

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF HAWAII
LAND USE COMMISSION

NOV 10 2 47 PM '94
LAND USE COMMISSION
STATE OF HAWAII

ACTION)	PAGE
A94-708 Office of State Planning, State of Hawaii (Hawaii))	4
HEARING)	
A94-706 KAONOULU RANCH (Maui))	7
_____)	

Taken on November 1, 1994 at Nahele Room, Sandalwood Clubhouse, 2500 Honoapi'ilani Highway, Waikapu, Hawaii commencing at 9:35 a.m.

BEFORE: HOLLY M. HACKETT, RPR, CSR #130
Notary Public, State of Hawaii

PIILANI EXHIBIT 6

1 APPEARANCES:

2 CHAIRPERSON: ALLEN HOE

3 VICE CHAIRPERSON: ALLEN KAJIOKA (A94-706)

4 COMMISSIONERS: JOANN MATTSON
LLOYD KAWAKAMI
5 TRUDY SENDA
6 ELTON WADA

7 Deputy Attorney General: WINFRED PONG, ESQ.
Executive Officer: ESTHER UEDA
Chief Clerk: DARLENE KINOSHITA
8 Staff: BERT SARUWATARI
KATHY YONAMINE

9 Case No. A94-708

10 For the Petitioner RICK EICHOR, ESQ.
State of Hawaii: Deputy Attorney General
11 MARY LOU KOBAYASHI, OSP

12 Case No. A94-706

13 For the Petitioner: B. MARTIN LUNA, ESQ.
14 GILBERT COLOMA-AGARAN, ESQ.

15 For the State of Hawaii: RICK EICHOR, ESQ.
Deputy Attorney General
16 LORENE MAKI, OSP

17 For the County of Maui: GARY ZAKIAN, ESQ.
Deputy Corporation Counsel
18 ANN CUA, Planner

19

20

21

22

23

24

25

1	INDEX	
2	WITNESSES:	PAGE:
3	Case No. A94-706	
4	Witness: THOMAS WITTEN	
	Direct Examination/Petitioner	16
5	Cross-Examination/State	21
6	Witness: WARREN UNEMORI	
	Direct Examination/Petitioner	24
7	Cross-Examination/County	32
	Cross-Examination/State	36
8	Redirect Examination/Petitioner	41
	Recross Examination/County	41
9		
	Witness: JULIAN NG	
10	Direct Examination/Petitioner	50
	Cross-Examination/County	61
11	Cross-Examination/State	64
12	Witness: ERIC FREDERICKSEN	
	Direct Examination/Petitioner	71
13	Cross-Examination/State	76
14	Witness: LLOYD SODETANI	
	Direct Examination/Petitioner	77
15	Cross-Examination/County	89
	Cross-Examination/State	94
16		
	Witness: MILTON ARAKAWA	
17	Direct Examination/Petitioner	109
	Cross-Examination/State	118
18	Redirect-Examination/Petitioner	120
19	Witness: HENRY RICE	
	Direct Examination/Petitioner	121
20	Cross-Examination/State	129
21	Witness: CHARLES JENKS	
	Direct Examination/County	131
22		
	Witness: BRIAN MISKAE	
23	Direct Examination/County	137
24		
25		

1 MR. CHAIRMAN: All those in favor? (Aye.) Any
2 opposed? All right. The motion will be granted. Any other
3 requests?

4 MR. EICHOR: Thank you. Yes. We also submitted a
5 letter request -- I don't recall the specific date, but
6 believe it was last month requesting this matter be scheduled
7 for hearing before a hearings officer. We would request
8 consideration from the Commission on that request as well.

9 MR. CHAIRMAN: I think that's also contained in
10 your correspondence dated October 19th. The Chair will also
11 request a motion to assign docket BR -- let me make a
12 correction to the record. This docket is A94-708 so this
13 matter be assigned to hearings officer to proceed in
14 accordance with our rules.

15 COMMISSIONER MATTSON: So moved.

16 COMMISSIONER SENDA: Second.

17 MR. CHAIRMAN: All those in favor? Aye. Any
18 opposed? So ordered.

19 MR. EICHOR: Thank you.

20 MR. CHAIRMAN: We will take a short recess.

21 (Recess)

22 MR. CHAIRMAN: We will reconvene this morning's
23 proceedings. This will be a hearing on the Land Use
24 Commission's Docket A94-706 Kaonoulu Ranch to consider their
25 petition to reclassifying approximately 88 acres of land

1 currently if the Agricultural District into the Urban District
2 at Kaonoulu, Makawao-Wailuku Maui for commercial and light
3 industrial subdivision.

4 Will the parties please state their presence for
5 the record.

6 MR. LUNA: Mr. Chairman, members of the Commission,
7 I'm Martin Luna, attorney the petitioner.

8 MR. COLOMA-AGARAN: My names' Gilbert Coloma-Agaran
9 attorney for the petitioner.

10 MR. ZAKIAN: Gary Zakian appearing on behalf of the
11 county of Maui. With me is Ann Kua from the Maui Planning
12 Department. I believe this is Ann's first time here.

13 MR. CHAIRMAN: She has been here before.

14 MR. EICHOR: Rick Eichor representing the Office of
15 State Planning. With me is Lorene Maki from the Land Use
16 Division.

17 MR. CHAIRMAN: All right. Pursuant to our rules
18 the Commission has conducted a prehearing conference on this
19 petition on October 11th. Are there any individuals in the
20 audience who will be presenting public testimony this morning
21 as public witnesses? All right, if not will all of those
22 individuals who will be called either as witnesses for any of
23 the parties present please rise to be sworn.

24 (Witnesses sworn.)

25 MR. CHAIRMAN: Thank you. You may be seated.

1 A In my opinion no.

2 MR. EICHOR: Thank you. That's all?

3 MR. CHAIRMAN: Commissioners? Thank you. Let's
4 take our lunch recess now, be back at 1 o'clock.

5 (Lunch recess)

6 MR. CHAIRMAN: Back on the record. Mr. Luna, your
7 next witness.

8 First off Mr. Sodetani is being offered as an
9 expert in market feasibility and market friends. Any
10 objections? There being none he's so qualified.

11 LLOYD SODETANI

12 called as a witness by and on behalf of the Petitioner having
13 been previously duly sworn to tell the truth, the whole truth
14 and nothing but the truth, was examined and testified as
15 follows:

16 EXAMINATION

17 BY MR. LUNA:

18 Q Mr. Sodetani, will you state your name and address?

19 A My name is Lloyd Sodetani. My address is 185 Main
20 Street, Wailuku.

21 Q You're employed by Maui Realty?

22 A That is correct.

23 Q What is your position there?

24 A I'm the broker in charge and director for the
25 company.

1 Q You're familiar with the 88 acres the subject of
2 this petition?

3 A Yes, I am.

4 Q What was your, the work that you did to do the
5 market study for the project?

6 A I'm sorry?

7 Q What did you do in preparing for the market study?

8 A To prepare for the market study I determined
9 whether there was a need for light industrial park or light
10 industrial properties in the South Maui area. And in doing so
11 it required that I research the various other geographical
12 areas on Maui with regard to light industrial properties. In
13 addition to that I gathered information and material that
14 affected the needs and the feasibility of the market
15 conditions in South Maui with regard to light industrial
16 property.

17 Q So what other geographical areas did you look at?

18 A Specifically I looked at Kahului-Wailuku, but more
19 so at West Maui which had greater similarities with South
20 Maui.

21 Q In what way were they similar?

22 A Both of them are isolated from the government and
23 business had you been of the island of Maui which is Wailuku
24 and Kahului. And both of them are, West Maui and South Maui
25 are both considered as resort destinations. The only things

1 that were dissimilar were the fact that West Maui still has
2 agriculture as a major source of employment. And also it has
3 an airport that services West Maui to other neighbor island
4 locations.

5 Q Did you mentioned you also looked at
6 Wailuku-Kahului industrial areas?

7 A Yes, I did. But in comparison I would say there's
8 quite a contrast between Wailuku and Kahului and South Maui
9 and West Maui. The primary reason I looked at Wailuku and
10 Kahului was because there were really no other marketing
11 activities with regard to light industrial properties on the
12 island of Maui accept in these locations Wailuku and Kahului.

13 Q So in the number of acres that you determined to be
14 available for light industrial in West Maui was how many?

15 A It approximates 120 acres at this time. West Maui
16 has approximately 85 acres that are currently developed as far
17 as light industrial properties are concerned. I understand
18 that there's some effort to redesignate some of that for
19 business but also to reclassify other lands to light
20 industrial as well to increase the total amount of acreage to
21 approximately 150 acres in the West Maui side.

22 Q And how many, you say currently there's 120
23 currently and projected another 30 increase to 150?

24 A Approximately, yes.

25 Q What about South Maui?

1 A South Maui there's, in actuality there's only about
2 24 acres of light industrial properties in South Maui to
3 service the Kihei-Makena-Wailea area. Although there are
4 other spots in South Maui such as Maalaea that might have a
5 few remnant pieces of light industrial properties they would
6 not be considered as significant.

7 Q So in defining South Maui region you're looking at
8 Maalaea to Makena?

9 A That is correct.

10 Q Then the other part of your research was besides
11 comparing them with the West Maui and looking at Kahului and
12 Wailuku, what else did you do in your research?

13 A To determine the feasibility of developing or
14 creating this light industrial subdivision at Kaonoulu,
15 there's obviously a need for light industrial properties in
16 there, although there's 24 acres adjacent to this property
17 that is currently zoned for light industrial purposes of which
18 I would say two thirds is developed. There are other
19 indications that are, or inquiries that were made to us as to
20 whether these properties would be made available for purchase.

21 Most of the inquiries that we have had so far have
22 been from businesses located here on Maui that want to expand
23 or want to relocate into South Maui area. Many of the
24 businesses that have expressed an interest in this particular
25 location or in the South Maui area are classified within that

1 light industrial category; wholesaling, warehousing, things of
2 that nature.

3 Q So businesses have already contacted you?

4 A That is correct. I think most of that was due to
5 the publication that was made or that was provided in the, one
6 of the news medias back in July.

7 Q Did you make any determination as to what type of
8 services would be provided out of this light industrial park?

9 A Specifically we have not made any kind of
10 determination. However, there is a great need for various
11 types of services and products that South Maui can use.

12 Much of it deals with small, independent businesses
13 such as automotive repairs, like I said, wholesalers,
14 wholesale distribution for, let's see, contractors,
15 subcontractors.

16 Q The application also mentions some commercial
17 activity besides the light industrial?

18 A Yes.

19 Q Did you research that also?

20 A Yes. Typically in any light industrial subdivision
21 it's expected to have some commercial activities. Normally
22 these activities are provided to support the primary occupants
23 there which would be light industrial services.

24 For example, it would be ideal to have some food
25 service to support employees or personnel who are employed in

1 that vicinity, perhaps a small branch of a bank would be ideal
2 to be co-located in an area like that as well. And these
3 types of services would be provided primarily for those
4 individuals who are employed in that proximity.

5 Q So did you also look at the population in the West
6 Maui and South Maui in making a comparison?

7 A Yes, I did. Currently the information that we
8 received indicates that the population in West Maui is
9 slightly less than South Maui and the growth rate would be
10 about the same. By the year 2000 it's anticipated that both
11 West Maui and South Maui would have about a 30 percent growth.
12 That being the case we can anticipate that the needs of
13 services will grow as well like to South Maui like it would
14 for West Maui.

15 Q So in your research were there any other factors
16 that you looked at before reaching any kind of conclusion with
17 respect to the need for this project in the Kihei, in the
18 South Maui area?

19 A We briefly looked at cost or price of or
20 salability. And there are, there's no data available that can
21 support any price range at this time for either West Maui or
22 South Maui because, as I mentioned, there's nothing available.

23 For Wailuku-Kahului, this is where we obtained the
24 data that I submitted in my report, the sales have been
25 increasing gradually from 1988 time period up to the present,

1 mini malls and in these shopping centers will probably remain
2 where they're located. If not, if they're forced to move they
3 will probably move to other business owned locations with a
4 greater visibility.

5 There might be a few like a hair dresser might move
6 into this development, a restaurant to service the employees
7 as I mentioned earlier who are working in that would be
8 employed in that project. If there is any move it would not
9 be anything major or anything excessive.

10 COMMISSIONER WADA: One final question. As far as
11 this proposed project would you say that this is the first of
12 its kind with respect to industrial park as far as the concept
13 for Maui with this type of landscaping?

14 THE WITNESS: Definitely. The only comparison that
15 I think that would come close to this would be the mill yard
16 with some landscaping but not even close to this. The streets
17 are narrow there and also at Wailuku industrial park. And I
18 think the width of these streets are that being proposed here
19 will accommodate the traffic concerns that they're
20 experiencing in these other existing projects.

21 COMMISSIONER WADA: Thank you. No other questions.

22 MR. CHAIRMAN: Commissioner Kajioka?

23 COMMISSIONER KAJIOKA: Lloyd, it appears in terms
24 of permitted uses within a light industrial it appears to be
25 pretty broad. B1, B2, B3 districts permitted uses. I'm also

1 kind of surprised how it seems to contradict one other aspect
2 of the ordinances. Even apartment houses are permitted use in
3 light industrial.

4 THE WITNESS: Right.

5 COMMISSIONER KAJIOKA: In other words, we could
6 have a preponderance of retail and service type establishments
7 in this.

8 THE WITNESS: That's a possibility but I would say
9 that the light industrial entities would probably be more
10 likely to be located in a project like this rather than the
11 commercial entities as described.

12 COMMISSIONER KAJIOKA: But there's no way you can
13 stop them.

14 THE WITNESS: That's true. But I think the market
15 will dictate that too. I think most of the businesses that we
16 looked at under B1, 2, and 3, if you look around, have located
17 themselves in shopping centers and office buildings, medical
18 buildings, medical facilities, et cetera. The more, those in
19 the light industrial categories tend to stick in the
20 industrial parks, light industrial parks. Granted, you will
21 have a few, as I mentioned, hair dresser, restaurant or some
22 catering service probably okazu, something to service these
23 people, probably even a branch of a bank would be located
24 within a light industrial complex.

25 And that's all to complement the employees and the

1 consumers who use those facilities. I think it's necessary to
2 have this mix. But again I think the market will dictate who
3 would go in there and who would not.

4 COMMISSIONER KAJIOKA: Is this trend true with the
5 one next door? Because all I can see from the street is
6 pretty much what looks to me like retail establishments.

7 THE WITNESS: I think that's one of the problems of
8 marketing that over there too. The way it's set up many of
9 the light industrial entities would have difficulty moving in
10 there to those bays. For example, automotive repair although
11 it's really under business to me it would be more like light
12 industrial use. But if there's a co-location like this or
13 co-use of common area parking it always conflicts. Most
14 existing businesses realize this so they would prefer being in
15 their own separate building.

16 Several businesses like this, contractors also
17 would prefer having their own individual buildings and the
18 abilities to secure their possessions and materials whether it
19 be in the parking area within the structure itself.

20 I think these are considerations that should be
21 given as far as subdivision versus a large development like
22 the 24 acres next door. So if you put up buildings, you know,
23 contiguous building and expecting to house or to have 10, 20
24 different entities occupying it you're bound to have this type
25 of conflicts.

1 COMMISSIONER KAJIOKA: The thrust of these
2 questions go back to this concern about traffic. I think one
3 can presume that if there is a heavy preponderance of B 1, 2
4 or 3 that they're going to have more traffic than some of the
5 more traditional light industrial activities.

6 And I'm wondering whether maybe we can get Julian
7 back on the stand, whether, if the trend is towards retail and
8 servicing, whether the traffic problems may not be greater
9 than what was represented to us this morning. Or did you tell
10 Julian that these things may happen and provide for 50 percent
11 more cars?

12 THE WITNESS: Well, you know I think the zoning
13 provides some restrictions with regard to, even though it
14 allows for B1, 2 and 3 uses the zoning for M 1 limits the
15 height or the density for M1 as opposed to B2 which allows for
16 150 percent density and B3 is I think, B3 is 200 percent I
17 think it is. But M 1 is restricted to four stories, B2 six
18 stories, B3 is 12 stories.

19 Density-wise I think there's some restrictions
20 imposed for M 1 that would eliminate some of your concerns
21 with regard to greater traffic and greater uses. So I think
22 with this in mind, you know, it would probably be controlled;
23 control measures that would be implemented just by the code
24 itself.

25 MR. CHAIRMAN: Any further questions? All right.

1 increments are years away from being started. We try to do
2 one increment a year.

3 MR. ZAKIAN: No other questions, Mr. Chair.

4 MR. CHAIRMAN: Cross?

5 MR. LUNA: No questions.

6 MR. CHAIRMAN: OSP?

7 MR. EICHOR: No questions.

8 MR. ZAKIAN: As our second witness we call Mr.

9 Brian Miskae.

10 BRIAN MISKAE

11 called as a witness by and on behalf of the County having been
12 first duly sworn to tell the truth, the whole truth and
13 nothing but the truth, was examined and testified as follows:

14 THE WITNESS: I do.

15 EXAMINATION

16 BY MR. ZAKIAN:

17 Q Could you please state your name and position with
18 the county?

19 A My name is Brian Miskae. I'm planning director for
20 Maui county.

21 Q Trick question: What is your business address?

22 A It's 50 more than Charles, 250 South High Street.

23 Q Mr. Miskae, we previously admitted into evidence
24 the position of the Maui Planning Department. And you've also
25 submitted as Exhibit number 2 the testimony of the Maui county

1 planning department. Could you briefly describe the county's
2 position on this matter and address any significant issues
3 that you would like to see included by way of perhaps
4 conditions should the Land Use Commission decide to grant this
5 reclassification.

6 A Mr. Chairman, the testimony of the county has been
7 submitted and I believe the county is on record. What I'd
8 like to say is that in 1980 community plan for Kihei Makena
9 did provide this area B for residential use. In light of the
10 number of residential properties that have raised up over the
11 last few years, we found that there was going to be a need for
12 additional employment centers for particular light industrial
13 use.

14 We had proposed at the time of the recent update of
15 the Kihei Makena community plan that this Project District in
16 fact be designated for light industrial use rather than for
17 residential use for that purpose.

18 We felt that over the long term additional light
19 industrial areas would be needed for Kihei. To that end we
20 did speak with the applicant. The applicant had originally
21 produced a plan to the Kihei Makena Citizen Advisory Committee
22 to provide for a fairly large project district here which
23 would include a golf course, your standard type of long term
24 development. After looking at it he felt the light industrial
25 project probably would be of greater benefit to him and the

1 community and thus changed his focus.

2 I think what's important here is to maybe address
3 Commissioner Kajioka's question with respect to the large
4 number of uses that are permitted in the light industrial.

5 The community plans have provided for an additional
6 land use district called business industrial. This would be
7 an all encompassing land use district that would allow a full
8 range of businesses and industrial land uses. We intend to
9 amend our light industrial district ordinance that would then
10 restrict the use to light industrial. Pending those changes
11 we have asked the county council to include as a zoning
12 condition to an A&B industrial project in a certain percentage
13 of their project be dedicated strictly to light industrial and
14 a small portion be allowed for multiple use both industrial
15 and commercial.

16 We would intend to ask the county council to do the
17 same thing with this project if in fact the Commission grants
18 the Urban District designation. We're not sure of the ratio
19 yet but we would intend a portion of the project could
20 accommodate retail and industrial, probably a larger portion
21 of the project, maybe the back portion away from the highway
22 may in fact provide simply for light industrial.

23 We feel there's a need for long term market in the
24 area considering the number or residential projects in the
25 pipeline. This may in fact address the traffic situation as

1 well in that, hopefully, employees and customers will be drawn
2 from the Kihei area rather than from afar.

3 Other than that I don't think I have anything
4 further to add other than what we have in our testimony Mr.
5 Chairman.

6 MR. ZAKIAN: No other questions, Mr. Chairman.

7 MR. CHAIRMAN: Petitioner? Mr. Miskae, we would
8 like to thank you for acknowledgement of our achievements in
9 solving Maui's housing crisis.

10 MR. MISKAE: Maybe I missed something here!

11 COMMISSIONER KAJIOKA: I notice you have apartment
12 permitted use with light industrial.

13 THE WITNESS: We have an ordinance that is,
14 perhaps, probably 30 years old. We have land uses that
15 probably people don't even know what they are anymore in our
16 ordinance. That's one of the major projects I have to try and
17 get cleaned up. In all likelihood we would remove apartments
18 from the industrial district.

19 MR. CHAIRMAN: We were just pleased by your
20 statement that housing is not a crisis in Kihei. Not as bad.

21 MR. MISKAE: Not as bad. (Laughter)

22 MR. CHAIRMAN: Okay. Thank you. OSP?

23 MR. EICHOR: Mr. Chairman, we submitted extensive
24 testimony as Exhibit number 1. And with your permission we
25 will rest on that. Mr. Mitsuda is here and available to

1 testify or answer any questions. And I can call him if you
2 would like but otherwise we are prepared to rest with that
3 testimony.

4 MR. CHAIRMAN: Objections?

5 MR. LUNA: No objection.

6 MR. ZAKIAN: No objection.

7 MR. CHAIRMAN: Thank you. You gentlemen know the
8 drill with regard to submissions of proposed findings and
9 conclusions. Submissions should be made by November 22nd.
10 And the parties will have until November 29th to respond if
11 they wish to do so. Thank you. This proceeding is now
12 closed.

13 MR. LUNA: Thank you very much.

14 (Proceedings concluded at 3:40 p.m.)
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

I, HOLLY HACKETT, RPR, CSR #130, Notary Public,
State of Hawaii, do hereby certify;

That on November 1, 1994, there appeared before me
the witnesses who testified in the hearing contained herein;

That the testimony contained herein was reported by
machine shorthand and computer translated under my personal
supervision; that the foregoing represents, to the best of my
ability, a true and correct copy of the proceedings had in the
foregoing matter.

I further certify that I am not counsel for any of
the parties hereto, nor in any way interested in the outcome
of the causes named in the caption.

DATED: Honolulu, Hawaii, this 8 day of
November, 1994.

Holly M. Hackett
HOLLY M. HACKETT, RPR, CSR #130
Notary Public, State of Hawaii
My commission expires: 12/19/96