

LAND USE COMMISSION  
MINUTES OF MEETING

September 6, 2007

Alii Ballroom  
Waikoloa Beach Marriott  
69-275 Waikoloa Drive  
Waikoloa, Hawaii

COMMISSIONERS PRESENT: Thomas Contrades  
Vladimir Paul Devens  
Lisa Judge  
Duane Kanuha  
Ransom Piltz  
Nicholas Teves, Jr.  
Reuben Wong

COMMISSIONERS ABSENT: None

STAFF PRESENT: Diane Erickson, Deputy Attorney General  
Anthony Ching, Executive Officer  
Cameron Lowry, Staff Planner  
Holly Hackett, Court Reporter  
Walter Mensching, Audio Technician

Chair Judge called the meeting to order at 10:50 a.m.

## ADOPTION OF MINUTES

Chair Judge noted a correction to page 3, spelling of the public witness name is "M-c-O-m-b-e-r." Also, on page 4, "basil aquifer" is misspelled and should be "basal aquifer." Chair Judge also noted a correction to page 9, second sentence should read "Chair Judge further clarified that the briefs should address the questions of whether the 1996 cease and desist order.....".

Commissioner Wong then moved to adopt the amended minutes of August 23, 2007. Commissioner Piltz seconded the motion. The minutes of August 23, 2007 was approved by voice votes.

## TENTATIVE MEETING SCHEDULE

Executive Officer Anthony Ching reported that on September 20 the LUC would be meeting on Kauai. The neighbor island commissioners would overnight on Oahu since the September 21 meeting would commence early on Maui. The HCPO conference in Kona is scheduled for the following week.

After a brief discussion regarding the October 18-19 open dates, these dates were taken off the LUC's calendar.

## A06-767 WAIKOLOA MAUKA, LCC (Hawaii)

Chair Judge stated that this was a hearing on Waikoloa Mauka, LLC's Petition for reclassification of approximately 731.581 acres of land currently in the Agricultural District to the Rural District at South Kohala, Hawaii, for a residential subdivision.

## APPEARANCES

Ben Kudo, Esq., represented Petitioner

Naomi Kuwaye, Esq., represented Petitioner

Brooks Bancroft, Esq., represented County of Hawaii Planning Department

Norman Hayashi, County of Hawaii Planning Department

Bryan Yee, Esq., represented State Office of Planning

Abe Mitsuda, State Office of Planning

Chair Judge asked petitioner if staff had informed them of the Commission's policy regarding reimbursement of hearing expenses.

Mr. Kudo replied in the affirmative and added that his client had no objections to the policy.

### Public Witnesses

1. Margaret Teague

Ms. Teague stated that she was not testifying in the capacity as the Board President for the Waikoloa Town Council. Ms. Teague stated that she is supportive of Waikoloa Mauka because it offers a good example of how to handle growth in the area.

There were no questions posed for Ms. Teague by the parties or the Commission.

2. John Tarson

Mr. Tarson was testifying in a professional capacity as the General Manager of the Waikoloa Village Association and was in support of the project's reclassification.

Mr. Yee posed questions regarding brackish water used for the Waikoloa Village golf course.

Chair Judge clarified whether Mr. Tarson was testifying in a professional capacity, and asked if Waikoloa Mauka would become a member of the Waikoloa Village Association.

Mr. Tarson stated that if approved, these lands would not be a part of the Association.

After a brief discussion, there were no further questions posed for Mr. Tarson by the parties or the Commission.

Chair Judge noted that both Karen Murray Boston and Nancy Barleben had declined to testify. Both individuals had previously signed up as public witnesses for this docket item.

3. Jan Sears

Ms. Sears stated that she is part of the logistics team for the Waikoloa Village Plan. She testified in an unofficial capacity as to the project's "good neighborliness" throughout the pre-development process. She stated that the project was a "model" for how development should be done.

There were no questions posed for Ms. Sears by the parties or the Commission.

Staff's Report

1. Cameron Lowry

Mr. Lowry reported significant issues for the Commission's consideration that included the provision of water service, the indeterminate development timeframe, the need for energy conservation measures in design, cultural/historical/archaeological resources, the status of existing special permits in the petition area, and excluded lands from the petition area.

After presenting his report, there were no questions posed for Mr. Lowry by the parties or the Commission.

Admission of Exhibits

Mr. Kudo described and offered petitioner's exhibits 1 through 57. There were no objections by the parties. Said exhibits were admitted into the record.

Mr. Bancroft described and offered county's exhibit 1. Mr. Bancroft added that the county also had a new exhibit 2, which was not distributed at this time. There were no objections by the parties to the admittance of county's exhibit 1 to the record. The county's new exhibit 2 would be admitted after the parties had a chance for review.

Mr. Yee described and offered the state's exhibits 1 through 8. There were no objections to OP's exhibits 1 through 8. Said exhibits were admitted into the record.

### Petitioner's Presentation

Mr. Kudo provided an opening statement and stated that this project would contain approximately 398 lots and offered a different variety of housing opportunities. The project would provide adequate infrastructure to service the project and to mitigate impacts caused by traffic, water, and education needs in the area. In addition, the project would provide the community with much needed affordable housing opportunities. Mr. Kudo added that Waikoloa Highlands would be a positive addition to the Waikoloa community.

A lunch recess was held at 11:45 a.m. The meeting reconvened at 12:45 p.m.

### Petitioner's Witness

1. Brian Takeda

Mr. Takeda stated that he was the chief planning consultant from RM Towill. One significant clarification was that Phase 1 of the project would take 8-10 months and that Phase 2 would also be 8-10 months. The witness discussed affordable housing and other compliance issues.

A recess break was taken at 1:55 p.m. The meeting reconvened at 2:00 p.m.

Mr. Yee posed questions for cross-examination and asked if the witness was aware of other developments in the area and discussed matters related to petitioner's exhibits 7 and 12.

Vice Chair Kanuha posed questions on whether the 12 acre parcel exclusion was based on the general plan.

Chair Judge raised questions regarding petitioner's exhibit 8.

After a discussion, there were no further questions posed for Mr. Takeda by the parties or the Commission.

2. James Dannemiller

Mr. Miller testified as the project director responsible for the social impact assessment. Mr. Miller discussed the social impact of the Waikoloa Highlands development and the calculation of the current capacity of social services and the potential impacts caused by the development or community reaction.

Mr. Yee posed questions regarding the additional population and increase in demand for additional parks and other services.

Chair Judge posed questions concerning the adequate park space for the 398 lots in the project.

Commissioner Devens had a few questions regarding the police services in the Waikoloa area.

After a brief discussion, there were no further questions posed for Mr. Dannemiller by the parties or the Commission.

A recess break was taken at 3:00 p.m. The meeting reconvened at 3:20 p.m.

3. Thomas Holliday

Mr. Holliday stated that he was a senior analyst at the Hallstrom Group and testified in regards to the regional, economic and market conditions.

Mr. Bancroft posed questions regarding the petitioner's exhibit 17, report prepared by SMS on page 18, which estimates the approximate real property tax revenue over a 10-year period.

Mr. Yee had questions related to the calculated sales prices of lots at \$350,000 to \$500,000 and that the sale prices of house and lot would be in a range of \$700,000 to several million dollars.

Vice Chair Kanuha posed questions regarding the regional egress and ingress to a project area that affects the marketability of such projects.

Commissioner Contrades questioned the term “worker year” and the estimated 1,640 worker years, and the approximate household income of \$47.8 million. Commissioner Contrades commented that it appeared that these homes would not be built for the hotel workers.

Chair Judge raised questions regarding the 60% owner occupant base and the annual income.

After a discussion, there were no further questions posed for Mr. Holliday by the parties or the Commission.

4. David Shideler

Mr. Shideler provided testimony on the cultural impact assessment and an archaeological potential analysis.

Mr. Yee raised questions regarding the issues on site 22, the cattle trough, the lava tubes, and the Jensen study.

Vice Chair Kanuha commented that Ms. Desiree M. Yamamoto is the president of the North Kohala Hawaiian Civic Club, not the South Kohala Civic Club as indicated in the referenced materials.

Chair Judge referenced exhibit 2 and wondered if site 22 was located in the open space or the rural area.

After a discussion, there were no further questions posed for Mr. Shideler by the parties or the Commission.

The meeting adjourned at 4:50 p.m.

*(Please refer to LUC Transcript of September 6, 2007 for more details on this matter.)*