

Pre-decisional Document

DOCKET NO. A26-812
Pūlama Lānaʻi – Kōʻele Project

Petition to Amend the Agricultural and
Rural Land Use District Boundaries into the
Urban Land Use District
TMK Nos. (2) 4-9-018:003 and
(2) 4-9-002:061 and 062

***STAFF
REPORT***

HEARING
July 15th, 2026



Daniel E. Orodener, Executive Officer
Submitted July 9, 2026

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1. EXPLANATION OF THE PROCEEDING

The proceeding before the Land Use Commission is to consider the Petition by Lānaʻi Resorts, LLC dba Pūlama Lānaʻi (“Petitioner”) to reclassify approximately 170.225 acres of land in the State Agricultural and Rural Districts to the Urban Land Use District within the Kōʻele Project District, Island of Lānaʻi, State of Hawaiʻi.

The project known as the Kōʻele Project District (“Project”) will allow for alignment with the Community Plan, proposed zoning, and Project District designations. Urban designation will allow for commercial uses, such as weddings and outdoor dinners, and new room type options for resort guests not currently allowed in the State Agricultural or Rural Districts. Certain existing uses will continue and may be updated or renovated, while an undeveloped 11.544-acre area is for hotel expansion as nine villas, five spa hale units, and four Resort buildings. (Petition, pgs. 6-10; Exhibit 1, Exhibit 4)

This hearing constitutes the evidentiary phase of the process. During this hearing each party will provide opening statements or positions in order: Petitioner, County of Maui, and then OPSD.

The Petitioner will then present its case with witnesses, exhibits and citations to documents filed and in the record. Then each party and the commissioners will have an opportunity to cross-examine the Petitioner. Once the Petitioner has completed presenting its case, the County and then OPSD will present their cases and be cross-examined. Each party, in turn, will then have an opportunity to provide closing statements with the Petitioner having an opportunity to provide a rebuttal afterwards.

The Chair will then close the evidentiary hearing and set dates for submittals of proposed decision and orders by the parties and the next hearing date for decision-making. It’s important to understand that this hearing, on July 15, is only to receive evidence on the proposed district boundary amendment, not to deliberate or make a decision. The decision-making criteria in the next section is for the commissioners to keep in mind as they review the submittals and hear the presentations of the parties.

Decision-Making Criteria

From Hawaiʻi Revised Statutes (“HRS”) Chapter 205, and Hawaiʻi Administrative Rules (“HAR”) §15-15-77.

HAR § 15-15-77(a) states that “the commission shall not approve an amendment of a land use district boundary unless the commission finds upon the clear preponderance of the evidence that the proposed boundary amendment is reasonable, is not violative of HRS §205-2, and is consistent with the policies and criteria established pursuant to HRS

§§205-16, 205-17, and 205A-2.”

1. *Does the proposed boundary amendment violate HRS Section 205-2 and standards in HAR 15-15-18?*

HRS §205-2 provides, in the context of setting urban district boundaries, that the Commission shall set standards for establishing the urban district (found in HAR §15- 15-18). There are eight standards identified in LUC rules of which the following are applicable in this proposed reclassification:

- (1) lands characterized by “city-like” concentrations of people, structures, streets, urban level of services, and other related land uses;
- 2(A) proximity to centers of trading and employment;
- 2(B) availability of basic public and private services;
- (3) lands with satisfactory physical locational features free from danger and adverse environmental effects;
- (4) contiguous to existing urban areas, particularly when identified for future urban use on state or county plans;
- (5) lands in appropriate locations for urban growth as shown on state and county plans;
- (6) lands located adjacent to existing or approved urban development;
- (7) shall not contribute to spot urban development; and,
- (8) may include lands with slopes of more than 20% if suitable for urban purposes.

2. *In its review of any petition for reclassification of district boundaries the commission shall specifically consider the following decision-making criteria found in HRS §205-17 and in HAR §15-15-77(b):*

- (1) *The extent to which the proposed reclassification conforms to the applicable goals, objectives, and policies of the Hawaii state plan and relates to the applicable priority guidelines of the Hawaii state plan and the adopted functional plans;*
- (2) *The extent to which the proposed reclassification conforms to the applicable district standards;*
- (3) *The impact of the proposed reclassification on the following areas of state concern:*
 - (A) *Preservation or maintenance of important natural systems or habitats;*
 - (B) *Maintenance of valued cultural, historical, or natural resources;*
 - (C) *Maintenance of other natural resources relevant to Hawaii's economy, including agricultural resources;*
 - (D) *Commitment of state funds and resources;*
 - (E) *Provision for employment opportunities and economic development;*

and

(F) Provision for housing opportunities for all income groups, particularly the low, low-moderate, and gap groups;

(4) The standards and criteria for the reclassification or rezoning of important agricultural lands in section 205-50;

(5) The county general plan and all community, development, or community development plans adopted pursuant to the county general plan, as they relate to the land that is the subject of the reclassification petition; and

(6) The representations and commitments made by the petitioner in securing a boundary change

3. *The extent to which the proposed reclassification conforms to the Hawai‘i State Plan (“HSP”), relates to applicable priority guidelines, and the adopted functional plans.*

The purpose of the HSP is to serve as a guide for the long-range development of the State; identifies goals, objectives, policies, and priorities. This provides a basis for allocating limited public funds, services, land, energy, water, and other resources to improve government coordination and establish a system for planning and program integration. To be in conformance with the HSP means “..the weighing of the overall theme, goals, objectives and policies of this chapter and a determination that an action, decision ...is consistent with the overall theme, and fulfills one or more of the goals, objectives, or policies of this chapter.”

4. *The extent to which the proposed reclassification is consistent with the State’s Coastal Zone Management Act (CZMA) – HRS Section 205A-2.*

The State’s CZMA provides 10 objectives and following from those specific policies for each objective that need to be considered and addressed, where applicable, for guiding and regulating public and private uses in the coastal zone management area. Hawai‘i defines its coastal zone to include “...all lands of the State and the area extending seaward from the shoreline to the limit of the State’s police power and management authority, including the United States territorial sea.”¹ The objectives cover the following areas: recreational resources, historic resources, scenic and open space resources, coastal ecosystems, economic uses, coastal hazards, managing development, public participation, beach protection, and marine resources.

¹ HRS Section 205A-1

2. BACKGROUND INFORMATION

On April 17, 2026, the Petitioner filed the [Petition for Land Use District Boundary Amendment](#), Verification of Petition, Affidavit Attesting to Service of Petition, Affidavit Attesting to Mailing of the Notification of Filing, Certificate of Service, Exhibits 1-16, and the District Boundary Amendment filing fee.

On April 20, 2026, the Land Use Commission sent a [letter Deeming the Petition Complete](#) and Accepted for Processing.

On April 27, 2026, the Commission received [written testimony from the State Department of Defense](#) and posted it to the LUC public website.

On April 28, 2026, the Commission held a Pre-Hearing meeting with Petitioner, OPSD, and the County in person and via Zoom to determine information requirements, including timely submission of documents, and setting a schedule for filings and hearings.

On April 29, 2026, the Commission mailed and e-mailed the [Pre-Hearing Order](#) to Petitioner and parties.

On April 29, 2026, the Commission received [written testimony from Dwight Vicente](#) and posted it to the LUC public website.

On June 1, 2026, the LUC received the [Office of Planning and Sustainable Development's \("OPSD"\) Position Statement](#).

On June 1, 2026, the LUC received the [County of Maui's Position Statement](#).

On June 2, 2026, the LUC received the [Petitioners Notice of Hearing](#).

On June 10, 2026, a Notice of Hearing on Petition for Land Use District Boundary Amendment was published in the Honolulu Star Advertiser.

On June 16, 2026, Petitioner filed a [Response to OPSD Position Statement](#).

On June 19, 2026, Petitioner filed Petitioner's [Witness List](#) and [Amended Exhibit List](#), and Exhibits 17-26.

On June 19, 2026, the County of Maui filed its [Witness, Exhibit List, and Exhibits 1 and 2](#).

On June 19, 2026, Petitioner filed a [Declaration of Roy Hardy](#).

On June 22, 2026, OPSD filed [Testimony in Support with Conditions and Exhibits 2-8](#).

On June 22, 2026, OPSD filed its [Witness List, List of Exhibits, and Certificate of Service](#).

On June 26, 2026, Petitioner filed an [Affidavit Attesting to Publication and Mailing of Notice of Hearing](#).

On July 6, 2026, the Land Use Commission Mailed/Emailed agenda for July 15, 2026 hearing to Parties, Statewide and Maui mailing and e-mail lists.

On July 7, 2026, Petitioner filed a Submission of slides for the July 15, 2026 Meeting and Attachments A – D.

3. SUMMARY OF PETITIONER’S ARGUMENTS IN SUPPORT OF THE DISTRICT BOUNDARY AMENDMENT RECLASSIFICATION

The following is a summary of Petitioner’s arguments in support of its request for district boundary reclassification as contained in its [Petition](#) and filings, including recommended mitigation measures from Exhibit 6 (Final Environmental Assessment Volumes I and II).

Alignment With Adopted Land Use Planning Framework

- Consistency with the Lāna‘i Community Plan, underlying zoning, and the Kō‘ele Project District is a central justification. Petitioner argues the amendment aligns lands with existing and planned uses, correcting inconsistencies between State Land Use designations and County land use planning (Petition, pp. 6–7, 10, 16, 47–49).
- Project District intent supports flexible development considering environmental, social, and economic factors; amendment allows uses already contemplated when the Project District was created (Petition, pp. 10, 16–17).

Conformance With HAR §15-15-18 (Urban District Standards)

- Lands are contiguous with existing urban areas, near Lāna‘i City, and meet “city-like” criteria—proximity to employment, trading centers, services, and infrastructure (Petition, pp. 56–57, 21).
- Suitable topography, drainage, and low hazard exposure: elevation 1,600–2,000 ft, slopes mostly <10%, Flood Zone X, outside tsunami and sea level rise exposure zones (Petition, pp. 19–20, 56–57).

Support for Proposed Uses Unavailable Under Current Designations

- Agricultural and Rural districts do not allow resort commercial uses, hotel expansions, special events, or additional resort amenities. Urban designation is required to:

- Enable Sensei Lāna‘i hotel expansion, spa hales, villas, support buildings.
- Allow resort commercial activities (e.g., events, tennis/pickleball facilities).
- Allow park development on former golf lands (Petition, pp. 14–15).

No Impact on Housing Obligations

- Petition states reclassification “will not impact housing needs,” as project is not related to residential development for low-, moderate-, or gap-group households (Petition, p. 15).

Need for Reclassification

- Necessary to implement the Community Plan, update zoning, and align permitted uses with actual and intended use patterns (Petition, pp. 10, 16).
- Other Agricultural/Rural parcels are not substitutes, as reclassification relates to specific planned uses for specific parcels (Petition, p. 15).

Environmental, Resource, and Infrastructure Compatibility

- Petition incorporates extensive impact assessments showing no significant adverse impacts to:
 - Environmental, agricultural, cultural, historic, scenic, flora/fauna, and groundwater resources (Petition, pp. 24–36).
 - Public services: schools, parks, water, wastewater, police, fire, medical services (Petition, pp. 17–29).
- Impacts mitigated via Best Management Practices and compliance measures (Petition, pp. 24–36).

Climate Change & Hazard Avoidance

- Area outside sea level rise exposure, no coastal hazard risk (Petition, p. 31).
- GHG calculation shows net emissions of ~138.5 MT CO₂E after sequestration (Petition, pp. 32–41).

Sustainability and State/County Plan Conformance

- Advances goals in the Hawai‘i State Plan (economic development, environment, sustainability), Maui County General Plan, and Lāna‘i Community Plan (Petition, pp. 40–50, 47–55).
- Includes green infrastructure, R-1 irrigation, heat-island mitigation, walkability, and urban agriculture components (Petition, pp. 37–44).

Economic Benefits

- Estimated 70 construction jobs/year, \$8.6M in state revenues during build-out, \$14.7M/year in state revenues from operations, \$2.4M/year county tax revenues (Petition, pp. 44–45).

No Impact to Native Hawaiian Traditional & Customary Rights

- Ka Pa‘akai analysis found no cultural resources or practices requiring protection within the Petition Area (Petition, pp. 59–64).

Summary of Recommended Mitigation Measures from Exhibit 6 (Final Environmental Assessment [Volume 1 Part 1](#), [Volume 1 Part 2](#), [Volume II Part 1](#), [Volume II Part 2](#), [Volume II Part 3](#))

Agriculture & Land Use (FEA pp. 11–16; Appendix B)

- Ensure redesignated parcels continue supporting existing uses such as Lāna‘i Ranch.
- No specific mitigation required due to abundant alternative agricultural lands and limited agricultural suitability.

Topography, Soils & Geotechnical Measures (FEA pp. 17–22; Appendix C)

- Site preparation: clearing, grubbing, removal of unsuitable material, avoiding over-watering during compaction.
- Expansive soils: moisture conditioning; 12 inches of non-expansive base below slabs.
- Excavation protocols: anticipate cobbles/boulders; possible use of hoerams; foundation design to consider subsurface conditions.
- Cut/fill slope stabilization: 2H:1V slopes, benching, keying, erosion controls, geotextiles, irrigation, slope planting.
- Foundation protection: avoid overwatering and storm exposure; ensure subgrade compaction.

Flood, Tsunami, & SLR Hazards (FEA p. 23)

- No mitigation needed; area is outside flood, tsunami, and SLR exposure zones.

Flora & Fauna Mitigation (FEA pp. 23–26; Appendix D)

- Shield all outdoor lighting to prevent disorientation of petrels/shearwaters.
- Avoid removal of trees >15 ft between June 1–Sept 15 to protect Hawaiian hoary bats.
- No significant flora impact mitigation required (no listed species present).
- Follow USFWS guidance as needed.

Archaeological & Cultural Resource Mitigation (FEA pp. 27–29; Appendix E)

- Archaeological monitoring program during ground-disturbing work in Parcels 1 and 2.
- Assess and document Structures C & D of the Kō‘ele Historic District.
- Further document SIHP #1989 (Feature 5 foundation).
- Comply with all Federal/State/County historic preservation laws.
- Monitors trained in subsurface feature identification required for any future construction.

Air Quality & Noise (FEA pp. 31, 48–50)

- Implement construction BMPs for dust suppression (e.g., water trucks, covering stockpiles).
- Use sound-attenuating equipment, restrict work to daytime, comply with HAR 11-46.
- Obtain DOH noise permits if limits exceeded

Hazardous Materials (FEA pp. 33–34; Appendix G)

- Address Recognized Environmental Conditions (RECs) where present.
- Monitor soil for potential pesticide residues.
- Comply with federal/state hazardous materials regulations.

Water, Wastewater, & Utilities (FEA pp. 45–49; Tables 6, 7, 9)

- Use R-1 recycled water for irrigation of parks and landscaping.
- Install WaterSense/EPA-approved low-flow fixtures.
- Maintain groundwater monitoring; address contamination if detected.
- Reuse wastewater where possible; adhere to wastewater plant capacity limitations.

Drainage & Stormwater (FEA pp. 50–51)

Use County-approved stormwater quality and quantity controls, including:

- Permeable surfaces
- Vegetated filter strips
- Bio-retention rain gardens
- Detention basins/ponds
- Ensure no increase in downstream flooding.

Traffic & Transportation (FEA pp. 41–44; Appendix I/I-1)

- Intersections operating at LOS B or better; no updated TIAR required.
- For Resort Commercial build-out, prepare traffic addendum for updated trips.
- Implement bypass road connection once 50% of resort occupancy is reached.

Lighting, Landscaping, Signage (FEA pp. 464, 469)

- All lighting must avoid uplighting or skyglow impacts.
- Landscaping to use recycled water; comprehensive landscape plans required.
- Signage must be compatible with community character.

Emergency, Health & Safety Measures (FEA pp. 258–264, 279–294, 477–483)

- Six-month groundwater monitoring; test for contaminants; act promptly if detected.
- Manage sewage, solid waste, and hazardous waste per regulation.
- Minimize noise and dust; control soil erosion/runoff.
- Ensure UST compliance, safe handling of fertilizers/biocides.

4. SUMMARY OF OPSD POSITION STATEMENT AND TESTIMONY

OPSD [Position Statement](#)

- Supports reclassification from Agricultural/Rural to Urban SLUD to align with the Lānaʻi Community Plan and Project District zoning (OPSD Position Statement, p.1).

A. Impacts on Areas of State Concern

1. Water Resources (Mitigation Requested):

- Reliance on Leeward Aquifer; hydrologists warn against over-reliance (OPSD Position Statement, p.5).
- Petitioner must address aquifer balance and discuss reliance on Leeward vs. Windward aquifers.

2. Agricultural Lands (Mitigation Requested):

- Loss of 95.8 acres of historically cultivated agricultural land (OPSD Position Statement, p.5–6).
- ALISH classifications include Unique and Other, which the Community Plan encourages conserving.
- Petitioner must explain how loss of ALISH lands will be mitigated and how the project aligns with Community Plan agricultural policies.

3. Archaeological, Historic & Cultural Resources (Mitigation Required):

- LRFI found no cultural resources in the Petition Area but identified historic properties in the broader Kōʻele District (OPSD Position Statement, p.6).
- Two historic structures (Forbes House, Ranch Office & Store) lack integrity and require

no mitigation.

- SHPD requires future consultation for any ground-disturbing work (OPSD Position Statement, p.6).

4. Flood, Tsunami, Sea Level Rise

- No hazards identified; area is Zone X, at 1,600–2,000 ft elevation, outside SLR hazard (OPSD Position Statement, p.6–7).

5. Flora & Fauna (Mitigation Required)

- No endangered species observed; seabirds may fly overhead (OPSD Position Statement, p.7).
- Shield and direct outdoor lighting downward to protect seabirds.

6. Carbon Footprint / Sustainability

- Projected GHG emissions equivalent to 32 passenger vehicles annually (OPSD Position Statement, p.7).
- Maintain 90% vegetated/pasture state, minimize impervious surfaces, use R-1 water for irrigation.

7. Drainage

- Existing former golf course drainage system will handle most runoff (OPSD Position Statement, p.7–8).
- Future improvements must include stormwater quality treatment per Maui County standards.

8. Wastewater

- Lanaʻi City WWTP has capacity for added flows (OPSD Position Statement, p.8).

9. Transportation

- Traffic impacts minimal due to resort shuttle system; intersections remain functional (OPSD Position Statement, p.8–9).

B. Other Areas of Concern

10. Development Timetable (Mitigation Requested)

- No timetable provided; OPSD requests one to evaluate incremental districting (OPSD Position Statement, p.9–10).

C. Conformity with Plans & Standards

11. Consistency with State & County Plans

- Generally consistent with HAR §15-15-18, HRS Chapter 226, CZM policies, and Maui

General Plan 2030 (OPSD Position Statement, p.10–11).

D. Standards for Urban District Boundaries

12. Urban Boundary Criteria Met

- Adjacent to existing urban areas; slopes <10%; not spot development (OPSD Position Statement, p.11).

E. OPSD Conditional Support (Mitigation Required)

- Support is contingent on Petitioner addressing impacts and agreeing to mitigation conditions (OPSD Position Statement, p.12).
- LRFI identified several historic properties in the broader district (OPSD Testimony, Exhibit 2, p.1–2).
- Future ground-disturbing activities require SHPD review.
- County must flag TMKs (2) 4-9-002:061 and (2) 4-9-002:001² for mandatory SHPD consultation (OPSD Testimony, Exhibit 2, p.3).

OPSD Testimony in Support with Conditions and Exhibits

The Office of Planning and Sustainable Development (“OPSD”) supports the Petition to reclassify approximately 170.225 acres from Agricultural and Rural to Urban, subject to conditions addressing State concerns. OPSD’s testimony and analysis, identifies outstanding issues, and outlines mitigation measures necessary to ensure consistency with State law, the Lāna‘i Community Plan, and the Commission’s decision-making criteria. OPSD supports the Petition with conditions ensuring mitigation of impacts as stated below:

KEY AREAS OF STATE CONCERN & REQUIRED MITIGATION

1. Water Resources (OPSD Testimony, p.5)

- Heavy reliance on the Leeward Aquifer System, despite hydrologists’ warnings.
- Total projected island demand with the project: 2.18 MGD, below the 4.3 MGD CWRM trigger.

Required Mitigation

- Provide a detailed aquifer-balance analysis addressing Leeward vs. Windward pumping.
- Commit to adaptive water management if aquifer stress indicators rise.
- Ensure R-1 water is used for all park irrigation (already proposed).

² The 001 parcel is not part of the Petition Area but was mentioned in SHPD’s comment letter as part of the FEA and OPSD included it in its comments on the Petition.

2. Agricultural Lands (OPSD Testimony, p.5–6)

- Loss of 95.8 acres of historically cultivated agricultural land.
- ALISH classifications include Unique and Other, which the Community Plan seeks to conserve.

Required Mitigation

- Provide a Community Plan consistency analysis addressing ALISH conversion.
- Identify offsetting agricultural commitments, such as:
 - Long-term preservation of other ALISH lands.
 - Support for local agriculture or food security initiatives.
- Demonstrate that the removed acreage is a small fraction of the island’s 18,000 acres of former plantation lands.

3. Archaeological, Historic & Cultural Resources (OPSD Testimony, p.6)

- LRFI found no cultural sites in the Petition Area, but SHPD requires future review.
- Two historic structures lack integrity and require no mitigation.

Required Mitigation

- Mandatory SHPD consultation for any ground-disturbing work.
- County must flag TMKs (2) 4-9-002:061 and (2) 4-9-002:001 for SHPD review (per SHPD letter). Parcel 001 although not part of the Petition Area, was cited by SHPD in its letter included in the FEA and as Petitioner’s Exhibit 9.
- Provide SHPD confirmation that the Petitioner has responded to the April 27, 2022, requests (Petitioner’s Exhibit 9).

4. Flood, Tsunami, and Sea Level Rise (OPSD Testimony, p.6–7)

- Petition Area is Zone X, 1,600–2,000 ft elevation, and outside tsunami and SLR hazard zones.
- No additional mitigation required.

5. Flora & Fauna (OPSD Testimony, p.7)

- No endangered species observed; seabirds may fly overhead.

Required Mitigation

- Shield and direct all outdoor lighting downward to prevent seabird disorientation.

6. Carbon Footprint & Sustainability (OPSD Testimony, p.7)

- Net GHG emissions equivalent to 32 passenger vehicles annually.

Required Mitigation

- Maintain 90% vegetated/pasture state.
- Minimize impervious surfaces.
- Use R-1 water for irrigation.

7. Drainage (OPSD Testimony, p.7–8)

- Former golf course drainage system handles most runoff.

Required Mitigation

- All future improvements must include:
 - Stormwater quality treatment per Maui County standards.
 - No net increase in runoff to downstream areas.

8. Wastewater (OPSD Testimony, p.8)

- Lana‘i City WWTP has adequate capacity.

Required Mitigation

- Ensure all new flows are routed to the existing WWTP.
- Provide updated flow calculations at building permit stage.

9. Transportation (OPSD Testimony, p.8–9)

- Resort shuttle system minimizes traffic impacts.
- Intersections will operate similarly to existing conditions.

Required Mitigation

- Maintain resort-provided airport transportation.
- Implement traffic management during large commercial events.

OTHER AREAS OF CONCERN

10. Development Timetable (OPSD Testimony, p.9–10)

- No timetable provided.

Required Mitigation

- Provide a phased development schedule to determine whether incremental districting is appropriate.

CONSISTENCY WITH STATE & COUNTY PLANS

11. State Plan & Functional Plans (OPSD Testimony, p.10–11)

- Petition generally meets HAR §15-15-18 and HRS Chapter 226.
- Supports tourism, recreation, and economic development.

12. Coastal Zone Management (OPSD Testimony, p.10–11)

- Not in SMA; no conflict with CZM objectives.

13. County of Maui General Plan & Lāna‘i Community Plan (OPSD Testimony, p.10–11)

- Consistent with policies on:
 - Natural environment
 - Local economy
 - Parks and public facilities
 - Sustainable land use

Urban District Boundary Standards (OPSD Testimony, p.11)

- Adjacent to existing urban areas.
- Slopes <10%.
- Not spot development.
- Petition meets HAR §15-15-18(1–8).

5. SUMMARY OF COUNTY POSITION STATEMENT

The County of Maui’s Department of Planning supports the reclassification of the Petition area. The following are noted in the [County’s Position Statement](#):

1. Support for the District Boundary Amendment (DBA)

- County supports the Petition to reclassify approximately 170 acres from Agricultural/Rural to Urban as the reclassification aligns land uses with the Lāna‘i Community Plan, existing uses, and pending zoning maps (County Position Statement, p.1)

2. Purpose and Benefits of the DBA

- DBA will support future development within the Kō‘ele Project District and enables continued use of the Ranch Experience, outdoor event venue, resort amenities, and new room types (County Position Statement, p.1).

3. Environmental Review History

- The draft EA was reviewed by Lāna‘i Planning Commission (“LPC”) on Sept. 15, 2021; a Final EA was accepted on Jan. 19, 2022 with a FONSI issued (County Position Statement, p.1–2).

4. County Legislative Actions

- A CPA, CIZ, and Project District Phase I amendments were reviewed and recommended for approval by LPC (County Position Statement, p.2).
- The Maui County Council approved the Community Plan Amendment after correcting a procedural error requiring a public hearing on Lāna‘i (County Position Statement, p.2).

5. Conformance with HAR §15-15-18 Urban District Standards

- The Department argues the Petition Area meets all required criteria (County Position Statement, p.2–4):
 - Urban-like characteristics: Adjacent to Lana‘i City, similar land uses (County Position Statement, p.2–3).

- Proximity to services: Near schools, employment, utilities, transportation, police/fire (County Position Statement, p.2–3).
- Environmental suitability: Satisfactory topography, drainage, and low hazard risk (County Position Statement, p.3).
- Contiguous with existing urban areas: Strong justification for inclusion (County Position Statement, p.3).
- Avoids spot development: Urbanization will not create scattered or inefficient development (County Position Statement, p.3).
- Slope criteria: No issues identified; standards allow inclusion of slopes >20% if safe County Position Statement, (p.3–4).

6. Community Concerns Identified

- Concern over preservation of two historic “Richardson homes” in Kō‘ele (County Position Statement, p.4).
- **Proposed mitigation:** Petitioner plans to relocate the homes near the stables for public access and will consult SHPD (County Position Statement, p.4).

7. County Recommendation

- County supports the DBA as consistent with HAR §15-15-18 County Position Statement, (p.4).
- Notes that the statement provides general comments and the County may refine its position as evidence is presented County Position Statement, (p.4).

6. STAFF RECOMMENDATION

Petitioner has provided evidence demonstrating that the requested reclassification promotes State Plan policies relating to:

- Diversification and sustainability of the visitor industry
- Land-use efficiency
- Environmental stewardship through adaptive reuse (former golf course → park)
- Economic development and job creation
- Upgraded infrastructure and resource management

The Petition includes a detailed policy crosswalk (Petition, pp. 40–50) showing consistency with statewide objectives.

The Lāna‘i Community Plan designates most of the Petition Area as Project District, anticipating precisely the type of land use configuration proposed. The requested reclassification:

- Aligns existing land use district maps with County land use policy,
- Corrects inconsistencies between notated State LUC district boundaries and existing County zoning designations,

- And enables uses already envisioned and permitted under the Kō‘ele Project District ordinance.

The County of Maui supports approval.

Staff concludes Petitioner satisfies all relevant urban district criteria pursuant to HAR §15-15-18, Urban District Standards:

- (1) Lands characterized by city-like concentrations of uses
 - The Petition Area contains resort facilities, stables, tennis courts, former golf course lands, and infrastructure already operated at an urban level.
- (2) Proximity to centers of trading and employment
 - Within 0.5–1 mile of Lāna‘i City (primary population, retail, school, and employment center).
- (3) Satisfactory topography, drainage, free from hazards
 - Slopes mostly under 10%, stable soils, in Flood Zone X, outside tsunami and SLR exposure.
- (4) Contiguous to existing urban areas
 - Adjacent to Lāna‘i City and existing resort.
- (5) Appropriate location for urban growth
 - Already in a designated Project District intended for urban-level services and resort uses.
- (6–8) Avoids scattered development; slopes >20% are minimal and manageable

Staff concludes the Petition Area is properly suited for urban designation.

The Petition includes discussion regarding the adequacy of public services and infrastructure pursuant to HAR §15-15-50 (c))(12):

- Water: Total project demand (0.059 MGD; Petition pg. 20); total island demand with project (2.18 MGD; Petition pg. 21; OPSD Testimony pg. 5-6, Exhibit 2) remains well within aquifer sustainable yield (6.0 MGD; Petition pg. 20) and far below CWRM’s management trigger (4.3 MGD; Petition pg. 20).³
- Wastewater: Lāna‘i City WWTP has adequate reserve capacity.
- Transportation: Traffic impacts minimal due to resort shuttle system; construction traffic manageable.
- Public safety: Adequate police, fire, health, and emergency response capacity.
- Infrastructure: No significant extension of new public facilities required.

Staff concludes no significant adverse impacts on adequacy of public facilities.

³ The figures provided relate to the project only water demand vs. the island demand with the project and a couple other known approved projects. The aquifer sustainable yield figure defines the maximum rate at which water may be withdrawn from a water source without impairing the utility or quality of the water source as determined by CWRM. The CWRM management trigger is the water demand level at which CWRM would initiate proceedings to designate Lāna‘i as a groundwater management area.

The Petition includes extensive discussion on the environmental impacts and mitigation measures to address them in its Final Environmental Assessment accepted by the County. Staff concludes the impacts are less than significant with implementation of recommended mitigation measures and standard Best Management Practices:

- No endangered flora or fauna identified in the Petition Area.
- Seabird mitigation (shielded lighting) and bat-season avoidance are feasible and sufficient.
- FEA determined no significant impacts to air quality, utilities, water, or drainage.
- Cultural and archaeological resources are not present within the Petition Area; SHPD concurred that no archaeological mitigation is required until future ground disturbance.

Petitioner has provided sufficient information for the Commission to make findings with regards to the three requirements in a Ka Pa`akai analysis:

(1) Identification of cultural and natural resources

- No ongoing traditional or customary Native Hawaiian practices occur in Petition Area.
- Relocated ranch structures have no remaining historic integrity.

(2) Identification of impacts to those practices

- No cultural practices will be affected.

(3) Feasible protective measures

- Petitioner will comply with all future HRS 6E requirements.
- Petitioner committed to relocate historic structures in a manner sensitive to community preference.

Based on the filings to date, and subject to the evidence adduced at the hearing, Staff believes the Petitioner has justified approval of the reclassification with conditions as recommended in Petitioner's FEA, OPSD Position Statement and Testimony, and the County's Position Statement. Petitioner has demonstrated:

- Demonstrated consistency with State and County Plans,
- Satisfied Urban District standards,
- Shown adequate public service capacity,
- Proposed mitigation measures for all environmental, cultural, historic, and infrastructure impacts, and
- Provided a Ka Pa`akai analysis and recommendations that the Commission can use to make required findings of fact and conclusions of law.

Questions the Commission should ask of Petitioner and Parties in order to form a more complete record:

Questions for Petitioner:

Urban District Standards / Need

1. “Please explain why reclassification to Urban is necessary to carry out the intended Project District uses, and why Agricultural or Rural designation is no longer appropriate.”
2. “Can you clarify how this reclassification aligns with the existing and planned uses under the Kō‘ele Project District ordinance?”

Public Services

3. “Please confirm that the projected water demand of 0.059 MGD will not exceed Lāna‘i’s aquifer sustainable yield or CWRM trigger levels.”
4. “How will wastewater flows be managed to ensure Lāna‘i City WWTP does not exceed capacity?”

Environmental and Cultural Protection

5. “Are you committing to implementing all seabird lighting mitigation and bat-season vegetation restrictions described in the FEA?”
6. “Can you confirm that no traditional or customary Native Hawaiian practices occur within the Petition Area and that the Ka Pa‘akai analysis is based on community consultation and ethnographic research?”

Historic Structures

7. “Please describe your plan to relocate the Forbes House and Ranch Office & Store and how you will coordinate with SHPD.”

Development Timetable

8. “Please describe the projected timetable for implementing the uses enabled by this reclassification.”

Commitments to Mitigation Measures

9. “Please describe all the specific mitigation measures you are willing to commit to as conditions of approval.”
10. “Please explain what constitutes ‘good cause’ for requesting an expedited process for the LUC to hear and make a decision on the district boundary reclassification; to waive normal procedures and timelines for parties to review, comment, and provide rebuttal to the Petitioner’s Proposed Findings of Fact, Conclusions of Law, and Decision and Order?”
11. “Has the Petitioner been actively working with OPSD and the County on a Proposed Stipulated Decision and Order?”

Questions for OPSD:

1. “Does OPSD continue to support the reclassification, and does it find Petitioner has sufficiently addressed the State’s concerns regarding water resource management?”
2. “Does OPSD agree that the Petition is consistent with the Hawai‘i State Plan and State Functional Plans?”
3. “Does OPSD identify any remaining unresolved issues related to agricultural land conversion or the Project District framework?”

4. “After hearing from Petitioner regarding conditions they will commit to, is anything missing or that you feel should be added?”
5. “What is OPSD’s position on any request to expedite and reduce the time for parties to review and respond to any Proposed or Stipulated Decision and Order? Do you have an alternate proposal for timing for a next hearing for decision making that would allow OPSD sufficient time to review and comment?”

Questions for the County:

1. “Does the County confirm that the Petition Area is consistent with the Lāna‘i Community Plan designations and the adopted Project District zoning structure?”
2. “Does the County identify any infrastructure capacity concerns, especially regarding wastewater, drainage, or transportation?”
3. “Does the County require any specific conditions to ensure consistency with County land-use approvals or the Maui Island Plan?”
4. “After hearing from Petitioner regarding conditions they will commit to, is anything missing or that you feel should be added?”
5. “What is the County’s position on any request to expedite and reduce the time for parties to review and respond to any Proposed or Stipulated Decision and Order? Do you have an alternate proposal for timing for a next hearing for decision making that would allow the County sufficient time to review and comment?”