

LAND USE COMMISSION
MINUTES OF MEETING

September 4, 2003

Jade/Plumeria Room
Wailea Marriott, an Outrigger Resort
3700 Wailea Alanui
Wailea, Maui, Hawaii 96753-8332

COMMISSIONERS PRESENT: P. Roy Catalani
Bruce Coppa
Pravin Desai
Isaac Fiesta
Lawrence Ing
Steven Montgomery
Randall Sakumoto
Peter Yukimura

STAFF PRESENT: Diane Erickson, Deputy Attorney General
Anthony Ching, Executive Officer
Bert Saruwatari, Staff Planner
Caroline Lorenzo, Acting Chief Clerk
Holly Hackett, Court Reporter

Chair Ing called the meeting to order at 9:38 a.m.

ADOPTION OF MINUTES

Commissioner Fiesta moved to approve the Land Use Commission (LUC) meeting minutes of August 7-8, 2003. Vice Chair Catalani seconded the motion. Said motion was unanimously approved by voice votes.

TENTATIVE MEETING SCHEDULE

Executive Officer, Anthony Ching, reported the following upcoming LUC meetings:

- September 18-19, 2003 – To be held on Maui
- October 23-24, 2003 – To be held on Maui and will include Election of Officers
- October 8-9, 2003 – HCPO 2003 Conference
- October 10, 2003 – Field Trip to be held on Maui
- November 6-7, 2003 – To be held on Kauai (Field Trip on the first day; LUC meeting on the second day)

ADOPTION OF ORDER

- A00-730 LANIHAU PROPERTIES LLC

Chair Ing stated that the Commission received Kaloko-Honokohau Historical National Park Service's facsimile regarding its objection to approximately 8 changes to the Findings of Fact, Conclusions of Law, and Decision and Order, to be adopted by the LUC. Given a shortage of time to review the Order to be adopted, the Park asked that this matter be deferred to the LUC's next meeting.

Commissioner Sakumoto moved to defer this matter. Vice Chair Catalani seconded the motion. Said motion was unanimously approved by voice votes.

A recess break was taken at 9:48 a.m., and the meeting reconvened at 9:55 a.m.

A03-739 A&B PROPERTIES, INC. (Maui)

Chair Ing announced that this was a hearing on Docket No. A03-739 A&B Properties, Inc. to consider reclassifying approximately 138.158 acres of land currently in the Agricultural District into the Urban District at Kahului, Maui, Hawaii, for a light industrial subdivision.

APPEARANCES

Benjamin Matsubara, Esq., represented Petitioner

Dan Yasui, A&B Properties, Inc.

Rick Stack, A&B Properties, Inc.

Jane Lovell, Esq., represented County of Maui Department of Planning

Clayton Yoshida, County of Maui Department of Planning

John Chang, Esq., represented State Office of Planning

Abe Mitsuda, State Office of Planning

Mary Alice Evans, State Office of Planning

PUBLIC WITNESSES

1. Daniel Grantham, Maui Sierra Club Chair

Mr. Grantham stated that he hoped the project would benefit the whole community and applauded the Petitioner for doing a good for the local community.

Mr. Grantham expressed his concerns in the following areas:

- That bringing in big businesses to the island of Maui will affect small local businesses and hoped that there will be a way to address these issues and protect local business.
- That more thought should be given to Smart Growth principles and that we need to find ways to have people walk to work and shopping, rather than driving.
- That a traffic signal on Hana Highway would create a slowdown of problems and not act as a bypass road. Bringing in more cars to this area would further aggravate a very congested area.
- The lack of affordable housing.
- There is no more water available from the Iao Aquifer.

There were no questions by the parties and the Commissioners.

2. Rob Parsons

Mr. Parsons stated that he was a Maui resident for the past 25 years and was employed by the County of Maui, but was testifying on his own behalf. He also stated that his interest with this proposal pre-dates his employment with the County.

Mr. Parsons expressed his concerns that this project did not have wide-community support. He indicated that on page 62 of the Petition, it stated that Maui Business Phase 2 was designated light industrial in the Wailuku-Kahului Community Plan and adopted in 2002. He stated that he did not believe this designation was the reflection of the needs and desires of the community. He also felt that the need on Maui was affordable housing.

Mr. Parsons also expressed his concerns on the following:

- That the community needs relief from traffic.
- Fix the planning process and identify Smart Growth principles.
- Preserve agricultural lands and its cultural and history and sustainability on the island.

- Make available marginal or non-essential agricultural lands for converting to urban uses. Mr. Parsons asked that the Commission consider the productivity potential of agricultural land before making changes from agricultural to urban.
- Traffic planning and coordination with the Department of Transportation (DOT) and community involvement was very important.
- Affordable housing – Supports County recommendations and encourage any approvals for this purpose. Also asked that there be a thorough study done on affordable housing needs. This project stated that it would create 7,801 permanent jobs after buildout and 5,521 of those related to on-site activities. Where were people going to live?
- Promoted the need for proper regional transportation planning.

There were no questions by the parties and the Commissioners.

3. Herb Squires

Mr. Squires thanked the Commission for coming to Maui and for speaking wisely about other issues on Maui, and felt that the County has failed and is continuing to fail.

Mr. Squires felt that this development was not needed. He stated that agricultural lands should be used primarily for agricultural uses. He insisted that the Commission do the right thing and stand up for the people of Maui to preserve a place for unique agricultural and rural places, to protect agricultural lands, and to deny the Petitioner's application.

There were no questions from the parties and the Commissioners.

4. Ralph Johansen

Mr. Johansen stated that he was a member of the Maui Sierra Club and has been a resident of the Maui community for the past 10 years. Mr. Johansen stated that he supported recommendations of the County of Maui and was concerned with the issues of impact for this project. He hoped that this Commission would mitigate these issues.

There were no questions from the parties and the Commissioners.

A recess break was taken at 10:53 a.m., and the meeting reconvened at 11:07 a.m.

Bert Saruwatari, staff planner, provided a map orientation on the Petition area and referenced Map No. 1.

Mr. Matsubara introduced Petitioner's First Amended Exhibit List and 12 exhibits and its Witness List. There were no objections by the parties and said documents were admitted into the record by the Commission.

Ms. Lovell, for the County, introduced its Witness List and First Amended Exhibit List and Exhibits C1 – C8. There were no objections by the parties and said documents were admitted into the record by the Commission.

Mr. Chang, for the State, introduced its Witness List and Exhibits List and Exhibits 1 - 8. There were no objections by the parties and said documents were admitted into the record by the Commission.

PETITIONER'S WITNESSES

1. Mercer Vicens, Vice President of A&B Properties

Mr. Vicens provided a summary of his written testimony which was provided to the Commission as Petitioner's Exhibit 8. He also provided the brief historical and chronological perspective of the Maui Business Park project.

Commissioner Fiesta excused himself from the proceedings at around 11:27 a.m. and returned to the proceedings at around 11:30 a.m.

There were questions asked by the Petitioner regarding HC&S plantation, which is a subsidiary of A&B Properties, Inc., relating to the average tonnage yield per acre of sugar currently in cultivation and its designation under ALISH.

Chair Ing inquired Mr. Vicens as to what has been done as far as affordable housing is concerned. Mr. Vicens stated that A&B Properties donated 12.2 acres of land for affordable housing to the County of Maui.

The County inquired regarding the landscaping and aesthetic view corridors, solar energy, and employee housing. Mr. Vicens indicated that he hopes that its professional landscaping consultants will come up with a plan agreeable to the Petitioner, to the council, and to the Department of Planning in regards to landscaping and view corridors. He also indicated that at the request of Councilwoman Tavares, the Petitioner would look at every avenue to conserve power and energy. In regards to employee housing, Mr. Vicens indicated that they are going to have to meet the needs of the community and will come up with a strategic plan and coordinate with the Departments of Public Works and Planning.

Mr. Chang, for the State, inquired if the Petitioner was willing to fund what is required to alleviate the problems relating to water issues. Mr. Vicens indicated that the

Petitioner would be willing to pay a fair share of the funding, and added that they have been in constant communication with the County administration to find a solution to the water issues for Central Maui.

Commissioner Desai expressed his concern that the entryway to Maui from the airport area and all other communities is a very important issue which he hopes would be resolved properly.

Chair Ing asked Mr. Vicens to provide the background and history of Dairy Road. Mr. Vicens indicated that Dairy Road was originally a two-lane road that went up to five lanes. He also indicated that Dairy Road is currently under State jurisdiction and when the airport access road comes in, it would be reverted back to the County.

Commissioner Yukimura commented that on Kauai, the airport corridor in every direction for about a mile is bermed and landscaped, and DOT airport funds or federal highway funds were used to fund the project, and the County match was sweat equity. He also felt that it is not an impossible thing to do and does not have to be the burden of one entity.

Commissioner Fiesta commented that good planning was done in the 1940s when the plantation came where you have a mill and a store and families could walk to work and walk to shop with less traffic. He expressed concern that people have to work three jobs in order to afford a home and that this is a good time to donate land to the workers.

Commissioner Sakumoto expressed that the process involving the actual approval or designation of the petition area as light industrial was short circuited, that inadequate notice was given, and there was not adequate opportunity for public comment at the time the final decision was made. Commissioner Sakumoto then asked Mr. Vicens to respond to that statement. Mr. Vicens stated that he did not believe that it was done in the closet. He believed that the public was involved in the process.

Ms. Lovell asked follow-up questions with regards to resolving water issues. Mr. Vicens stated that the Petitioner will work with conditions that the County has set forward in its position statement and have been working with the County to develop a water source for the project. Mr. Vicens also stated that they agreed to work with the County Council and are will to commit to the design guidelines regarding the view corridor towards Haleakala Highway.

Mr. Matsubara indicated that the Petitioner will continue to review County's conditions and will put on record Petitioner's willingness to the conditions.

A lunch break was taken at 12:15 p.m. The meeting reconvened at 1:38 p.m.

Commissioner Coppa was not present to the proceedings at this time.

2. Thomas Witten

Mr. Witten was qualified as a land and environmental planning expert by the Commission. Mr. Witten stated that he was the President of PBR Hawaii. He briefly summarized his written testimony, which was provided to the Commission as Petitioner's Exhibit 9, and referred to the Conceptual Master Plan and Petition Areas and Incremental Areas map during his testimony.

Ms. Lovell inquired whether there would be solar energy as a component of this project to reduce reliance on imported fuel. Mr. Witten responded in the affirmative and indicated that they have included provisions to encourage or provide standards or guidelines for use of solar. Mr. Witten also indicated that these issues regarding solar energy and solid waste concerns would be addressed during the zoning stage of the planning process when specific design guidelines and requirements of the County are being discussed.

Ms. Lovell inquired what specifically would be done in the plans to assure that the aesthetics and view corridor are appropriate. Mr. Witten responded that they are working with the DOT on the airport access road to provide mutual setbacks and allow portion of their right-of-way to be landscaped cooperatively with the adjoining properties and felt that they can come up with some reasonable plan that would provide a gateway experience.

There were questions asked by Mr. Chang concerning increased noise level contours. Mr. Chang also asked that when the two retention basins, that are going to be located as part of and adjacent to the project area, are constructed, would there be any standing water in the basins for any length of time. Mr. Witten indicated that he was not aware of any long periods of time.

Commissioner Desai expressed that Hookele Street Extension and Dairy Road becomes important treatment areas for the project because of the uncertainty of the future of the airport extension road. He also expressed concern that there was not enough public involvement in the last approval process for this project. Mr. Witten indicated that references in the public testimony referred to the last liberations with the County Council, and that there were numerous hearings and open discussions about the overall community.

Vice Chair Catalani expressed his concern regarding the landfill issues and felt that alternatives to using landfills should be addressed. Mr. Witten indicated that he agreed that as an island community, it was a continuing struggle to resolve that issue at all levels.

Vice Chair Catalani also raised a question regarding the planned uses of alternative energies. Mr. Witten indicated that the County has already initiated discussions at the County level regarding this issue.

Vice Chair Catalani raised a question regarding agricultural impacts. Mr. Witten indicated that the standards that the agricultural economist usually use is evaluate market needs and what are suitable crops that can be farmed, and look at the total market demand that could be met by a local agriculture.

Mr. Matsubara asked Mr. Witten if he was aware that the Petitioner has committed to developing a solid waste management plan in conformance with the integrated solid waste management act, Chapter 342, HRS, and that the Petitioner is committed to have this plan be subject to the approval of the County of Maui which specifically would address the needs to divert maximum waste material caused by the development away from the County landfills. Mr. Witten responded in the affirmative.

There were questions raised by Mr. Chang regarding whether it was taken into account the length of the runway and how it would impact the project. Mr. Witten indicated that they had referenced documents from 1997 as far as the noise studies as they affected this property and concluded that there are noise issues and some mitigation required because of the LDN noise contours that cover a good majority of the project.

Commissioner Fiesta excused himself from the proceedings at this time.

A recess break was taken at 2:47 p.m., and the meeting reconvened at 3:05 p.m.

Commissioner Coppa was present to the proceedings at this time.

Mr. Matsubara introduced Petitioner's Exhibit 13. There were no objections, and said exhibit was admitted into the record by the Commission.

3. Tom Holliday

Mr. Holliday stated that he was the senior analyst for the Hallstrom Group. Mr. Holliday was qualified as an expert on market analyst and economic impact by the Commission. There were no objections by the parties and the Commission.

Mr. Holliday provided a brief summary of his written testimony that was provided to the Commission as Petitioner's Exhibit 10.

Ms. Lovell raised a question as to how much of this project would be retail/light industrial. Mr. Holliday indicated 50% retail and 50% light industrial.

Ms. Lovell asked for clarification that there would not be a proliferation of big box businesses. Mr. Holliday indicated that they do not expect another because the market has already reached its saturation.

Mr. Chang referred to page 32, Population in Business Operations, which indicated that an industrial and mixed-use industrial commercial development, the proposed Maui Business Park Phase 2 project would not have any residential population and attendant needs for housing, schools, parks, and most government services. Mr. Holliday responded that government services are contended to be associated with people and where they live, and that commercial developments do not create the need for schools or parks. He also indicated that this development would not create the need for housing, but is created by the expansion of the community even if this project was not built.

Vice Chair Catalani asked Mr. Holliday if it is the Petitioner's position that this project would not have an impact on the affordable housing shortage. Mr. Holliday responded that most of the people who work there would be the people who already live there and without this project, there would still be a need for housing.

Chair Ing announced that the hearing would reconvene on September 5, 2003 at 8:30 a.m. The meeting was adjourned at 3:40 p.m.

(Please refer to the LUC transcripts for more details on this matter.)