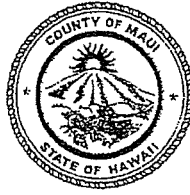


ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

May 15, 2012

Mr. Jon Miller, President
Kihei Community Association
P.O. Box 662
Kihei, Hawaii 96753

Dear Mr. Miller:

**SUBJECT: ECLIPSE DEVELOPMENT GROUP'S PI'ILANI PROMENADE
COMMERCIAL DEVELOPMENT, LOCATED AT KIHEI, MAUI,
HAWAII; (RFC 2012/0058)**

Thank you for your letter of March 11, 2012, regarding the above mentioned project.

The State Land Use Commission (LUC) reclassified the subject property (approximately 88 acres) from the State Agricultural District to the State Urban District in 1995. The Decision and Order is dated February 10, 1995. At the time, the petitioner proposed a light industrial/commercial subdivision. There were no conditions imposed by the State LUC that restricted use of the property. Whether the property is used for commercial or light industrial purposes, both are "Urban" uses. The State Urban designation allowed the County to zone the land accordingly.

The County Council (Council) granted M-1 Light Industrial District Zoning to the property by Ordinance No. 2792, effective May 25, 1999, subject to four (4) conditions as follows:

1. That the Applicant shall participate in intersection improvements which includes, but is not limited to, traffic signals and turning lanes to the satisfaction of the Department of Transportation (DOT). The Applicant is encouraged to explore opportunities of cost share arrangements with adjacent developers.
2. That water conservation measures shall be incorporated into the design and operations of the industrial project.
3. That the Applicant shall design its landscape irrigation system to accommodate future connections to the County's effluent reuse system.
4. That the design guidelines for this project be reviewed by the Department of Planning (Department).

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Relative to Condition No. 4, PBR Hawaii prepared design guidelines titled, "Kaonoulu Industrial Park Business and Industrial Park Development Standards and Design Rules." The design guidelines were reviewed by the Urban Design Review Board (UDRB) at a public meeting on October 7, 1999. At this meeting, the UDRB offered comments on the guidelines. The Applicant amended the guidelines to address the comments of the UDRB, and the revised guidelines were dated January 4, 2000. The Department approved the design guidelines on January 18, 2000.

The County's M-1 Light Industrial District, Chapter 19.24, Maui County Code (MCC), permits uses in the B-1, B-2, and B-3 Business Districts in addition to identified light industrial uses. Unless there is a condition of zoning that prohibits any of these business or industrial uses, they are permitted by right. During the review of the Change in Zoning (CIZ) application for the Kaonoulu Industrial Project, the Department proposed five (5) conditions which would have established a percentage restriction on the business uses. Neither the Maui Planning Commission (Commission) nor the Council supported the restriction and, as such, there are no conditions of zoning that restrict uses within the M-1 Light Industrial District for this project.

Until there is legislation to amend Chapter 19.24, uses within the B-1, B-2, and B-3 are permitted in the M-1 Light Industrial District. It is noted that the Department is proposing to add an M-3 Heavy Industrial Zoning District which will exclude non-industrial uses. The proposed bill has been reviewed by the three (3) planning commissions and is currently with the Corporation Counsel's office for review as to form and legality. The Department anticipates transmitting the bill to the Council by summer.

The Kihei-Makena Community Plan designates the project site for Light Industrial use. Light Industrial is described in the community plan as "warehousing, light assembly, service and craft-type industrial operations." Although the community plan describes light industrial in this manner, the County's M-1 Light Industrial District is a tiered system allowing for business uses in addition to light industrial uses. Therefore, the proposed retail center is deemed to be consistent with the community plan.

Relative to the objectives and polices contained in the Kihei-Makena Community Plan which you have outlined in your letter, we do not believe that the proposed project is inconsistent with those policies. For example, the absence of language in the Community Plan referring to the proposed Pi'ilani Promenade area being appropriate for the development of commercial services does not mean that no commercial services can be developed in that area.

The property is not within the Special Management Area (SMA); therefore, the project is not subject to the SMA Rules. Although the area has undergone subdivision approval, the project will be required to obtain building permits. At that time, County and State agencies will review the project relative to infrastructure, public services, design, parking, landscaping, etc.

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Thank you for your comments.

Sincerely,



ALAN M. ARAKAWA
Mayor, County of Maui

xc: William Spence, Planning Director, Department of Planning (PDF)
David Goode, Director, Department of Public Works
Randy Piltz, Executive Assistant, Mayor's Office
Patrick Wong, Corporation Counsel
Ann T. Cua, Current Planning Supervisor, Department of Planning (PDF)

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