### Exhibit 6

Project Assessment Report Kaonoulu Industrial Park

## PROJECT ASSESSMENT REPORT

## KAONOULU INDUSTRIAL PARK

Prepared for:

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Project Overview

#### PROJECT OVERVIEW

#### A. PROPOSED REQUEST

Kaonoulu Ranch proposes the reclassification of 88 acres of land at Kaonoulu, Makawao-Wailuku, Maui, Hawaii, from the State Agricultural District to the State Urban District. See Figure 1.

Kaonoulu Industrial Park, a commercial and light industrial subdivision, is proposed within the Petition Area. See Figure 2. Improved lots are proposed to be sold in fee simple to interested purchasers. Conceptual plans include 123 lots ranging in size from approximately 14,000 square feet to 54,000 square feet.

Roadway and drainage improvements are proposed to service the project. A new segment of East Kaonoulu Street within a 80-foot wide right-of way, provides access to the project from Pillani Highway. See Figure 3. Main entry roadways to the subdivision from East Kaonoulu Street are proposed within a 64-foot right-of-way, while interior roadways are proposed within a 60-foot right-of-way. A diversion ditch, proposed to be constructed mauka of the Petition Area, directs runoff to Kulanihakoi Gulch.

#### B. REASON FOR RECLASSIFICATION

The proposed reclassification is being sought in order to develop a commercial and light industrial subdivision. Light industrial space in the South Maui region is generally very sparse. The supply is limited to a 24-acre light industrial complex abutting the northern boundary of the Petition Area and approximately two (2) acres of light industrial zoned land adjacent to Maalaea Boat Harbor. Thus, residents and businesses must rely heavily on goods and services being delivered from the Wailuku-Kahului area. This

results in higher cost for goods and services, increase in traffic and other inconveniences for both providers and receivers of these goods and services.

In addition, the proposed commercial and light industrial subdivision is anticipated to address the need for goods and services from a growing population base in the region. The 1990 population of Kihei-Makena was estimated at 15,365. A projection of the resident population for the years 2000 and 2010 are 19,885 and 24,514, respectively.

The Petition Area presents a convenient location for future commercial and light industrial development. It is located along Piilani Highway, a two-lane, two-way State arterial highway. From its northern terminus with North-South Kihei Road, Piilani Highway extends to the Wailea-Makena region.

#### IV POTENTIAL IMPACTS AND MITIGATION MEASURES.

#### A. IMPACTS TO THE PHYSICAL ENVIRONMENT

#### 1. Surrounding Uses

The proposed project is not anticipated to have an adverse impact upon surrounding land uses. The project will establish light industrial and commercial uses in close proximity to Kihei businesses and residents. The proposed use is considered compatible with existing and planned surrounding uses.

#### 2. Flora and Fauna

The botanical survey done for the Petition Area did not find any plants which are listed as threatened or endangered by the U.S. Fish and Wildlife Service. The Petition Area is dominated by alien species, but there are native species present, such as 'ilima, 'uhaloa, pili, and alena. Nena and nohu are present because of recent disturbance. Native species found in the Petition Area are commonly found in similar communities across the State. The proposed project within the Petition Area will not impact any species or plant communities with significant biological resource value.

There are also no known endangered or threatened wildlife species in the vicinity of the site.

#### 3. <u>Archaeological Resources</u>

The archaeological inventory study completed for the Petition Area indicates that former human activities fall into three (3) general categories: indigenous use, military use and ranching use. Table 1 summarizes site function and probable age assessment.

Table 1

SITE FUNCTION AND AGE ASSESSMENT			
Site#	Description	Function	Age
3727	Stone Piles	Agriculture (?)	Indeterminate
3728	Stone Pile	Agriculture (?)	Indeterminate
3729	Stone Cairn	Marker	Indeterminate
3730	Stone Cairn	Marker	Indeterminate
3731	Stone Caim	Marker	Post-Contact
3732	Stone Caim	Marker	Indeterminate
3733	Stone Cairn	Marker	Post-Contact
3734	Stone Pile	Agriculture (?)	Indeterminate
3735	Enclosure	Military	World War II
3736	Enclosure	Possible Shelter	Pre-Contact (?)
3737	Parallel Alignment	Military	World War II
3738	Parallel Alignment	Military	World War II
3739	Parallel Alignment	Military (?)	World War II (?)
3740	Erosion Containment Walls	Ranching	Post-Contact
3741	Surface Scatter	Temporary Habitation	Pre-Contact
3742	Surface Scatter	Temporary Habitation (?)	Indeterminate
3743	Surface Scatter	Temporary Habitation (?)	Pre-Contact
3744	Surface Scatter	Temporary Habitation	Pre-Contact
3745	Surface Scatter	Temporary Habitation (?)	Pre-Contact
3746	Petroglyph	Marker (?)	Pre-Contact (?)

Indigenous land use appears to be of an intermittent nature. The study notes that the Petition Area is located in a marginal environmental location in Kihei. While there is no direct evidence of indigenous agricultural activity, it is possible that some of the stone features at Sites 3727, 3728 and 3734 are remnants of dry land agriculture. Two (2) surface scatters, Sites 3741 and 3744, provide evidence of indigenous exploitation of marine resources. The three (3) other midden and lithic surface scatters (Sites 3742, 3743, and 3745) also indicate marine resource exploitation. In addition, the lack of any defined cultural layer in tested areas suggest intermittent rather than permanent use of the Petition Area.

There is one (1) possible habitation shelter (Site 3736). However, it seems to be relatively small for habitation (1.5 to 1.9 meters, inside diameter). Site 3735 is also a shelter enclosure. However, this feature appears to be associated with past military maneuvers within the Petition Area. It has a relatively small inside diameter (1.5 meters). The basalt cobbles and rock also do not exhibit signs of weathering. Also, soil inside this feature is relatively shallow, stratigraphically similar to other areas of the project, and not indicative of past agricultural activities.

The three (3) sets of parallel alignments (Sites 3737, 3738, and 3739) are most suggestive of past military activities within the Petition Area. Sites 3737 and 3738 appear to be roads for overland equipment such as tanks and other all-terrain vehicles.

Site 3740 also is likely historic. Wall segments of this site are in areas of high erosion potential. Indicators of historic construction

include steel wire and some rock with heavy equipment scars incorporated into the walls.

Based on the archaeological inventory survey and data recovery results, no further work is recommended for Sites 3727 to 3745. While these sites fall under Criterion "D" of the National Register of Historic Places, they are no longer considered significant for their information content. However, the petroglyph (Site 3746), while falling under Criterion "D", still requires additional attention. The study recommends that the petroglyph, which is on a boulder approximately 1 meter in diameter, be either moved to a more secure location or incorporated into the landscaping of the project.

#### 4. 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, 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 commercial and light industrial uses. These could include commercial retail and service

establishments as well as warehousing and distribution types of activity. Uses such as compounding, assembly or treatment of articles or materials may be allowed, but heavy manufacturing and processing of raw materials would not be allowed within the proposed project.

Uses proposed within the project are not anticipated to generate significant emissions. 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 are anticipated to be primarily normal weekday business hours. The proposed project is not expected to have an adverse effect upon air quality or noise in the region.

#### 5. Scenic and Open Space Resources

The project will be fully landscaped to create a site visually integrated with surrounding properties. The proposed project is located mauka of Pillani Highway adjacent to existing developed areas and is not part of a scenic corridor.

#### B. IMPACTS TO COMMUNITY SETTING

#### 1. Population and Local Economy

On a short-term basis, the project will support construction and construction-related employment. Over the long-term, the project will provide added light industrial and commercial services in the Central Kihei region. There is currently very little light industrial and service commercial space available in the Kihei region. The project would

provide space for these services in closer proximity to the region's residents and businesses.

Economic activities such as distribution and light industrial activities take place primarily in Wailuku-Kahului. One of the more compelling economic reasons for the proposed project is the reduction in transportation and other costs to Kihei's residents and businesses arising from the project's location within the district.

It is expected that the entire project can be marketed by the year 2000, if all parcels are developed and available for sale by 1996. The success of marketing these parcels will rely heavily on the economic conditions of Hawaii, and more particularly of Maui.

The absorption rate can be expected to be about one-fourth to one-third of the inventory during presales (construction phase); approximately one-half to two-thirds within one year of completion; seventy-five to eighty percent within two (2) years of completion; and the balance within eighteen (18) months to two (2) years thereafter.

The success of marketing these parcels will be dependent on the success of obtaining popular and internationally recognized outlets to occupy the larger parcels, the timeliness of the installation of the infrastructure (i.e. highways, schools, etc.) and the prosperity of the tourist related businesses in South Maui. Many businesses located in Wailuku and Kahului will create branches or satellite locations in Kaonoulu Industrial Park for convenience and cost effectiveness. See Market Feasibility Study and Economic Report (Exhibit "5").

#### 2. Agriculture

The project site is currently utilized for cattle grazing. The site is part of the expansive dry lowland area extending up to the Kula region. Vegetation in this area consists primarily of buffelgrass. Additional species include kiawe, klu, 'uhaloa, 'ilima and koa haole. The University of Hawaii Land Study Bureau designates the property as Class "E", its lowest classification of agricultural productivity. Although most of the Petition Area is "Unclassified" under the ALISH system, approximately three (3) acres near Pillani Highway-Kulanihakoi Gulch area are classified as "Prime". It is noted that this land is part of an approximately 6,000 acre parcel owned by the Petitioner and is used for cattle grazing. The effect of development of the Petition Area on agricultural endeavors on the island is negligible.

#### 3. Police, Fire, and Medical Services

The proposed project is not anticipated to affect service capabilities of police, fire and emergency medical operations. The project will not extend existing service area limits for emergency services.

#### 4. Recreational and Educational Services

Although the proposed project will generate jobs and employment, the extent to which employees within the project will reside in the Kihei-Makena region is not known. Any impacts upon recreational and educational resources would be more appropriately addressed at the time of application of specific residential projects.

#### 5. Solid Waste

A solid waste management plan will be developed in coordination with the Solid Waste Division of the County Department of Public

Works and Waste Management for the disposal of clearing and grubbing material from the site during construction.

Once completed, the proposed project will be served by a private refuse collection company. Solid waste generated from the project will be disposed at the County's Central Maui Landfill.

#### C. IMPACTS TO INFRASTRUCTURE

#### 1. Roadways

A traffic analysis report was completed for the proposed Kaonoulu Industrial Park. The report analyzed the potential impact of the industrial park and the appropriate roadway improvements to provide adequate traffic capacity to serve the park. See Appendix B.

The report evaluated two (2) future years and three (3) highway conditions. It was assumed that the proposed project would be completely developed and in use by the year 2010 and that by the year 2000 the project would be generating one-third of the fully developed traffic. Future traffic conditions with the existing highway network, as well as two (2) alternatives for a proposed Kula-Kihei Road, one (1) with its west terminus at Kaonoulu Street and the other terminating south of Kaonoulu Street, were evaluated.

The proposed project would change the existing T-intersection of Piilani Highway and Kaonoulu Street to a cross intersection and alter the traffic demand in the vicinity of Kaonoulu Street. The impact of constructing the proposed project would be a decline of intersection conditions if mitigation measures are not implemented; however, impacts to regional traffic conditions are minimal and in some cases are positive (reduction in volume).