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WAIKOLOA MAUKA, LLC

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of

DOCKET NO. A06-767

WAIKOLOA MAUKA, LLC

To Amend the Agricultural Land Use District
Boundaries into the Rural Land Use District for
Approximately 731.581 Acres in South Kohala
District, Island of Hawaii, Tax Map Key No. (3)
6-8-02:016 (por.)

**WAIKOLOA MAUKA, LLC'S
WRITTEN DIRECT TESTIMONY OF JAMES DANNEMILLER**

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**WRITTEN DIRECT TESTIMONY OF
JAMES E. DANNEMILLER**

BACKGROUND QUESTIONS

1. *Please state your name and business address for the record.*

James E. Dannemiller
2212 St. Louis Drive
Honolulu, Hawaii 96816

2. *What is your current occupation?*

I am a social science researcher.

3. *How long have you been a social science researcher by profession?*

I began working as an empirical social science researcher in July of 1978. I have been in the same profession since that time.

4. *Do you specialize in a particular area in your field of work?*

No, I am a generalist. For the last fifteen years, most of my work has involved large-scale data collection, housing, health, and tourism. My major projects have been market studies, program evaluation, and the social and economic aspects of Environmental Impact Statements.

5. *Could you briefly describe your educational background?*

I have a Bachelor's Degree from Miami University in Oxford, Ohio, a Masters Degree in East Asian History from the University of Hawaii at Manoa, and a Master's Degree in Sociology from the University of Hawaii at Manoa.

6. *Do you presently belong to any professional organizations or associations?*

Yes, I am currently active in:

The American Statistical Association
The Hawaii Economics Association
The Hawaii Association of Corporate Planners
The Travel and Tourism Research Association, Hawaii Branch (Board Member)
The Hawaii Professional Evaluator's Association (Board Member)

1 **7. *Did you provide a copy of your curriculum vitae for purposes of this hearing?***
2

3 Yes, I did.
4

5 **8. *Is Petitioner’s Exhibit “16” a true and correct copy of your curriculum vitae?***
6

7 Yes.
8

9 **9. *Could you briefly describe your training and work experience relevant to your***
10 ***expertise in this matter?***
11

12 I was Vice President and Director of the Program Evaluation and Impact
13 Assessment Division of my company from 1986 through 1995. During that time I
14 was directly responsible for all evaluation and impact assessment projects at the
15 company. From 1995 to 2005, I was President of SMS Research Division and
16 continued to act as consultant or team member for evaluation and assessment
17 projects. In 2005, I again became Director of the Evaluation and Impact
18 Assessment Division and have been responsible for all of our social and economic
19 assessment work since that time.
20

21 **10. *Where are you currently employed?***
22

23 SMS Research & Marketing Services, Inc.
24 1042 Fort Street, Suite 200
25 Honolulu, Hawaii 96813
26

27 **11. *How long have you been with SMS Research and Marketing Services, Inc.***
28 ***(“SMS”)?***
29

30 Since July of 1978.
31

32 **12. *What is your current position with SMS?***
33

34 I am Executive Vice President of SMS.
35

36 **13. *What are your duties and responsibilities at SMS?***
37

38 As Director of Research I am responsible for the quality of all research projects
39 the company does and I take an active role in many projects each year.
40

41 **14. *Could you briefly describe what SMS does?***
42

43 SMS is a full-service social science and marketing research firm that supplies
44 information for decision making for government, private enterprise, and non-
45 profit organizations across the state. Since 1960, we have been responsible for
46 some of the largest and most important research projects conducted in Hawaii.

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15. *Could you please discuss the type of work you do?*

In the last five years I have been in charge of some of the company’s larger government projects, like the Hawaii Tourism Data Series, the Hawaii Health Survey, the CDC Behavioral Risk Factors Surveillance System, and (more relevant to this case), the Hawaii Housing Policy Study 1992 to 2006. That study provides the foundation data for the Hawaii Housing Information System housed as HHFDC. I have been actively involved in program evaluation research, especially the Evaluation of the Hawaii Tobacco Cessation and Prevention Trust Fund, and the Hawaii Department of Education’s Evaluation of the Hawaii Learning Centers. We also produced the 2000 Social Capital Study and the Hawaii Giving Study to support efforts of Hawaii’s non-profit agencies. And, of course, I have been involved in social and economic assessment research including the present study for Waikoloa Highlands.

16. *What other projects have you worked on?*

I have recently directed several projects at least tangentially related to this work, including the Waikoloa Recycling Study, two studies for Waikoloa Village Housing Feasibility, an Agricultural Assessment for Waiakoa Ranch in Kula, Maui, a social and economic impact study for a development at Waine`e on Maui, a social impact study for a Maui Auto Recycling Plant, and others.

17. *Have you ever previously qualified and/or testified as an expert witness?*

Yes, I have.

18. *If yes, on how many occasions have you qualified to testify as an expert? By what agencies and/or judicial bodies?*

More than 20 times, mostly to present research in support of litigation. I have testified before the Land Use Commission in the past.

WAIKOLOA HIGHLANDS

19. *Are you familiar with the petition area and the existing characteristics of this area located in the South Kohala District on the island of Hawai‘i?*

Yes, I am. In addition to this project, my team also worked on the County’s 1,000-unit Waikoloa affordable housing project.

20. *Are you familiar with Waikoloa Mauka, LLC’s (“Petitioner”) Waikoloa Highlands (“Project”)?*

Yes, but my familiarity extends to the facts presented in our portion of the EIS.

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21. *Have you visited the Project site? If so, how many times?*

I have visited the Waikoloa area several times with reference to our other work in Waikoloa. I have visited this site twice, once just after we were retained by R.M. Towill for this Project, and again just a few weeks ago.

22. *Have you reviewed the plans for the Project site?*

Yes I have.

23. *How did you become familiar with this Project?*

I was familiar with the basic parameters of the Project while we worked on the County's the Waikoloa Workforce Housing project with UniDev Hawaii and the County Housing Office. Later, R.M. Towill hired SMS Research to do the social impact analysis as input to the overall Environmental Impact Statement.

ANALYSIS

24. *Could you please describe your involvement in the Project?*

I was the principal in charge of the Project. We had a sub-contractor, Solutions Pacific, LLC, and two other SMS staff members, Mike Keefe and Rebecca Reed, working as a part of the team as well.

25. *Did you prepare a Socio-Economic Impact Analysis for the Project?*

Yes, I did.

26. *Was this study conducted by you or under your supervision?*

It was conducted under my supervision.

27. *Is Petitioner's Exhibit "17" a true and correct copy of your report?*

Yes, it is.

28. *Could you describe the methodology used to conduct your study of the environmental impacts from the Project?*

Our responsibility was to review socio-economic impacts of the proposed Project with particular emphasis on the social impacts. We conducted an extensive literature search on the social conditions and forecasts for the Waikoloa area, for South Kohala, and for Hawaii Island as a whole. We were particularly concerned with analyzing general population and household data over time so that we could

1 understand the social context of Waikoloa. All of our data and information was
2 taken from published public documents.

3
4 We supplemented that work with multiple interviews with public planners and
5 other government officials, public service providers at the County and State
6 levels, private sector leaders familiar with Waikoloa, and community leaders from
7 the Waikoloa/South Kohala area. These interviews solicited perspectives on the
8 area and on the Project.

9
10 We collected and analyzed some economic information on the Project, largely to
11 inform our study of social impacts, and to understand where mitigations might be
12 possible.

13
14 Finally, we reviewed the impacts, with particular attention to negative impacts,
15 and developed mitigation proposals to reduce or compensate for those impacts.

16
17 **29. *Is the methodology you employed consistent with generally accepted industry***
18 ***standards?***

19
20 Yes, it is.

21
22 **30. *Could you please summarize the scope of your study?***

23
24 Our assignment was to analyze the social impacts of the Project and develop
25 mitigation proposals to offset those impacts.

26
27 **31. *Please summarize what are the impacts of the reclassification and development***
28 ***of the Project area on the socio-economic impacts of the area.***

29
30 Even a brief analysis of the economic data shows that the Waikoloa Highlands
31 Project will have a positive impact on Waikoloa Village and area and to a lesser
32 extent on the South Kohala region.

33
34 On the social front, the results are mixed. Waikoloa Village is somewhat isolated
35 from many regional social services. Although the region is well served, the
36 distances that Waikoloa residents have to travel to receive some services (e.g.
37 medical clinics, middle and high school) are significant. Waikoloa Highlands
38 may not exacerbate the problem, but their residents will certainly share that
39 burden.

40
41 Waikoloa Village is a new community. As such, it has advantages for its
42 residents, including new facilities and adequate services. Nearly everyone we
43 talked to acknowledged that fact. Waikoloa is also isolated, and at some distance
44 from some public services. Most people we talked to were concerned about that.
45

1 People in Waikoloa, like people elsewhere in Hawaii, are concerned about the
2 pace of growth in their State and in their County. Community leaders reflect that
3 concern when they talk about the necessity for traveling great distances to access
4 basic services. It is inconvenient to get to shopping and auto repair facilities. It is
5 a lasting inconvenience to transport children to middle and high schools. It is
6 more than an inconvenience to get to medical facilities. And all of that is made
7 more problematic by traffic congestion on Waikoloa access roads.

8
9 Residents and community leaders had mixed reactions to the Project. Some were
10 worried that it would increase congestion, some that it would bring more
11 “outsiders” into the community. But almost all of them believed Waikoloa
12 Highlands will bring one very positive outcome: The additional “population
13 mass” may result in increasing demand for additional parks and other services.

14
15 Our analysis showed that Waikoloa Highlands would have an impact on most
16 public services, although most will not cause serious problems.

17
18 Fire and Emergency Medical Services are well provided in the area. New
19 residences at Waikoloa Highlands will not significantly affect service delivery.

20
21 Hospitals that service the area are adequate to absorb new residents at Waikoloa
22 Highlands and SHPDA reports that it will not require additional facilities to serve
23 those residents. Current residents are concerned with the lack of emergency
24 medical facility in the Village and new residents will have to share that problem.

25
26 Schools in the area are sufficient for current and future needs according to the
27 Hawaii Department of Education analysts. The new assessment system suggests
28 that residences at Waikoloa Highlands will not require a new school, and there are
29 no new schools planned for the area. Rather, a “fair share” procedure for
30 contributing to school construction will be applied.

31
32 Police services in Waikoloa are currently adequate and new residences at
33 Waikoloa will not require additional substations. We note that residents of the
34 community are quite concerned that the Waikoloa Police Substation is not
35 manned at present.

36
37 The only social service that is clearly under provided is public parks (there is only
38 one large park in the Village). Unless additional recreation resources are
39 provided, new residences at Waikoloa Highlands will increase the burden on
40 public parks.

41
42 The other element of the social fabric that is sorely missing at this moment in
43 Waikoloa Village, and in all of South Kohala for that matter, is affordable
44 housing. This Project in and of itself will not relieve that shortfall.

45

1 **32. *What measures are necessary to mitigate these impacts?***
2

3 In our report we suggested that contributions by the Petitioner to the following
4 four areas would offset the negative impacts of the Project:
5

- 6 ▪ additional active park space in Waikoloa Village;
7 ▪ affordable housing as a part of the total development package;
8 ▪ compliance with DOE’s fair share education policy;
9 ▪ any help that might be possible to get the police substation permanently
10 staffed.

11
12 **33. *In your professional opinion, will the mitigation measures be sufficient to***
13 ***counteract these impacts?***

14
15 Yes.