase I	Phase II	Phase III	TOTAL
REVENUE SOURCES				
Construction Cost	\$2,387.5	\$5,465.0	\$11,415.0	\$19,267.5
Construction-Related Wages	\$1,705.3	\$3,903.5	\$8,153.5	\$13,762.4
REVENUES				
EXCISE TAXES				
Construction Spending (1)	\$95.5	\$218.6	\$456.6	\$770.7
Construction-Related Workforce Spending (2)	\$51.9	\$118.9	\$248.4	\$419.2
CORPORATE INCOME TAX				
Construction Spending (3)	\$6.0	\$13.7	\$28.5	\$48.2
PERSONAL INCOME TAX				
Construction-Related Workforce Incomes (4)	\$68.9	\$157.7	\$329.4	\$556.0
TOTAL	\$222.3	\$508.9	\$1,062.9	\$1,794.1

NOTES:

- (1) Calculated at 4% of direct construction spending.
- (2) Calculated at 4% of workforce income spent on taxable items. Disposable income estimated from Disposable income estimated from 1988-1989 U.S. Bureau of Labor Statistics Survey.
- (3) Calculated at 0.25% of construction spending, from 1989-1990 data on business receipts and corporate income taxes collected.
- (4) Calculated at 4.04% of wages.

SOURCES:

Hawaii Department of Business, Economic Development and Tourism, 1992; Hawaii Department of Taxation, 1992; Tax Foundation of Hawaii, 1991, 1992.

4.2 DEMOGRAPHIC IMPACTS

By increasing commercial and civic space, the project provides facilities for a growing population of residents and visitors on Moloka'i. No component other than the lodge can be considered as likely to attract either residents or visitors to the State or County..

In keeping with the County's Country Town Zoning concepts, some 20 apartments would be included in retail buildings in area A of the redevelopment. Arguably,

this housing could help to attract a few store owners from outside Maunaloa. When the apartments are built, late in the construction period, they could house some 60 or so residents. Some of these would likely be from the town, while others might be from other Moloka'i settlements, if they moved to Maunaloa to operate branches of local stores.

The impact of the project on resident population, then, comes to less than 60 new town residents at buildout, and an even smaller number of new island residents.

When the lodge reaches 70% occupancy levels, it would have about 80 visitors present on average. This would amount to about 8% of the visitor population forecast as on Moloka'i in 2010 (Community Resources, Inc., 1994). (This forecast derives from assumptions selected by the Maui County Planning Department. This is a small fraction of the Moloka'i visitor census. It should be considered an addition to expected levels of tourism, since an upcountry lodge linked to riding and other outdoor activities would tend to complement, rather than compete with, seaside resorts.

4.3 SOCIAL IMPACTS

4.3.1 Overview

Social impacts arise throughout the existence of a project, as people's lives are changed by involvement with the project. In the current case, the project will have small impacts from the start, as announcement of the project triggers continuing controversy over Ranch plans (and, for some, hope for prosperity as those plans are implemented).

The project's social impacts due to construction and incremental development are relatively small, compared to the change introduced in Maunaloa by new housing development. However, successful implementation of the project is essential to plans to make Maunaloa town a small urban center, adding business and quasi-public facilities to complement ongoing housing development.

The redevelopment implies significant changes for Maunaloa's people:

- More jobs nearby will help to lower unemployment and the many stresses and difficulties of family life without regular sources of income. By increasing local economic opportunities, the project will tend to lower the incidence of crime.
- More retail opportunities will make it possible for residents of Maunaloa and Kaluako'i to shop less often in Kaunakakai.

- Opening Moloka'i's only movie theater is likely to attract customers from the entire island to Maunaloa.
- A major new visitor attraction (complementing ones being developed by the Ranch outside the project site) will increase the number of visitors to Maunaloa and the time they spend in the town. Moloka'i Ranch's efforts to attract tourists to activities on Ranch land (safaris, malihini rodeos, trail rides, and so forth) will further attract visitors. Development of the lodge is expected to consolidate this market.
- With a greater visitor presence and development of a museum presenting Maunaloa for outsiders' view, the town will seem to residents less isolated but also less private. On Maunaloa Highway, the post office is likely to remain an area where residents congregate, but the proposed Town Center plan will also provide a center for tourists, at the museum, and will encourage visitors to wander up the hill to shops.

Residential areas will likely see little increase in the number of outsiders, but the commercial area will be a territory shared with persons from outside the town.

- With development of a local commercial sector, Moloka'i Ranch will remain the leading economic force in Maunaloa, but will not longer be the only one. A step towards economic diversification is implicit in the plans. As a result, Maunaloa will be less dependent on Ranch decisions in the years to come.

4.3.2 Impacts Associated with Construction

Project construction will be modest in scale, and will have little impact on Maunaloa residents. The proposed new stores and offices will be built and renovated in response to operators' estimation of market demand, not a fixed schedule. The resulting development will be incremental.

(Removal of existing homes from Area A of the project site is not treated here as part of project construction. Those houses are scheduled for demolition apart from the project.)

As noted earlier, construction would support local jobs for both construction workers and suppliers.

4.3.3 Impacts Associated with Museum and Cultural Park Development

The proposed museum area is slated for development in Phase I. It will stand at the entrance to Maunaloa. By celebrating the plantation past, it will affirm to residents that Maunaloa is now in a new era. The new park will provide a venue for local festivities, increasing Maunaloa's participation in celebrations such as Aloha Week or Moloka'i Ka Hula Piko.

The museum will provide Maunaloa with its first visitor attraction, increasing visitors' time and expenditures in the town. Much of that spending will be captured by the museum gift shop and restaurant. Still, development of the museum will provide many tourists with a reason to visit Maunaloa.

The museum is not likely to bring a sudden change in the number of visitors -- a period of development and marketing will be needed. The recently developed Meyer Sugar Mill in Ka Lae has very few visitors, even though it is on the way to the Kalaupapa Lookout. The mill's marketing, signage, and hours all could contribute to low visitor numbers -- but the fact remains that Moloka'i currently attracts only a small visitor clientele.

4.3.4 Impacts Associated with Commercial Development

Development of a small commercial area in Maunaloa will be of benefit to residents throughout West Moloka'i, who now depend on Kaunakakai and off-island stores for all but a few purchases. As retail outlets increase, buyers will find merchandise more accessible and competition is likely to limit prices. Creation of office space will make it possible for professional services to be provided in West Moloka'i, again increasing accessibility for Maunaloa residents.

As noted earlier, development will bring jobs to Maunaloa, many of which will likely be filled by residents of the town.

Specific planned components will have somewhat different impacts:

- The proposed movie theater will be the only one on the island. When it opens, it will attract customers from all over Moloka'i. The result will be a large increase in Moloka'i residents' spending in Maunaloa, so long as the Maunaloa theater has no competition.

A Maunaloa movie theater is likely to affect the town's perceived isolation from the rest of Moloka'i. Currently, island leaders speak of the town as a place apart, both respecting Maunaloa residents' autonomy and indicating a lack of outside involvement in the town. If residents of other Moloka'i communities become regular visitors to

Maunaloa, their knowledge of the town and its residents will increase. Equally, residents will have regular contact with other islanders in their own community. Other islanders will gain greater knowledge of the town and its needs.

- Enlarged stores will be able to stock items for local residents, second-home owners in Kaluako'i, and the visitor market. These markets are now all small in scale, so retail expansion will likely occur slowly.
- Office space in Maunaloa will attract Realtors and other professionals for whom the town will be the only urban center for West Moloka'i. They may have little involvement with the rest of the town at first, but become part of an active small business group in Maunaloa in the years to come.
- The proposed lodge will be the single largest source of new jobs in the project. As such, it will encourage full- and part-time employment near home for residents. It will increase the number of visitors in town and the likelihood that visitors will stray into residential areas. Given the small number of visitors involved, the impact is likely to be small.

Next, Maunaloa will be advertised as a destination when the lodge opens, and it will be identified with ranch activities and Hawaii's cowboy traditions, as well as with Maunaloa's plantation past.

While many on Moloka'i see a lodge at Maunaloa as drawing visitors away from the Kaluako'i resort, this prospect seems unlikely, in that (a) it will be marketed as an upcountry, outdoor-activity-related destination, and (b) lodge development is not expected in the near future. Instead, development of visitor activities in Maunaloa is likely to help the resort attract tourists by increasing its appeal. By the time the niche market targeted by a lodge at Maunaloa is large enough, the market for the beachfront resort should have grown to support far higher occupancies than at present.

4.3.5 Impacts of Project as Part of Plan for Urban Redevelopment

The Ranch has proposed residential and commercial development as two sides of a unified effort to redevelop Maunaloa. The two are clearly interdependent: a growing population will need expanded retail and service facilities, and commercial development will depend on a market that finds Maunaloa an appropriate center for West Moloka'i.

The market study for the project indicates that West Moloka'i residents and visitors can support commercial development at the level proposed in the project. It seems likely, then, that Maunaloa will slowly become an urban center serving the region, with a population dependent on jobs in town and at Kaluako'i.

The future prospect, of a prosperous Maunaloa, does not assure the town's residents that they, rather than others, can thrive there. Many householders are old, and have little savings. There is good reason for concern that these people will be in great need in the next few years. However, the project will not add to their distress. It could, by providing a site for more local jobs, by lowering retail costs, and by making goods and services more accessible, help Maunaloa families with lower incomes.

Physically, the proposed redevelopment resembles changes in Lana'i City. It is worth noting that socially, the Maunaloa redevelopment is different in important ways. Impacts on residents of the Maunaloa project are far smaller than proposed changes on Lana'i.

As in Lana'i City, successful implementation will introduce tourists into a social center that had been the exclusive preserve of local residents. As on Lana'i, one landowner dominates all local land use issues. As on Lana'i, existing stores generate only small revenues, making it difficult for businesses to invest in renovation. However, Moloka'i Ranch is proposing a gradual process of redevelopment, not an architect-inspired transformation, as on Lana'i. Also, in Maunaloa, the local economy is already based on tourism and many residents are employed at Kaluako'i. Moloka'i Ranch is already not the largest employer of residents. In Maunaloa, there is no question of tourism displacing agriculture. Instead, the aims of the commercial redevelopment are to encourage growth in local tourism and to make that activity support a larger, more diverse commercial sector for residents and visitors alike.

Visitors and residents of other areas in West Moloka'i will in time come to shop near the heart of Maunaloa. They will not be supplanting residents from that area, but giving residents and others alike new opportunities to shop without going all the way to Kaunakakai. In Maunaloa, the new museum will center tourist activity at the edge of town. Many tourists will come to Maunaloa without going beyond the museum area.

4.4 MITIGATION MEASURES

The preceding assessment has uncovered few potentially adverse effects that need mitigation. Changes in felt isolation from visitors and other islanders will be wanted by some, and disliked by others. Reconstruction and commemoration of the plantation era for the interest of visitors will affect residents' sense of place in

complex ways — but so does the current situation, in which plantation failure has been followed mainly by inaction.

The proposed development is a plan to create a small but prosperous urban center, not just a land use change. The Ranch proposes to develop the Town Center area gradually, in response to market demand. This timing seems appropriate to minimize social strains and the risk that operations in the redevelopment area may fail. Public agencies could take additional steps to enhance the benefits of the redevelopment for existing residents and their children. Such steps might include:

- (a) Enterprise area status for the light industrial area;
- (b) Provision of job training and employment-related courses in Maunaloa, if only occasionally;
- (c) Support for small businesses, e.g., assigning a small-business development specialist to work part-time with West Moloka'i entrepreneurs.

APPENDIX A

CENSUS DATA

**Exhibit 1
DEMOGRAPHIC CHARACTERISTICS, 1970-1990**

	STATE		Maui County		Maui Island		Lana'i		Moloka'i	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
POPULATION	783,061	854,051	46,156	70,961	38,661	62,623	2,204	2,119	6,261	6,049
ETHNICITY										
Caucasian	30%	33%	27%	34%	30%	30%	6%	11%	10%	14%
Japanese	26%	25%	32%	22%	30%	23%	23%	15%	14%	9%
Filipino	12%	14%	21%	19%	19%	17%	50%	61%	31%	24%
Hawaiian	9%	12%	15%	17%	12%	15%	6%	9%	30%	44%
Other	11%	16%	6%	6%	6%	6%	3%	3%	3%	6%
AGE										
Less than 5 years	9%	6%	9%	6%	6%	6%	10%	6%	11%	10%
5 to 17 years	27%	20%	26%	21%	27%	20%	20%	26%	31%	27%
18 to 34 years	26%	33%	20%	30%	21%	31%	13%	16%	17%	24%
35 to 64 years	30%	30%	30%	31%	30%	31%	30%	34%	34%	29%
65 or more years	6%	6%	9%	10%	9%	10%	6%	9%	7%	10%
Median age (years)	25.0	28.4	23.0	23.6	23.0	N/A	32.0	34.4	25.0	27.2
EDUCATION OF PERSONS AGED 25 & OVER (1)										
High School Diploma (2)	62%	74%	44%	66%	46%	66%	27%	36%	41%	61%
College Degree Only (3)	14%	20%	6%	15%	6%	16%	4%	6%	7%	10%
PERSONS AGED 5 & OVER WHO SPEAK A LANGUAGE OTHER THAN ENGLISH AT HOME (1)	26%	25%	25%	22%	24%	21%	66%	65%	22%	21%
PERSONS WITH MOBILITY OR SELF-CARE LIMITATIONS (1)	N/A	4%	N/A	4%	N/A	4%	N/A	4%	N/A	5%
% of persons aged 18 to 64	N/A	15%	N/A	15%	N/A	15%	N/A	15%	N/A	14%
% of persons aged 65 or more										

NOTES: N/A Data not available.
 NYC 1980 and 1990 categories are not comparable.
 (1) Based on 15% sample; hence, figures represent estimates only.
 (2) All high school graduates, including those with college education of any kind.
 (3) Includes Associate, Bachelor's, and graduate degrees.

SOURCES: U.S. Bureau of the Census, 1992, 1993, 1991a, 1992b.

**Exhibit 2
GEOGRAPHIC MOBILITY, 1970-1990 (1)**

	STATE		Maui County		Maui Island		Lana'i		Moloka'i	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
PERSONS (2)										
PLACE OF BIRTH										
Born in Hawaii	50%	50%	72%	65%	73%	64%	57%	54%	66%	77%
Other U.S.-born (3)	31%	28%	15%	22%	14%	25%	2%	11%	13%	12%
Foreign-born	10%	14%	15%	13%	13%	13%	42%	30%	10%	11%
RESIDENCE YEARS PREVIOUS FOR PERSONS AGED 5 & OVER										
Same house	48%	51%	52%	50%	51%	49%	73%	51%	54%	65%
Same county, different house	25%	20%	23%	27%	23%	23%	7%	31%	20%	19%
Same state, different county	3%	2%	6%	5%	6%	6%	1%	4%	12%	9%
Different state	17%	16%	13%	15%	14%	15%	9%	5%	4%	5%
Lived abroad	6%	5%	4%	3%	4%	4%	10%	9%	3%	1%
HOUSEHOLDERS (2)										
WHEN HOUSEHOLDER MOVED INTO UNIT										
In the last 5 years	57%	53%	53%	54%	54%	55%	24%	44%	51%	43%
6 to 20 years ago	31%	30%	31%	30%	31%	30%	20%	21%	30%	30%
21 to 30 years ago	6%	6%	6%	6%	6%	6%	20%	10%	9%	9%
31 years ago or more	5%	6%	6%	6%	7%	6%	21%	25%	10%	11%

NOTES: (1) Based on 15% sample; hence, figures represent estimates only.

(2) Base figures used in calculating these data may be different than in 100% count.

(3) Includes persons born in U.S. territories, and persons born abroad or at sea to American parents.

SOURCES: U.S. Bureau of the Census, 1992, 1991b.

**Exhibit 3
HOUSING CHARACTERISTICS, 1970-1990 (1)**

	STATE		Maui County		Maui Island		Lana'i		Moloka'i	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
HOUSING UNITS	218,085	334,235	349,810							
TOTAL VACANT UNITS Seasonal/semi-seasonal	8%	12%	9%	21%	21%	21%	16%	28%	10%	28%
AGE OF STRUCTURE (1)										
1 year		5%	3%	5%	5%	5%	12%	4%	8%	4%
2 to 10 years		34%	18%	27%	48%	28%	17%	37%	35%	20%
11 to 20 years		28%	30%	37%	17%	41%	4%	11%	11%	37%
21 years or more		35%	48%	31%	24%	24%	67%	48%	48%	33%
UNITS IN STRUCTURE										
1 unit		52%	61%	67%	50%	66%	80%	78%	78%	78%
2 to 4 units		10%	6%	4%	7%	4%	4%	4%	4%	4%
5 or more units		38%	31%	27%	41%	29%	8%	19%	19%	20%
Trailer, other		0%	2%	0%	0%	2%	0%	1%	1%	1%
NOT COMPLETE PLUMBING (2)		2%	1%	1%	2%	1%	5%	2%	10%	1%
HOUSEHOLDS	203,048	284,032	359,287							
HOUSEHOLD TYPE										
1 or more non-relatives		10%	12%	16%	13%	17%	7%	9%	10%	11%
No non-relatives		90%	88%	84%	87%	83%	93%	91%	90%	89%
TENURE										
Owner-occupied		47%	52%	57%	62%	58%	53%	55%	37%	48%
Rental-occupied		53%	48%	43%	38%	42%	47%	45%	63%	51%
PERSONS PER HOUSEHOLD		3.15	3.01	2.98	3.08	2.87	3.08	2.86	3.39	3.18
CROWDED HOUSEHOLDS										
Mildly crowded (3)		12%	8%	9%	11%	9%	13%	9%	17%	13%
Very crowded (4)		8%	7%	8%	5%	7%	6%	3%	11%	7%
MEDIAN VALUE (5)	\$114,981	\$208,821	\$245,500	\$77,418	\$198,774	\$192,100	\$30,052	\$76,388	\$110,100	\$53,244
										\$107,800

NOTES: (1) Based on 15% sample; hence, figures represent estimates only.
(2) Based on 100% sample in 1980, but 15% sample in 1970.
(3) Indicated by households with 1.00 to 1.50 persons per room.
(4) Indicated by households with 1.51 or more persons per room.
(5) In 1980 dollars. (Based on a CPI-U increase of 228.65% from 1968 to 1988, and an increase of 73.22% from 1978 to 1988.) For owner-occupied, non-condominium housing units.

SOURCES: U.S. Bureau of the Census, 1992, 1991, 1981a, 1981b.

**Exhibit 4
INCOME CHARACTERISTICS, 1970-1990 (1)**

	STATE		Maui County		Maui Island		Lana'i		Moloka'i	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
FAMILIES (2)										
170,729	227,874	286,438	10,718	18,846	21,646	9,148	15,057	21,632	470	868
INCOME RANGES										
Less than \$5,000	13%	5%	17%	5%	2%	17%	5%	2%	16%	4%
\$5,000 to \$9,999	25%	17%	23%	17%	3%	23%	17%	3%	17%	10%
\$10,000 to \$14,999	20%	15%	19%	14%	4%	19%	14%	4%	15%	8%
\$15,000 to \$19,999	15%	11%	14%	10%	5%	14%	10%	5%	12%	6%
\$20,000 to \$24,999	7%	5%	7%	5%	6%	7%	5%	6%	6%	3%
\$25,000 to \$29,999	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
\$30,000 or more	N/A	2%	N/A	3%	15%	N/A	3%	18%	N/A	6%
INCOME LEVEL										
Lowest (3)	13%	10%	17%	11%	10%	17%	10%	8%	16%	10%
Lowest (4)	8%	6%	9%	6%	6%	9%	6%	6%	8%	6%
Mean Income (5)	\$42,717	\$46,126	\$41,722	\$46,196	\$51,258	\$37,807	\$47,860	\$52,634	\$39,209	\$41,442
Median Income (5)	\$27,741	\$29,407	\$24,178	\$24,178	\$24,178	N/A	N/A	\$24,178	\$24,178	\$24,178
Interquartile Range (6)	\$15,481	\$18,423	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711
Below Poverty Level	2%	4%	0%	0%	0%	0%	0%	0%	0%	0%
HOUSEHOLDS (2)										
INCOME LEVEL										
Lowest (3)	17%	14%	17%	11%	15%	17%	10%	8%	16%	10%
Lowest (4)	11%	8%	13%	8%	7%	13%	8%	7%	10%	7%
Mean Income (5)	\$42,717	\$46,126	\$41,722	\$46,196	\$51,258	\$37,807	\$47,860	\$52,634	\$39,209	\$41,442
Median Income (5)	\$27,741	\$29,407	\$24,178	\$24,178	\$24,178	N/A	N/A	\$24,178	\$24,178	\$24,178
Interquartile Range (6)	\$15,481	\$18,423	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711	\$11,711
WITH SELECTED INCOME SOURCES										
Social Security Income	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Retirement Income	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Public Assistance Income	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
OWNER HOUSING COSTS (7)										
35% or more of Household Income	11%	14%	11%	10%	15%	10%	10%	10%	10%	10%
Median Monthly Costs (8)	\$602	\$1,008	\$603	\$983	\$983	\$603	\$983	\$983	\$603	\$983
RENTER HOUSING COSTS (8)										
35% or more of Household Income	32%	34%	N/A	34%	32%	N/A	30%	34%	30%	34%
Median Gross Rent (9)	\$431	\$538	\$212	\$423	\$423	\$212	\$423	\$423	\$212	\$423
Median Contract Rent (9)	\$385	\$473	\$154	\$328	\$328	\$154	\$328	\$328	\$154	\$328
PER CAPITA INCOME (5)	\$11,054	\$15,407	\$15,770	\$8,437	\$13,542	\$15,616	\$8,437	\$13,896	\$16,103	\$8,437
POPULATION (2)										
PERSONS BELOW POVERTY LEVEL										
% of persons aged 18 to 64	9%	10%	11%	10%	8%	10%	9%	7%	11%	11%
% of persons aged 65 or more	10%	10%	11%	10%	8%	10%	9%	8%	10%	10%
% of related children aged less than 18	13%	12%	11%	12%	16%	11%	11%	11%	11%	11%
% of unrelated individuals	23%	23%	21%	21%	16%	21%	22%	17%	20%	20%

NOTES:
 (1) Data not available.
 (2) Based on 1970 sample (except "Median Contract Rent"); income figures represent estimates only.
 (3) Same figures used in calculating this table may be different than in 1970 report.
 (4) For 1980, income of less than \$15,000 based on highest 14.8% of household income distribution; for 1970, income of less than \$6,000 based on lowest 7.8% of household income distribution.
 (5) For 1980, income of less than \$15,000 based on highest 14.8% of household income distribution; for 1970, income of less than \$6,000 based on lowest 7.8% of household income distribution.
 (6) For 1980, income of less than \$15,000 based on highest 14.8% of household income distribution; for 1970, income of less than \$6,000 based on lowest 7.8% of household income distribution.
 (7) In 1980 dollars. (Based on a CPIU increase of 232.8% from 1969 to 1989, and an increase of 73.2% from 1970 to 1989.)
 (8) Sample range means less difference between rich and poor, while a larger range means a greater difference between rich and poor.
 (9) Owner costs include but are not limited to mortgage, real property tax, property insurance, utilities, and fuel.
 (10) Renter costs include but are not limited to rent, utilities, and fuel.
 (11) U.S. Bureau of the Census, 1982, 1984, 1987a, 1987b.

Exhibit 5
LABOR FORCE CHARACTERISTICS, 1970-1990 (1)

	STATE		Maui County		Maui Island		Lana'i		Moloka'i				
	1970	1990	1970	1990	1970	1990	1970	1990	1970	1990			
POPULATION AGED 18 & OVER to Armed Forces	522,018	723,479	855,518	79,251	0%	0%	1,414	1,505	1,815	4,333	4,333	0%	0%
POTENTIAL CIVILIAN LABOR FORCE in Civilian Labor Force	472,233	663,038	601,517	78,194	72%	61%	28,581	47,199	89,846	3,248	4,068	56%	63%
CIVILIAN LABOR FORCE Unemployed	284,484	435,710	540,347	65,153	3%	4%	18,089	32,582	51,065	1,823	2,508	3%	7%
MALE Labor force participation (%)	173,381	238,348	288,210	30,381	77%	72%	9,817	18,374	28,287	568	1,421	70%	88%
Unemployed	3%	5%	4%	3%	4%	3%	7%	7%	0%	3%	3%	0%	7%
FEMALE Labor force participation (%)	121,123	189,382	260,137	24,772	47%	40%	6,212	14,218	22,828	320	412	49%	62%
Unemployed	4%	5%	3%	2%	5%	6%	4%	0%	2%	2%	2%	0%	4%
EMPLOYED CIVILIAN LABOR FORCE	415,181	529,059	53,659	48,780			31,300	48,780		981	1,188		2,711
BY SELECTED INDUSTRY													
Agriculture, forestry, fisheries, mining	4%	3%	0%	0%	0%	7%	5%	52%	34%	15%	15%	7%	6%
Construction	7%	6%	10%	11%	10%	10%	11%	1%	1%	7%	10%	1%	1%
Manufacturing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Transportation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retail trade	20%	18%	18%	19%	19%	12%	20%	7%	8%	8%	8%	8%	13%
Finance, insurance, real estate	8%	7%	8%	5%	8%	7%	5%	2%	2%	3%	4%	3%	4%
Personal, entertainment, recreation	8%	10%	10%	18%	18%	18%	19%	2%	2%	15%	15%	20%	25%
Health, education, professional	10%	11%	13%	14%	14%	12%	14%	10%	8%	11%	11%	10%	10%
Public administration	10%	8%	6%	5%	5%	5%	5%	0%	0%	0%	0%	0%	0%
BY OCCUPATION													
Management, professional	24%	26%	19%	21%	21%	18%	22%	17%	14%	20%	23%	20%	23%
Technical, sales, support	32%	33%	23%	27%	27%	26%	28%	13%	15%	20%	23%	20%	25%
Service	18%	18%	21%	21%	21%	21%	21%	37%	28%	13%	10%	10%	11%
Farming, forestry, fishing	3%	3%	8%	6%	6%	7%	5%	5%	8%	7%	7%	8%	7%
Production, craft, repair	12%	10%	13%	12%	12%	13%	13%	18%	15%	17%	17%	17%	12%
Operator, cleaners, laborers	12%	10%	14%	12%	12%	14%	14%	18%	15%	17%	17%	17%	12%
COMMUTE TO WORK More than 45 minutes Mean travel time (minutes)	11%	15%	10%	13%	10%	10%	10%	0%	1%	7%	7%	7%	5%
	22	24	18	20	N/A	N/A	N/A	10	8	N/A	N/A	N/A	N/A

NOTES: (1) Based on 15% sample; hence, figures represent estimates only.
(2) Calculated by dividing "Civilian Labor Force" by "Potential Civilian Labor Force".

SOURCES: U.S. Bureau of the Census, 1992, 1981b.

APPENDIX B

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Appendix E

Policies for Relocation Assistance

MOLOKAI RANCH'S RELOCATION POLICY FOR MAUNALOA

- 1) All existing residents of Maunaloa whose occupancy commenced prior to January 1, 1993 and who are required to relocate as a result of Molokai Ranch's redevelopment of the town will receive a relocation payment in the amount of \$500.00 as a moving expense reimbursement.
- 2) All residents of Maunaloa who were residents prior to 1976, and who are required to relocate will receive rental or purchase assistance for replacement housing as follows:
 - a) Rental Assistance - Molokai Ranch, Limited will fund a special account for the benefit of this group of residents for the purpose of assisting them in transitioning to potentially higher rents which are anticipated to occur as a result of their displacement. This payment in the aggregate amount of \$6,300.00 would be disbursed to the tenant's new landlord as follows:

<u>YEAR</u>	<u>MRL RENT CONTRIBUTION</u>
1st	\$175.00 per month
2nd	\$140.00 per month
3rd	\$105.00 per month
4th	\$ 70.00 per month
5th	\$ 35.00 per month

- b) Purchase Assistance - Molokai Ranch, Limited will contribute \$6,300.00 or the unexpended balance of any Rental Assistance as described above at the close of escrow toward the purchase of any lot in Maunaloa for the purpose of assisting this group of residents in purchasing their own house.
- 3) All current residents of Maunaloa whose occupancy commenced after January 1, 1976 and before January 1, 1993 and who are required to relocate will be given a one time relocation payment of \$1,500.00 payable at the time of relocation.

The above payments are subject to the following:

- a) The approval of the 201E Application and the initiation of construction.

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- b) Only one payment will be made per existing dwelling. (For example, if the occupants of a dwelling unit rent two units subsequent to relocation, say a one bedroom unit and a two bedroom unit, the rent assistance payments will be allocated between the families in any manner they so choose).
- c) The amount of payments to be made hereunder will be reduced by any amounts otherwise owed to Molokai Ranch.
- d) Molokai Ranch will have no liability for payments hereunder to anyone who is removed from the project prior to relocation for any reason whatsoever including, but not limited to non-payment of rent, disorderly or nuisance conduct, etc.
- e) Residents who took occupancy after January 1, 1993 were advised at the time of initial occupancy that their rental status was temporary in as much as the unit was scheduled for demolition or rehabilitation. Therefore no moving or relocation payments will be made to such month to month tenants.
- f) In the event of any dispute arising as a result of this policy concerning amounts to be distributed or composition of a particular group of residents, the determination of the applicability of this policy shall in all cases be at the sole discretion of Molokai Ranch, Limited.