

HONUA'ULA



FINAL ENVIRONMENTAL IMPACT STATEMENT

VOLUME 1 OF 4

Prepared for:
Accepting Authority
Maui Planning Department / Maui Planning Commission

Applicant:
Honua'ula Partners, LLC

Prepared by:



June 2012

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This final environmental impact statement and all ancillary documents were prepared under my direction or supervision and the information submitted, to the best of my knowledge, fully addresses document content requirements as set forth in Section 11-200-17, Hawai'i Administrative Rules



Charles Jencks
Honua'ula Partners, LLC

June 2012

HONUA'ULA



FINAL ENVIRONMENTAL IMPACT STATEMENT

VOLUME 2 OF 4
(APPENDIX AA COMMENTS AND RESPONSES)

Prepared for:
Accepting Authority
Maui Planning Department / Maui Planning Commission

Applicant:
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June 2012



Environmental Center
SUBJECT: HONUA'ULA DRAFT ENVIRONMENTAL IMPACT STATEMENT AND PROJECT DISTRICT PHASE II APPLICATION
 May 31, 2012
 Page 2 of 23

May 31, 2012

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SUBJECT: HONUA'ULA DRAFT ENVIRONMENTAL IMPACT STATEMENT AND PROJECT DISTRICT PHASE II APPLICATION

Dear Environmental Center:

We have received the letter from the Environmental Center letter dated June 30, 2010 addressed to Charles Jencks regarding the Honua'ula Draft Environmental Impact Statement (EIS) and Project District Phase II application. As the planning consultant for the landowner, Honua'ula Partners, LLC, we are responding to the Environmental Center's comments. The organization of this letter follows the headings of your letter.

Honua'ula Purpose and Need

Question/Comment: *The last paragraph on page 21 points out the economic benefits including "over seven million dollars in annual property tax revenue to the County of Maui." It fails to mention that the project will incur considerable cost in terms of infrastructure and services the county and state will have to provide with the tax revenue. In this case, the benefits of tax revenue may be greater than the costs of services as your consultants had deduced, but in some cases of residential development the cost of services provided is greater than the revenue collected.*

Response: The information provided on page 21 of the Draft EIS to which you refer was an overview of the economic impact of Honua'ula. A more complete discussion of economic benefits is provided in Section 4.9.5 (Economy) of the Draft EIS and in Appendix Q, which contains the complete Market Study, Economic Impact Analysis, and Public Costs/Benefits Assessment. That assessment: 1) estimates the general and specific effects on the economy which will result from the creation of Honua'ula, including construction and business employment, wages and income, resident expenditures, regional monetary and employment effects, and taxes and fees accruing to the County of Maui and State of Hawaii; and 2) compares these economic benefits of Honua'ula with the projected costs to the State and County for providing government services as a result of Honua'ula.

As discussed in Section 4.9.5 (Economy) of the Draft EIS, in no year will the State or the County suffer a revenue shortfall due to Honua'ula. Further, as projected, the County of Maui will receive approximately \$81.1 million in real property tax revenues from Honua'ula over the 13-year build-out period, and an estimated \$7.25 million per year thereafter. The County government operating costs associated with serving the community, using a per capita basis, is estimated to total \$39.3 million during the 13-year build-out period and stabilize at approximately \$5.65 million per year after build-out. Therefore, the County will enjoy a net revenue benefit (taxes less costs) totaling approximately \$41.8 million during the 13-year construction period, and \$1.6 million each year after build-out.

It is projected that the State of Hawai'i will show a similar positive net revenue benefit from Honua'ula. The total gross tax revenues during the 13-year build-out period will reach approximately \$165 million from income and gross excise taxes, and will stabilize at approximately \$11.3 million per year after build-out. State costs associated with the community on a per capita basis are projected to be \$68.2 million during the 13-year build-out period and are projected to stabilize at approximately \$9.8 million per year after build-out. Therefore, the State will experience a net profit of approximately \$97 million in the 13-build-out and sales period and a stabilized benefit of approximately \$1.5 million per year after build-out.

In addition to State and County taxes, Honua'ula will also pay specific development fees in compliance with County of Maui Ordinance No. 3554. These fees include:

- Traffic improvement fees of \$5,000 per residential unit, payable to the County of Maui;
- Park assessment fees, currently at \$17,240 per residential unit, payable to the County of Maui; and
- School impact fee, currently at least \$3,000 per residential unit, payable to the State.

Together, these fees are at least \$25,240 per residential unit and total over \$29 million.

In addition, Honua'ula Partners, LLC will also:

- Pay not less than \$5 million to the County for the development of the South Maui Community Park in-lieu of dedicating a Little League Field within Honua'ula;
- Contribute \$550,000 to the County for the development of the new Kihei District Police Station in South Maui; and
- Provide the County two acres of land with direct access to the Pihlani Highway extension for the development of a fire station.

Single- and Multi-Family Residential Sub-districts

Question/Comment: *The DEIS states that 250 of the workforce houses will be built off-site at the Kaonoulu Light Industrial Subdivision, but no mention is made of the impact of these homes. Yet, they are part of the proposed project and will add to the impacts that the project will cause. The population projections for this project, for example, do not include these houses. The DEIS should discuss the impact of the off-site work force housing or be considered inadequate.*

Response: As discussed in Section 4.9.3 (Housing) of the Draft EIS, Honua'ula Partners, LLC will provide workforce affordable homes in compliance with Chapter 2.96, MCC. As discussed in Section 5.2.3 (County of Maui Zoning) of the Draft EIS, in compliance with County of Maui Ordinance No. 3554 (Condition 5), 250 of the required workforce affordable homes will be provided off-site at the Ka'ono'ulu Light Industrial Subdivision (TMK (2) 3-9-01: 16). The Ka'ono'ulu Light Industrial Subdivision is within the State Urban District and is within the County of Maui Light Industrial zoning district. Multifamily homes are a permitted use within the State Urban District and County Light Industrial zone.

Providing workforce affordable homes at the Ka'ono'ulu Light Industrial Subdivision does not trigger the need for an environmental assessment or environmental impact statement under

SUBJECT: HONUA'ULA DRAFT ENVIRONMENTAL IMPACT STATEMENT AND PROJECT DISTRICT PHASE II APPLICATION

May 31, 2012

Page 3 of 23

Chapter 343, HRS. However, impacts related to the use of the property for urban uses and uses permitted under the property's Light Industrial zoning have previously been examined as part of the property's State Land Use District Boundary Amendment, County Change in Zoning, and County Subdivision Approvals. No rare, threatened, or endangered plant species are expected to be impacted, as none were found during a botanical inventory survey of the property. An archaeological inventory survey and a related preservation plan have been prepared to address impacts to archaeological resources and, based on their approval of these documents, the State Historic Preservation Division has determined that no historic properties will be affected. As part of the subdivision process for the Ka'ono'ulu Light Industrial Subdivision, the County of Maui Department of Public Works reviewed and approved improvements necessary for the subdivision, including provisions for water, sewage disposal, electrical and communications lines, drainage and flood control, and connection with Pi'ilani Highway, including widening and traffic signal improvements. The State Department of Transportation (DOT) has also reviewed and approved the connection with Pi'ilani Highway, including widening and traffic signal improvements. Further, the construction of the improvements required for the subdivision has been guaranteed with a bond of over \$22 million.

Regional traffic growth, including from the Ka'ono'ulu Light Industrial Subdivision, is being taken into account as part of DOT's Long Range Land Transportation Plan (LRLTP), which is currently being updated in consideration of known proposed developments in the region and will serve as a guide for the development of major surface transportation facilities and programs to be implemented in the future.

Because Chapter 2.96, MCC requires the workforce affordable homes to be offered to Maui residents, the affordable homes will result in a redistribution of the existing Maui population as opposed to an incremental increase. As a result, there will be no impacts related to increased population, such as an overall increase in the need for State and County services. In addition to the workforce affordable homes, Honua'ula Partners, LLC will also provide a minimum two-acre park within Ka'ono'ulu Light Industrial Subdivision to meet the recreational needs of the workforce affordable home residents.

Impacts to schools will be addressed by Honua'ula Partners, LLC's compliance with County of Maui Ordinance No. 3554, Condition 22, which requires Honua'ula Partners, LLC to pay DOE at least \$3,000 per dwelling unit upon issuance of each building permit to be used, to the extent possible, for schools serving the Kihai-Makena Community Plan area; provided that, should the State pass legislation imposing school impact fees that apply to Kihai-Makena Project District 9, Honua'ula Partners, LLC will from that point forward comply with the State requirements, or contribute \$3,000 per dwelling unit, whichever is greater.

To reflect the relevant above information in the Final EIS, in the Final EIS Section 7.2 (Cumulative and Secondary Impacts) will be revised as to include the following information:

One of the conditions imposed by the Council as part of Honua'ula's Change in Zoning Ordinance (County of Maui Ordinance No. 3554, Condition 5) requires Honua'ula Partners, LLC to provide workforce affordable homes in compliance with Chapter 2.96, MCC, with 250 of these required workforce affordable homes to be provided off-site at the Ka'ono'ulu Light Industrial Subdivision (TMK (2) 3-9-01: 16). The Ka'ono'ulu Light Industrial Subdivision is within the State Urban District and is within the County of Maui Light Industrial zoning

SUBJECT: HONUA'ULA DRAFT ENVIRONMENTAL IMPACT STATEMENT AND PROJECT DISTRICT PHASE II APPLICATION

May 31, 2012

Page 4 of 23

district. Multifamily homes are a permitted use within the State Urban District and County Light Industrial zone.

Providing workforce affordable homes at the Ka'ono'ulu Light Industrial Subdivision does not trigger the need for an environmental assessment or environmental impact statement under Chapter 343, HRS. However, impacts related to the use of the property for urban uses and uses permitted under the property's Light Industrial zoning have previously been examined as part of the property's State Land Use District Boundary Amendment, County Change in Zoning, and County Subdivision Approvals. No rare, threatened, or endangered plant species are expected to be impacted, as none were found during a botanical inventory survey of the property. An archaeological inventory survey and a related preservation plan have been prepared to address impacts to archaeological resources and, based on their approval of these documents, the State Historic Preservation Division has determined that no historic properties will be affected. As part of the subdivision process for the Ka'ono'ulu Light Industrial Subdivision, the County of Maui Department of Public Works reviewed and approved improvements necessary for the subdivision, including provisions for water, sewage disposal, electrical and communications lines, drainage and flood control, and connection with Pi'ilani Highway, including widening and traffic signal improvements. The State DOT has also reviewed and approved the connection with Pi'ilani Highway, including widening and traffic signal improvements. Further, the construction of the improvements required for the subdivision has been guaranteed with a bond of over \$22 million.

Regional traffic growth, including from the Ka'ono'ulu Light Industrial Subdivision, is being taken into account as part of DOT's Long Range Land Transportation Plan (LRLTP), which is currently being updated in consideration of known proposed developments in the region and will serve as a guide for the development of major surface transportation facilities and programs to be implemented in the future.

Because Chapter 2.96, MCC requires the workforce affordable homes to be offered to Maui residents, the affordable homes will result in a redistribution of the existing Maui population as opposed to an incremental increase. As a result, there will be no impacts related to increased population, such as an overall increase in the need for State and County services. In addition to the workforce affordable homes, Honua'ula Partners, LLC will also provide a minimum two-acre park within Ka'ono'ulu Light Industrial Subdivision to meet the recreational needs of the workforce affordable home residents.

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Recreation and Open Space/Utility Sub-district

Question/Comment: *Will the Golf course and driving range mentioned on page 25 be open to the public?*

Response: It is stated throughout the Draft EIS that Honua'ula will include "an 18-hole homeowner's golf course." While the golf course and driving range will be for the use of